
The War on Organized Crime

John Edgar Hoover

Follow this and additional works at: <https://via.library.depaul.edu/law-review>

Recommended Citation

John E. Hoover, *The War on Organized Crime*, 13 DePaul L. Rev. 195 (1964)

Available at: <https://via.library.depaul.edu/law-review/vol13/iss2/2>

This Article is brought to you for free and open access by the College of Law at Via Sapientiae. It has been accepted for inclusion in DePaul Law Review by an authorized editor of Via Sapientiae. For more information, please contact wsullivan6@depaul.edu, c.mcclure@depaul.edu.

DE PAUL LAW REVIEW

Volume XIII

SPRING-SUMMER 1964

Number 2

THE WAR ON ORGANIZED CRIME

JOHN EDGAR HOOVER

LA COSA NOSTRA, the Mafia, the Mob, the Outfit, the State within a State, the Invisible Government, the Thing, the Organization—these are some of the names used by insiders and outsiders for organized crime or some segments of it.

What's in a name? that which we call a rose
By any other name would smell as sweet . . .

WILLIAM SHAKESPEARE, *Romeo and Juliet*

Organized crime is no rose, although it is loaded with thorns, and the odor from it certainly is anything but sweet.

Organized crime is filth with a vile stench. It is the personification of every lawless evil. It is a cancer in our society which is being allowed to grow by some people and actively nurtured by others. Only a small portion of American citizens are fighting this sinister threat to law and order and our cherished democratic principles. The public reaction to organized crime must be reversed if we are to stem its growth, much less destroy it.

The disinterested, the unconcerned, the uninformed are the controlling group in this war. And war it must be unless we as a Nation are ready to give in, to surrender more and more of our rights and wealth to a small group of the most vicious, greedy, and unscrupulous thieves, killers, and cheats this country has ever known.

Organized crime in America is no new phenomenon. Most of its leaders are old men who have been active in crime all of their adult lives.

There have been forms of organized criminal activity in the United

Director of the Federal Bureau of Investigation, United States Department of Justice.

States for many years. The "Mafia" was alleged to have been brought to the United States in the nineteenth century. Extortion and various protection rackets were used extensively against fellow immigrants. Labor racketeering and gangland murders were not unusual events before the turn of the century. Then, as now, the "Mafia" was not alone in the organized underworld. Other gangs of different nationality or ethnic backgrounds were solidly entrenched in some locales.¹

Organized crime as we know it today can best be traced to the Prohibition Era which started in January, 1920, with the enactment of the Eighteenth Amendment to the Constitution and ended thirteen bloody years later when the Volstead Act was repealed in 1933. Bootlegging—the illegal importation or illicit production of whiskey—became the pot of gold at the end of the rainbow for most hoodlums and racketeers in the United States. Many common criminals suddenly became men of great wealth as some Americans' desire for whiskey seemed quenchless. This wealth begot power and greed and signaled certain conflict.

Gang wars erupted all across the land as the various lawless elements fought to gain control of the illegal whiskey empires. Leaders surrounded themselves with professional killers and built strong organizations.

The repeal of Prohibition caused vast changes in the underworld. Much of the violence which the criminals had directed against each other in the gang wars now was turned against the general public. Some gangsters switched to such crimes as bank robbery, hijacking, kidnaping, and extortion for their income. The public, which unwittingly had helped create many of the gangs by buying whiskey from them in defiance of the law, now clamored for protection. Local and state law enforcement agencies, restricted by city, county, and state boundaries, could not cope with the far-ranging criminals. Federal agencies had little or no authority to move against them. FBI Agents did not even have the power of arrest or the right to carry firearms.²

¹ Sondern, *BROTHERHOOD OF EVIL: THE MAFIA* (1959); Tyler, *ORGANIZED CRIME IN AMERICA* (1962).

² The power of arrest and right to carry firearms were authorized for certain personnel of the FBI by act of Congress in June, 1934. The law, as amended on January 10, 1951, authorizes "the Director, Associate Director, Assistant to the Director, Assistant Directors, inspectors and special agents of the FBI to carry firearms, serve warrants and subpoenas issued under the authority of the United States and make arrests without warrant for any offense against the United States committed in their presence, or for

The Seventy-third Congress moved swiftly. In May, 1934, six major Federal crime bills became effective and one law, the Federal Kidnaping Act,³ was amended and strengthened. Among the violations covered by the new laws were assaulting or killing a Federal officer, extortion, interstate flight to avoid prosecution or giving testimony,⁴ bank robbery, and the interstate transportation of stolen property. Investigative jurisdiction over each of these violations was assigned to the FBI.

Armed with this new jurisdiction, the FBI moved quickly against the vicious gangs. History records that FBI Agents were directly responsible for the elimination or capture of such infamous gangsters as John Dillinger, "Pretty Boy" Floyd, Alvin Karpis, "Ma" Barker and sons, "Baby Face" Nelson, Alfred Brady, and many others. The reign of terror by the marauding gangs of the thirties was ended.

But these men never were really a part of the organized underworld. The secret societies of crime then, as now, confined membership to persons of the same nationality or ethnic background. With the end of Prohibition, these mobs began to look around for another pot of gold—some other activity which would be sustained by the general public and not create much citizen indignation. Prostitution and gambling both fitted the requirements. Relentlessly, the organized gangs began to take over established prostitution and gambling operations. These were expanded and new ones started. Illicit traffic in narcotics also was recognized as a most lucrative field and became a major producer of income for the organized underworld.

any felony cognizable under the laws of the United States if they have reasonable grounds to believe that the person to be arrested has committed or is committing such felony." Title 18, United States Code, Section 3052.

³ The Federal Kidnaping Act, initially known as the Lindbergh Kidnap Law, became law on June 22, 1932, less than four months after the son of Colonel and Mrs. Charles A. Lindbergh was kidnaped. The Act was amended on May 18, 1934, to include the death penalty, to cover kidnaping for any purpose and to add a presumptive clause to the effect that if a kidnap victim were not released within seven days it would be presumed he had been transported interstate, thus allowing the FBI to enter the investigation. The presumptive clause has since been changed to reduce the time to twenty-four hours.

⁴ The law regarding interstate flight to avoid prosecution or giving testimony has since become known as the Fugitive Felon Act. This law was amended in 1961 to cover interstate flight to avoid prosecution, custody or confinement after conviction for any felony under the laws of the state from which he flees (high misdemeanors in the State of New Jersey), or to avoid giving testimony in criminal proceedings involving a felony. Title 18, United States Code, Section 1073. During 1963, FBI Agents located 2,774 fugitives from state or local law enforcement agencies under the provisions of this law.

It was during Prohibition that the organization known today as La Cosa Nostra began to really assert itself as a dominant force in organized crime. The ranks of this group were swelled by the many racketeers who fled to the United States to escape the purge directed against them after Benito Mussolini rose to power in 1922. These men were united by a bond which spelled certain death for any who violated it. Their organization and leadership were strong. When Prohibition was ended, many of this faction of the organized underworld possessed the tremendous wealth and strength necessary to create and enforce monopolies in gambling, prostitution, the sale of narcotics, and other illegal activities in various parts of the country.

A series of brutal and bloody events occurred in 1930–31 which also shaped today's La Cosa Nostra. In 1930, the group was under the leadership of one man, a "boss of bosses" who was ruthless and dictatorial. The undercurrent of opposition to his sole rule was fanned into rebellion when a lesser boss was murdered on a New York City street by a shotgun blast. About the same time the "boss of bosses" allegedly issued a death sentence on one entire faction of the organization. Civil war broke out and was waged in earnest until the "boss of bosses" was slain about a year after the first murder. Little changed, however, to calm the unrest within La Cosa Nostra against dictatorial rule. The new "boss of bosses" provided no relief. The opposition to his leadership was manifested in his murder about five months after he took power.⁵

Out of these events grew La Cosa Nostra's ruling body of today—the Commission. This group is composed of the bosses of the major

⁵ The "Castellemerese War" or the "Masseria-Maranzano War" was touched off on the night of February 26, 1930, when Tom Reina was shot and killed by the blast from both barrels of a sawed-off shotgun in the 1500 block of Sheridan Avenue, Bronx, New York. It pitted the followers of Giuseppe Masseria, reputed "boss of bosses" in La Cosa Nostra, against those loyal to Salvatore Maranzano. Most of the Maranzano group were called Castellemerese after the area in Sicily whence they came. Masseria allegedly issued a death sentence on all Castellemerese. Masseria died from six gunshot wounds in the head and body on the afternoon of April 15, 1931, in a Coney Island restaurant. Maranzano allegedly assumed control. On September 10, 1931, however, he was shot four times and stabbed six times by four men who reportedly posed as police officers. His murder occurred in a suite of rooms he used for office space at Forty-sixth Street and Park Avenue, New York. His killers allegedly were not members of La Cosa Nostra but were from another faction of the organized underworld. None of the three murders has been solved. Detailed testimony about these and related events was given by Joseph Valachi, admitted member of La Cosa Nostra, and others before the *Permanent Subcommittee on Investigations, Committee on Government Operations*, United States Senate, 88th Congress. This testimony is contained in Part 1 of the Subcommittee's hearings on Organized Crime and Illicit Traffic in Narcotics.

“families” within the organization. “Family” is the group’s term for individual mobs or gangs within La Cosa Nostra.⁶ Joseph Valachi, admitted member of La Cosa Nostra, in testimony last year before the Permanent Subcommittee on Investigations of the Senate Committee on Government Operations, named twelve families—five in New York City and one each in Buffalo, New York; New England; Cleveland, Ohio; Chicago, Illinois; Philadelphia and Pittsburgh, Pennsylvania; and Detroit, Michigan. FBI investigations have revealed that La Cosa Nostra activities and influence reach far beyond these areas; in fact, they can be found in practically all parts of the United States.

The Commission has managed to maintain a fair amount of peace within La Cosa Nostra by providing rule by several individuals rather than one person. It considers major policy matters and mediates disputes between families when they cannot be resolved at a lower level. Compromises are attempted in many instances, but the Commission can and often does decree drastic punishment—even death—for La Cosa Nostra members who violate the group’s code.

Organized criminal activities, extensive as they were in such fields as gambling, prostitution, narcotics, bootlegging, and loan sharking, were virtually an enigma to the public during the thirties and forties. Gradually a realization that some phases of crime were organized began to take hold and action other than by law enforcement agencies began to develop. Attorney General J. Howard McGrath called a Conference on Organized Crime in February, 1950, which focused much attention on the problem. A number of newspapers publicized events about “big-shot” gangsters. The American Bar Association established a Commission on Organized Crime in September, 1950, and began a careful study of the organized underworld.

Early in 1950 the Special Committee to Investigate Organized Crime in Interstate Commerce was created in the United States Senate. Close to 800 witnesses appeared before this Committee. Its hearings and subsequent reports published in 1951 revealed clearly the existence of organized criminal gangs which held virtual monopolies over various forms of gambling and other vices in major population centers of the country from which huge profits were being reaped.

⁶ A “family” is headed by a boss, who must be approved by the Commission. The boss names all other officers which include: an underboss, a *consigliere* (a neutral advisor within the family who often handles liaison with other families), and *caporegimas* (captains) as needed. The family is divided into *regimas* (units), each headed by a *caporegima*. Members are referred to as “soldiers,” “button men,” or “good fellows.”

Various methods, including bribery, intimidation, violence, murder, and political corruption, were used to maintain these monopolies. Some accountants and lawyers had assisted racketeers in defrauding the Government on tax returns. Members of the underworld had become firmly entrenched in a number of legitimate businesses and were being aided by some businessmen.⁷

The revelations of this Committee jolted the public. It appeared that law enforcement would finally receive the public support and cooperation it needed and had sought in its fight against organized crime. But interest waned.

Then on November 14, 1957, an incident occurred which led to a greater awakening of the American people to the organized crime menace. A meeting of top hoodlums and racketeers from various parts of the United States was discovered in progress at Apalachin, New York. Fifty-eight underworld leaders are known to have been present.⁸

In a report issued in March, 1960, the Senate Select Committee on Improper Activities in the Labor or Management Field divulged that 50 of the 58 present at the Apalachin meeting had arrest records; 35 had records of convictions; 23 had served time in prisons or jails; and 18 had been either arrested or questioned at one time in connection with murder cases. Fifteen of the men present had been convicted or arrested in connection with narcotics violations, 30 for gambling offenses, and 23 for illegal use of firearms. The Committee also disclosed extensive involvement on the part of these men in various legitimate enterprises and labor unions.⁹

Again the public was shocked, and, thankfully, concern this time did not diminish. From all over the country there arose a clamor for action against the organized underworld. Some persons advanced ideas which they seemed to think would solve overnight the grave problem of organized crime which had been festering and growing for years. One of the plans advanced as a panacea called for the establishment of a group to collect and disseminate information about crim-

⁷ Third Interim Report of the *Special Senate Committee to Investigate Organized Crime in Interstate Commerce*, May, 1951.

⁸ Twenty of the men who attended the meeting at Apalachin, New York, were convicted of conspiracy to obstruct justice in United States District Court, Southern District of New York, in December, 1959. They were sentenced to prison terms of from three to five years in January, 1960. All appealed, and the United States Court of Appeals on November 28, 1960, reversed the convictions.

⁹ Part 3, Report 1139, of the *Senate Select Committee on Improper Activities in the Labor or Management Field*.

inal activities to various law enforcement agencies. Actually this already was being done by the law enforcement agencies, unencumbered by any delay which would result from a central body.

From all the information which had been collected in the last several years, it was apparent that a void existed. The primary responsibility for combating crime in the United States has always rested, as it should, on local and state law enforcement agencies. But gambling and other vice activities directed and controlled by the organized underworld extended into several states. Odds and results of horse races and other such events, vital to bookies, were being instantly transmitted to them throughout the Nation. Hoodlums involved in various rackets were traveling from state to state to further their illegal schemes. All types of paraphernalia necessary to gambling operations were being transported throughout the country. Local and state agencies were hampered by boundary restrictions, and Federal agencies had no jurisdiction to combat such activities.

A number of bills requested by the Department of Justice and aimed specifically at interstate gambling and racketeering were introduced in the Eighty-sixth Congress in 1960 but were not enacted. Early in 1961, the Attorney General endorsed these bills and proposed others. Three of the bills, directly aimed at interstate gambling and racketeering, were enacted effective September 13, 1961, and jurisdiction was assigned to the FBI except for a few specified violations. These new laws are:

Interstate transmission of wagering information.—This prohibits persons engaged in the business of betting or wagering from knowingly using wire communications to transmit bets, wagers, information assisting in the placing of such, or payment or credit therefor in interstate or foreign commerce. The law also makes provisions whereby common carriers subject to the jurisdiction of the Federal Communications Commission shall discontinue or refuse the use of facilities to anyone identified in writing by any law enforcement agency as using or planning to use the facilities to transmit or receive gambling information interstate. The law specifically exempts the transmission of information about sporting events or contests for news reporting. It also exempts the transmission of information assisting in the placing of bets on sporting events from a state where betting on the event is legal (such as parimutuel betting at a race track) into a state where

off-track betting is legal—Nevada is the only state in this category.¹⁰

This law strikes at the very heart of illegal gambling operations. It is aimed at bookmakers and "layoff" men who need wire communications to function. Although the law is broad in scope, it is not intended as a means of bringing charges against the "social" or non-professional bettor.¹¹

The law had an immediate deterrent effect on illegal gambling activities. Several major wire services engaged in transmitting gambling information discontinued operations after passage of the law. Before this law became effective, a handful of experts determined the odds and point spread on various sporting events and transmitted this information throughout the country. Nowadays, gamblers who take bets on sporting events often have to establish their own odds and point spread because professional data of this type are not available or are too risky to obtain. Lacking experience and professional skill in this field, many of them are making bad errors which are proving most costly.

Interstate transportation of wagering paraphernalia.—This law forbids anyone, except a common carrier in the usual course of business, from knowingly carrying or sending "in interstate or foreign commerce any record, paraphernalia, ticket, certificate, bills, slip, token, paper, writing, or other devices used, or to be used, or adapted, devised, or designed for use in" bookmaking, wagering pools on sporting events or in numbers, policy, bolita, or similar games. Parimutuel equipment and materials for legal use, parimutuel tickets legally ac-

¹⁰ Public Law 87-216, Chapter 50, Title 18, Section 1084, United States Code. The penalty provided is a fine of not more than \$10,000, imprisonment of not more than two years, or both. The law specifies that nothing in it shall create immunity from criminal prosecution under the laws of any state, commonwealth, territory, possession, or the District of Columbia.

¹¹ Attorney General Robert F. Kennedy, testifying before the Senate Committee on the Judiciary about Public Law 87-216 on June 6, 1961, asserted: "When a social wagerer uses the telephone to place a bet with the professional, he uses the same facility as the professional. We felt that it would be an awkward situation legislatively to provide that a social bet sent by telephone becomes professional information in the bookie's office. If the average citizen made a noncriminal wager, the professional could state that he was accepting the same noncriminal wager. . . . We are aware of the dangers inherent in the accumulation of vast amounts of \$2 bets. We did not feel that it would be wise to differentiate between the type of wagers being made without implicitly authorizing or condoning the conduct of the nonprofessional. We do not wish to bring criminal cases against the nonprofessional bettors, but the Department of Justice could not in good conscience recommend language which might be construed as condoning gambling."

quired, betting materials for use in a state where gambling is legal and newspapers or similar publications are specifically exempted.¹²

Interstate and foreign travel or transportation in aid of racketeering enterprises.—This prohibits interstate travel or transportation to distribute the proceeds of any unlawful activity; to commit any crime of violence to further any unlawful activity; or to otherwise promote, manage, establish, carry on, or facilitate the promotion, management, establishment, or carrying on, of any unlawful activity. Unlawful activity is defined as any business enterprise involving gambling, liquor on which the Federal excise tax has not been paid, narcotics, or prostitution in violation of state or Federal laws; or extortion or bribery in violation of state or Federal laws.¹³

The FBI was ready to move against interstate gambling and racketeering as soon as the new laws became effective. Several investigations were begun within hours after the President signed the laws. Among these was one involving a numbers operation in northern New Jersey and New York City.

FBI Agents had learned that a certain individual was collecting bets in Jersey City, New Jersey, from numerous numbers writers in the area and taking them to the "bank"¹⁴ in Brooklyn. He was put under surveillance. Each afternoon he would park his car in a lot next to a diner. Within minutes a steady stream of individuals would come to him and give him slips containing bets they had accepted earlier in the day from their "customers."

The courier then would proceed by subway from Jersey City to Lower Manhattan, carrying the numbers bets usually in a paper bag. Not far from the subway exit, he would be picked up by a car. He would ride a block and get out, but the bag of bet slips remained in

¹² Public Law 87-218, Chapter 95, Title 18, Section 1953, United States Code. The penalty provided is a fine of not more than \$10,000, imprisonment for not over five years, or both. The law specifies that nothing in it shall create immunity from criminal prosecution under the laws of any state, commonwealth, territory, possession, or the District of Columbia. The law also amended Section 1302, Chapter 61, Title 18, United States Code, to cover use of the mail to send wagering paraphernalia as described in Section 1953. Jurisdiction over this violation was assigned to the Post Office Department.

¹³ Public Law 87-228, Chapter 95, Title 18, Section 1952, United States Code. The penalty provided is a fine of not more than \$10,000, imprisonment for not over five years, or both. Violations involving liquor or narcotics were placed under the investigative jurisdiction of the Department of the Treasury.

¹⁴ A "bank" in a gambling operation is where the bets of the day are tallied up and the winners determined. It is not a depository for money; in fact, care is taken to insure that no money is taken into the "bank."

the car with the driver who would continue to a certain street in Brooklyn where he would pick up another man. This man would ride a short distance, leave the car with the "bag of bets," and enter an apartment building. Three other men soon would enter the same building.

It was obvious the "bank" was located in this building, but there were a number of apartments in it. To identify the specific apartment being used, an FBI Agent posed as a delivery man, entered the building about the same time as the suspect, engaged him in conversation, and observed him enter the "bank."

Needless to say, this entire route from Jersey City to the "bank" was not established by the Agents in one day. They had to be most careful not to arouse the suspects' suspicions, for this would have resulted in their changing the entire procedure. During the latter part of September, throughout October, and in the first half of November, 1961, Agents observed almost daily some part of the movement of the bet slips on the way from New Jersey to the Brooklyn "bank." Every phase of the operation was photographed, and the identity of the six suspects established.

Successful apprehension of the suspects required careful planning and almost perfect timing. On November 28, 1961, complaints, authorized by the United States Attorney, were filed and warrants issued charging the suspects with interstate transportation of wagering paraphernalia and conspiracy. A number of Agents were assigned to various tasks in connection with the planned apprehensions. Each had a thorough knowledge of the operation and a definite assignment.

On November 28, 1961, the New Jersey suspect was observed collecting the bets as usual. He was followed to the subway, and, as the subway car sped toward Manhattan, an Agent moved close to him and discreetly placed a florescent powder on the bag of bet slips. This insured that it could be identified as the particular bag which started in New Jersey and was transported to the "bank" in Brooklyn. This suspect was arrested moments after his contact had taken the bet slips and left the area. The driver proceeded to the "bank" according to schedule, dropping off the "bag of bets" and one of the four men who worked there each day to tally the bets. This man met one of the other suspects at the door of the building, and they entered together.

They walked directly to the apartment used for the "bank." In the

hall they passed two "truckers" ostensibly uncrating a large television set. They unlocked the apartment door and entered. Before they could close the door, however, they were arrested by the two "truckers" and a third man who had leaped out of the large crate. Each of these men was an FBI Agent. The ruse had been carefully planned and executed to allow Agents to observe the "bag of bets" being carried into its destination—the "bank" of the gambling operation.

Three blocks away the driver of the pick-up car was halted and arrested by other FBI Agents. Outside the "bank" the other two men who worked there waited for a signal to enter. Receiving none, they started to leave the area but were quickly arrested by Agents who had been watching their every move.

Records seized in the "bank" and statements by the suspects indicated this particular gambling operation was grossing about \$20,000 a day or more than \$6,000,000 a year.

These were the first arrests made by the FBI under the new laws. They had a profound effect on the underworld. They caused considerable consternation among hoodlums. Interstate movement of bets ceased almost immediately, and betting operations were halted until separate "banks" could be established in New Jersey to handle the bets placed there. This same procedure has been followed in other parts of the country as the underworld strives to avoid violating Federal law.

All six of the suspects were indicted by a Federal Grand Jury along with two other men involved in the operation in New Jersey. Five of them pleaded guilty to conspiracy. The other three were convicted on all counts. Sentences ranged from six months' imprisonment suspended, with a year on probation, to eighteen months in Federal prison.

The investigation of this case was long and costly. The sentences given the persons involved in the crime did not restrict them for long. Nor did the solution of this case stop or even deter gambling for more than a short time. But it did put the underworld on notice that the FBI was determined to press its fight against organized crime with every available weapon. It also made the racketeers pull back and re-examine their operations. Costly changes were made in an effort to circumvent FBI enforcement of the new laws.

Through February, 1964, FBI investigations under the three new laws had led to some 110 convictions. Over 100 others charged with

violating these laws were awaiting trial. These individuals come from all levels of the organized crime complex, some being on the fringe while others are among the top leadership. In northern Indiana, FBI investigations led to the conviction of a reputed gambling czar and three of his assistants. Twelve persons were convicted in connection with the operation of a large dice game which FBI Agents broke up in Reading, Pennsylvania. Five companies and three persons were convicted on charges resulting from the transportation of pinball machines used as gambling devices from Chicago, Illinois, to Seattle, Washington. Five individuals were convicted in Los Angeles, California, for extortion and racketeering activity involving an attempt to take over the management of a professional boxer through threats to his manager and a boxing promoter. In Connecticut, testimony by FBI Agents led to a one-year sentence for a reputed top New York hoodlum and one of his associates for violating parole. In New York, five thugs were convicted for assaulting an FBI Agent while in the performance of his duties. In Denver, Colorado, a young man associated with gambling activities was convicted for interstate travel in aid of racketeering.

The conviction and sentence of the operator of gambling houses in West Memphis, Arkansas, led to an important appellate court decision in November, 1963, concerning the law regarding interstate travel in aid of racketeering. In this case the person charged did not perform the travel himself, but he hired four men who lived in Tennessee and regularly traveled to Arkansas to work in his gambling establishments. He was charged with "inducing and procuring" them to travel interstate to carry on an unlawful activity. He was convicted and sentenced to three years in prison and a \$5,000 fine. He appealed on the grounds that the four men traveled interstate of their own volition to gamble. The United States Court of Appeals for the Eighth Circuit upheld the conviction.¹⁵

FBI investigations have hurt the organized underworld in other ways too. On the average, the FBI furnishes other law enforcement agencies—city, county, state, and Federal—some 13,190 items of criminal information each month. These data are passed along to proper authorities in the area where they are pertinent and without delay. In some instances, FBI Agents have furnished sworn affidavits to local authorities which form the basis for arrest and/or search warrants.

¹⁵ *Bass v. United States*, 324 F.2d 168 (8th Cir. 1963); *petition for cert. filed*, 32 U.S.L. WEEK 3331 (U.S. Feb. 21, 1964) (No. 858).

In the Chicago, Illinois, area alone, information regarding organized criminal activity which the FBI supplied to local authorities led to the arrest of close to two hundred persons and the disruption of a number of major gambling operations in 1963. In addition, the Internal Revenue Service, acting on information furnished by FBI Agents, smashed a million-dollar on-track bookmaking ring on August 24, 1963, with the arrest of fifteen individuals, all of whom have since been convicted.

In Youngstown, Ohio, where there have been over eighty gangland-type bombings in the past ten years, FBI Agents have provided sworn information which has led to several gambling raids in recent months. A large amount of data on criminal activities in the area was disseminated to the Mahoning County Prosecutor, leading him to convene a local grand jury in November, 1963. Several FBI Agents appeared as witnesses before this grand jury. It concluded its probe on January 23, 1964, after examining 84 cases and 368 witnesses. It returned seventy-seven true bills. In addition, thirty-four persons were convicted for contempt of court when they refused to answer questions put to them by the grand jury regarding their gambling activities.

FBI Agents also played a major role in the local grand jury investigations of gambling and other organized vices in the Covington-Newport area of Kentucky. Agents testified before the grand jury and during some trials of persons indicted. Numerous indictments and convictions followed the grand jury probe, and organized vice in the area was thoroughly disrupted.

Detecting and investigating violations of Federal laws relating to organized crime are difficult tasks. Determining that a Federal violation has occurred is a problem in itself. When a bank is robbed, a person is kidnaped, or a shipment is hijacked, the FBI generally receives prompt notification, often from several persons. Not so in the gambling and racketeering fields. Most persons who know of these violations would prefer that they go undetected.

But the FBI has earned the respect—perhaps fear is a better word—of many of the underworld leaders for its ability to uncover violations. One such individual recently commented that he would not pick up a million dollars if he saw it on the sidewalk of a deserted street at 3:00 A.M. for fear that the FBI would be “watching me from a helicopter.”

Bookies and other gamblers take extreme precautions to conceal their operations and to thwart law enforcement raids. Numerous codes are used to record bets and other essential information. Special paper which can be destroyed quickly is used. Complicated electronic equipment which can automatically transfer telephone calls from one location to another is becoming more common. The use of one phone to receive bets and another to relay them to the "bank" with no records being kept at the first location is not unusual. Where personal contact is necessary to transfer bets, the meeting places are changed frequently. Real or fictitious business establishments often are used as fronts for gambling operations.

In making arrests and executing search warrants, law enforcement officers have found it necessary to batter down steel doors, crash through windows, and overpower guards to gain entrance to places where illegal gambling is being conducted. Often they have had to fish evidence from sewers leading from the building, recover it from fires, catch it when it was thrown from a window, or search it out from all imaginable types of hiding places.

Often frustration is the reward for the best efforts of law enforcement in its fight against illegal gambling. Some of this frustration can be blamed on corruption at various levels and in different branches of government. Much of it, however, can be blamed on public indifference to the problem.

The *Chicago Daily News* on February 22, 1964, reported that some 12,000 gambling arrests were made in Chicago in 1963; yet there were only 173 convictions. The newspaper then commented editorially:

A set of indifferent laws get indifferent enforcement. If the courts don't care enough to get tough, why should the police? And if the people don't care enough to demand tough laws and tough enforcement, the Legislature and courts are going to reflect that relaxed attitude.

There should be no doubt in the mind of anyone of the enormous profits which the organized underworld is reaping from gambling. In the case cited earlier, this one "bank" in the New York area was taking in over \$6,000,000 a year. Chicago police in February, 1964, found close to \$800,000 in the home of a recently deceased operator of a policy racket who was said to be only a "modest operator." In Jersey City, New Jersey, over \$2,400,000 in cash, allegedly belonging to an imprisoned operator of a numbers racket, was found in an old garage.

This is the type of income which makes the organized underworld economically powerful. Although there is no enterprise, legal or illegal, which members of the organized underworld would totally shun, gambling remains its major source of wealth. Loan sharking probably is its next best producer. Typical of the profits from loan-shark operations is the "salary" of \$1,000 per month drawn by a Midwest hoodlum from the owner of a small business who borrowed from him. This "salary" covered interest only and did not reduce the principal. There have been instances of loan sharks collecting as much as \$100,000 on \$10,000 loans. Collection methods used by loan sharks are ruthless, often brutal. Untold hundreds of businesses have fallen to underworld control through "foreclosure" by a loan shark.

Through such "foreclosures" and various other methods, including some legal ones like purchase and creation, the organized underworld has effected considerable infiltration of the business world. Inroads also have been made in some labor unions. Some of the underworld's most important leaders have gained vast legitimate holdings. They operate these with the same unscrupulous methods they use in their illegal activities and are a growing economic threat to our Nation.

Organized crime is big—one top hoodlum has termed it "bigger than U.S. Steel," an accepted symbol of bigness. It can be defeated. But it will not be defeated until the American people wake up and take action to stop so much wealth and power from being given into the hands of a few greedy hoodlums. Honest citizens must stop dealing with the gambler, the loan shark, and all other representatives of the underworld. This will greatly reduce organized crime's wealth, its major source of power. The citizens must also cooperate with law enforcement agencies by reporting crimes and by willingly testifying about them in court. Citizens also must insure that laws dealing with organized vice are adequate, that they are being effectively enforced and that the courts are imposing just sentences, not merely token fines.

Americans have been duped and cheated by the organized underworld for too long. It is time they asserted themselves against this force of evil by uniting with law enforcement in a total war on organized crime.