



Department of Justice

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BY

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Prepared for Delivery

before

The Advertising Council, Inc.

Hotel Statler

Washington, D. C.

Monday, May 5, 1958

Tonight I want to talk about a problem which I believe requires serious attention. These days, quite naturally, we are concerned with the economy of our country and our national defense. In a very real sense, the problem of crime is related both to our economy and to the future strength of our nation.

As you know, this year the nation will spend more than 40 billion dollars on national defense. But how many people know what crime costs our country? Most people are wholly unaware of the staggering proportions to which it has grown -- unmindful of the fact that it is second only to national defense in terms of cost. The estimated cost of crime in the United States in one year is about 20 billion dollars.

Twenty-five years ago the Attorney General was appalled by the fact that in 1933 1 - 1/2 million major crimes had occurred -- one for each 84 persons in the nation. In 1958, it appears now that about 3 million major crimes may be committed -- twice as many as in 1933. This means that in 1958 one major crime will be committed for every 60 persons in the United States.

Since 1950 the rate of crime in our country has been exploding at a rate four times as fast as the rate of growth of our population. The rate of crime in 1957 increased 9% over 1956.

These statistics only begin to tell the story. One of the facts which stands out in bold relief is the alarming increase in the number of crimes committed by young people. Almost half of the persons arrested

for major crimes last year were under 18 years of age. Somehow there has been a failure properly to inculcate our people, particularly our young people, with a sense of moral values - with an awareness of how destructive crime is to them and to the country. These figures indicate that there is a tremendous job to be done by schools, churches, parents and organizations such as this in the years ahead.

Tonight I want to talk not about general problems relating to crime but rather about some of the things we hope to do in the field of law enforcement. Let me mention that I would hope too that this influential organization which has contributed so much to solving important problems of our nation in the past, will want to give its thoughtful attention to what it can do to help reduce the rate of crime in our country.

What is one of the most obvious facts about the growth of crime in our country? It is the growth of organized crime and the success of its operation.

Syndicates made up of criminals have coordinated and extended their operations over many states and in many cases, across national boundaries. Why is this true? It is true because organized racketeers and hoodlums have learned how to make crime pay.

The top echelon of organized criminals have been able to remove themselves from exposed positions and now operate by scheming, directing and organizing. Organized criminals exert general control over those types of criminal activities that yield the most profits --

gambling, narcotics, and extortion, to name the big three. And obviously they pay only a small portion of their taxes on these activities because if they paid all of their taxes as ordinary citizens do, a life of crime would not pay.

In order that you may have a better understanding of the problem from the standpoint of a law enforcement official let me make some general observations.

First, I notice that there is a widespread lack of awareness as to the respective roles of federal responsibility as compared with the state and local responsibility in the field of law enforcement. Generally speaking responsibility for law enforcement in our country rests in large measure on the states and localities. The fact is that less than 10% of all crimes violate federal law.

Yet almost every time a serious local crime is committed which gets national publicity some senator, congressman, governor, or civic group will immediately demand that the FBI investigate it. This is a very fine tribute to the FBI but it demonstrates a lack of understanding of the law and tends to shift the responsibility away from the states and localities where it belongs.

Consider the recent atrocious bombings of schools, churches, and synagogues which have occurred in Florida and other southern states. At first there were demands that the FBI take over the investigation. The federal government did not have jurisdiction in those cases because no

federal law was involved. The federal government does not have jurisdiction merely because the perpetrators of the crimes may have crossed state lines or because a conspiracy may be involved or because a series of crimes are involved. Unless a federal law has been violated the FBI has no jurisdiction to investigate.

The law enforcement officials of the states and localities involved have recognized their responsibility. Officials from 29 southern cities have conferred for the purpose of taking cooperative action to solve these shocking crimes. Those responsible are to be complimented for taking this affirmative, determined action.

The FBI stands ready to help the local authorities in every way possible. Its laboratories, identification facilities, information from its files, etc., have been made available. It is maintaining the closest liaison with the responsible authorities and will give them every assistance possible.

The point I hope you will remember is that it is important for the public to place responsibility where it belongs. Communities get the kind of law enforcement they deserve and the public must know where the responsibility lies.

Another fact which is not always fully appreciated is that within the federal government itself jurisdiction for investigating crime is divided. The jurisdiction of the FBI is limited to general crimes and crimes involving national security. Internal Revenue has its own

investigating staff which has jurisdiction of matters pertaining to tax frauds. The Narcotics Bureau in the Treasury Department has primary responsibility for investigating narcotics violations. The Secret Service is responsible for investigating counterfeiting and crimes relating to the public monies. The Post Office investigates misuse of the mails.

All of these investigating agencies have compiled outstanding records in their respective fields but organized criminals have not seen fit to compartmentalize their activities so as to fit neatly into these niches. The Department of Justice has complete and sole responsibility for the prosecution of all crimes. It seems obvious then that the information obtained by separate investigating agencies must be fitted together more effectively by the prosecutors than in the past if we are to meet today's crafty challenge of the organized criminal.

About a month ago, I announced a long range program for combating organized crime in this country. Although as I have mentioned, the federal government has a limited jurisdiction we do have some powerful weapons. The main ones are the income tax laws, the tax laws relating to narcotics and the Hobbs Act and the Taft-Hartley Act relating to extortions and pay-offs in union activities.

Let me briefly sketch the three main points of the program.

(1) The program will be concentrated.

We will give top priority to 100 of the top racketeers in the United States. That is not to say we will ignore the others for we plan to attack

crime on as many fronts as we can. It does mean, however, that we will give immediate and concentrated effort to the 100 worst hoodlums and racketeers in the country.

The list of names will not be made public for two reasons. In the first place, it would tip our hand and make the investigative work more difficult. In the second place such publication of the names might be attacked as prejudicial in the event of trial. After there have been convictions or deportations we will announce the names and will replenish the list with others who are deserving.

You may wonder why a list of 100. Of course, it is an arbitrary figure to be used principally for purposes of concentration of effort. A brief discussion of how organized crime functions today will indicate why this concentration, I believe, will be effective.

Last November at Apalachin, New York, a meeting of 64 top racketeers and hoodlums took place. A majority of those in attendance came from New York, New Jersey, and Pennsylvania, but there was a fair representation from the South, Midwest, and even the West Coast. A few of those in attendance had been in a similar meeting as far back as 1928 in Cleveland. Many of them were in attendance at a meeting in 1952 in the Florida Keys, in 1953 at Miami, in 1954 at Chicago, and in 1956 at Binghamton, New York. Meetings such as these at Apalachin, attended by what amounts to the board of directors of organized crime for a given area, serve many nefarious purposes. Lines and means of communication

are established, methods of distribution are agreed upon, territorial arrangements are made. As a result, gang wars of the 1920s and 1930s have been almost completely eliminated.

The members of these top level planning boards are also the key figures in organizations with headquarters in New York, Miami, Chicago, and other cities in the United States. Here the multi-million dollar businesses take shape. Those on top seldom come in contact with the local hoodlums who are responsible for maintaining discipline, bribing local officials, or actually dispensing the products of crime. But through strong arm tactics carried out through subordinates in a chain of command and with the power to shut off necessary financing, production, and sources of supply, they exercise control over most of the profitable forms of illegal activities. The dope peddler, the bookie, the numbers runner, the vender of obscene magazines, are all largely dependent for their illicit merchandise and for permission to engage in these activities upon these overlords of crime.

These overlords of crime in many instances have invested their ill-gotten gains in hotels, night clubs, coin-operated machines, scrap iron trucking, etc., and hide behind these legitimate fronts while directing their criminal activities.

It is our purpose to concentrate on these overlords. We plan to find out everything that we can find out about them--their sources of income, their present activities, how they invest their money, and how

they avoid paying their taxes. Without in any way denying them any of the rights which our citizens have under our system of justice we will attempt to find out what federal law they have violated and to obtain the necessary evidence to prove it.

2. The program will have a government-wide coordination of effort.

After consultation with the Secretary and Under Secretary of the Treasury, the Director of the FBI, the Commissioner of Narcotics, the Commissioner of Immigration, the Secret Service and the other investigative agencies we concluded that we would turn the combined strength and resources of all federal investigative and law enforcement agencies in a common effort against the organized criminal.

Of course we have not been oblivious in the past to the activities of organized crime and the need for cooperation. What seemed to be lacking and what we are in the process of establishing is a unified prosecutive command, where all information on racketeers from all investigative agencies will be correlated, studied and acted upon.

Let me cite an illustration of what I mean. The distribution and sale of narcotics, particularly to young people, is one of the most reprehensible of all crimes. Almost all of it is imported and it lends itself peculiarly to the control and distribution practices of the organized criminal conspiracy. Most heroin comes from Turkey, Syria, and Iran in the Near East and China in the Far East. Organized crime has built up a giant transmission belt for securing this drug, for providing for its

safe importation, and ultimately for its distribution to the dope peddlers. One pound of heroin is worth about \$150,000. The Bureau of Narcotics seized about 1700 ounces of heroin in 1957 .

Most marihuana comes from Mexico. Over 26,000 ounces of marihuana were seized at ports and borders, and over 11,000 ounces were seized within the United States in 1957. So you can see that the sale of narcotics is a huge business.

In many instances it is possible to identify top racketeers who traffic in narcotics but not to obtain the necessary evidence to seek an indictment. Now the important thing is to put this criminal out of circulation--the crime for which he may be convicted is of secondary importance. So we will study all the evidence which the government has in its possession from all the investigative agencies. Perhaps we can prove a tax fraud case, possibly he may be subject to deportation, the FBI may have information which placed together with all other information obtained from the Narcotics Bureau may show the violation of some other federal law, or in some instances we may be able to supply local law enforcement officers with evidence sufficient to convict for a local crime.

3. It will be a long-range, sustained program.

From my experience in law enforcement work I have noticed that efforts directed on organized crime are apt to be sporadic. A series of vicious crimes occur or a Congressional investigation is held and a drive on crime is started. When the excitement dies down the drive is apt to die down.

The program we have in mind is not intended to produce quick or sensational results. Rather it will be a long-range program built on policies which will be lasting and intended to meet a continuing and constantly changing problem.

Recently we have seen instances of how effective racketeers have been in taking over control of a few powerful labor unions. They not only steal money from the union treasury but they use the unions to extort huge sums of money from contractors.

Obviously the efforts of the racketeers to penetrate these unions are well planned and sustained. A few years ago the most powerful racketeer in Southern Illinois was Evan Dale, who was President of a union of Hodcarriers and Common Laborers. For years he exercised complete control over the rank and file of his union, responsible to no one. During his trial for extortion Dale described himself in the following language,

"I am a Chicago boy. When I left Chicago I threw away my shovel for a blackjack and I have been using it effectively ever since. I came to Southern Illinois fifteen years ago to carve out an empire. I have carved out an empire. I have 38,000 laborers and 28 business agents under me."

For his part in the multi-million dollar shakedown of contractors during the construction of a power plant for the Atomic Energy Commission, he was sentenced to 15 years in jail.

There is only one way to combat successfully the activities of such racketeers who have taken over a few labor unions --and that is with a sustained and long-range program of law enforcement. Of course it is not possible or desirable to spell out in any detail all the plans of the Department in this field. What I have said represents a general approach to the problem.

The policy of the Department of Justice can be expressed this way:

1. We will attack the problem of crime on all fronts within the limit of our jurisdiction.

2. We will give top priority to concentrating on the top 100 racketeers.

3. We will urge the courts to impose maximum penalties and within the procedures laid down by the law will seek to expedite the trial of cases.

4. We will urge federal legislation to give the federal authorities more weapons to cope with organized criminal activities that have inter-state ramifications.

5. We will cooperate with state and local authorities to the greatest extent possible.

The program which I have discussed this evening deals only with one phase of the crime problem in the United States. The problem is a much broader and more serious one than anything that improved law enforcement alone can solve.

There are many things which must be done. For example, the public must be more alert to the tie-up between crime and local politics. Experience shows that organized crime on a profitable basis cannot exist for long in any area without the connivance of local law enforcement officers.

Then too the public must be made more aware that their support and cooperation in giving information about crime especially in the field of extortion is essential if our law enforcement agencies are to cope effectively with the ever increasing rise of crime in the United States.

Finally, there is a heavy responsibility which rests on all of us more effectively to instill young people with the basic traits of character which are so vital to our free way of life.

The Advertising Council which has given so generously and so successfully of its time and talents to programs for human betterment may want to give some of these and other broader aspects of the problem its future consideration. If you do I assure you that all of us in the Department of Justice will give you our enthusiastic cooperation. I can think of nothing which would be more helpful to the nation than to have the benefit of your thought and counsel and your active participation in helping to solve this grave national problem.