

TAKING THE OFFENSIVE

PROPERTY CRIME LAW ENFORCEMENT
THROUGH
UNDERCOVER ANTI-FENCING OPERATIONS

A SPECIAL REPORT

NOVEMBER 22, 1978



CRIMINAL CONSPIRACIES DIVISION
LAW ENFORCEMENT ASSISTANCE ADMINISTRATION
UNITED STATES DEPARTMENT OF JUSTICE
Washington, D.C. 20531

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ACQUISITION

IN 1974, THE LAW ENFORCEMENT ASSISTANCE ADMINISTRATION, THROUGH ITS CRIMINAL CONSPIRACIES DIVISION (FORMERLY THE ENFORCEMENT DIVISION) INITIATED THE ANTI-FENCING PROGRAM. THE PROGRAM ASSISTS LAW ENFORCEMENT AGENCIES IN DEVELOPING AN OFFENSIVE CAPABILITY TO CONDUCT UNDERCOVER OPERATIONS TOWARDS THE IDENTIFICATION AND APPREHENSION OF THIEVES AND FENCES AND THE RECOVERY OF STOLEN PROPERTY. SINCE 1974, 62 OPERATIONS HAVE BEEN CONDUCTED IN 39 CITIES. IN THIS MAJOR OFFENSIVE AGAINST PROPERTY CRIME. THE RESULTS TO DATE ARE IMPRESSIVE:

- 7,228 INDICTMENTS AGAINST 4,600 INDIVIDUALS RANGING FROM STREET THIEVES AND FENCES TO MAJOR ORGANIZED CRIME FIGURES, WHITE COLLAR CRIMINALS, AND CORRUPT OFFICIALS.
- OVER \$130.6 MILLION WORTH OF STOLEN PROPERTY RECOVERED FOR AN OUTLAY OF \$4.1 MILLION IN "BUY MONEY."
- OVER 90% OF THE DEFENDANTS HAVE PLEAD GUILTY, RESULTING IN A TREMENDOUS SAVING IN COURT COSTS.

AS IMPRESSIVE AS THESE FIGURES ARE, THEY CAN BE EXPECTED TO IMPROVE AS ADDITIONAL OPERATIONS TERMINATE. MANY BELIEVE THE PROGRAM'S GREATEST SUCCESSES LIE IN THE FUTURE.

OVERVIEW

In 1977, the value of the property reported stolen in this country exceeded \$4 billion. Many law enforcement administrators acknowledge that this sum represents only a portion of the true traffic in stolen property. One expert witness testified before a subcommittee of the Committee on Small Business of the House of Representatives, "Traffic in the criminal receiving of stolen property has been estimated at \$20 billion annually." While these figures are startling, they do not begin to describe the actual cost of property crime to the nation. To the loss of unrecovered stolen property must be added the contribution that property crime makes to inflation (through price increases to cover inventory losses or increased insurance costs), the costs associated with the vast array of security services and devices, as well as the many other attendant costs of property crime.

In the face of such a massive problem law enforcement agencies, saddled with tight budgets, heavy service demands, and reactive methods focusing on individual incidents or thefts, have been able to recover only a fraction of the property stolen. For example, stolen property valued at approximately \$1.4 billion (only 32 percent of the value noted above) was recovered in 1977.

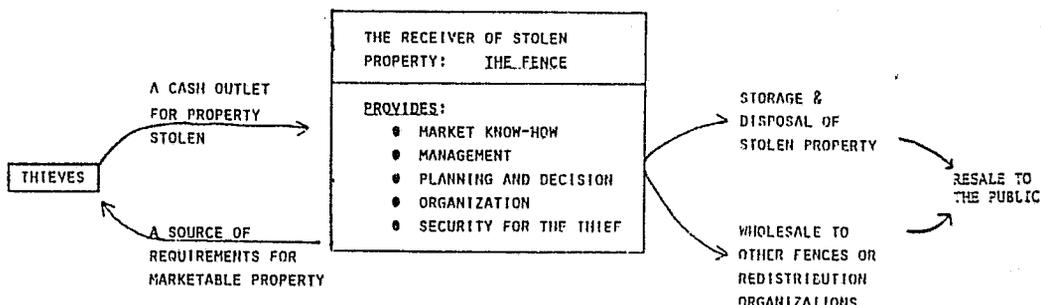
The Law Enforcement Assistance Administration, through its Criminal Conspiracies Division, initiated a program in late 1974 that addresses the property crime problem. The LEAA Anti-Fencing Program assists law enforcement agencies in developing a much-needed offensive capability to conduct undercover operations. The objectives of the program are to apprehend thieves and fences, recover stolen property and ultimately affect stolen property markets. These undercover operations quickly acquired the nickname "STING" from a popular book and movie that featured an elaborate deception of an organized crime figure. Basically, anti-fencing operations involve State, county, metro or city police and Federal agents, often in joint action, posing as fences and establishing cover businesses from which they conduct stolen property and contraband transactions with thieves, fences, and other criminals associated with the organized handling and disposal of the property. Transactions are videotaped providing prosecutors with the best evidence possible resulting in a high rate of guilty pleas and significantly reduced court costs.

The Anti-Fencing Program is predicated on the premise that theft is only the beginning of a very intricate system in which stolen property is acquired, converted, re-distributed and reintegrated into the

legitimate property stream.¹ This system is known as the stolen property distribution system.

In the stolen property distribution system, the thief moves the fruits of his crime from the victim to the fence with alarming speed and efficiency. The fence pays the thief for the goods in cash or contraband. The fence, as the simplified diagram below depicts, is the key to the system.

THE FENCE IS A KEY TO THE BIG BUSINESS OF PROPERTY CRIME



As one might expect, the lucrative business of dealing in stolen property is attractive to organized crime. One expert source estimated that approximately 25 percent of all stolen property outlets are under the operational control of organized crime. This domain also encompasses white collar crime, i.e., insurance frauds or even computer programmers who alter inventory and shipment records to cover thefts of large amounts of property. Further, the relationship between stolen property and narcotics trafficking is well documented.

From the beginning, the program's concept of undercover penetration of the stolen property distribution system, and the creativity and ingenuity of the law enforcement agencies involved, have produced exciting results. Literally thousands of professional thieves and fences, as well as numerous organized crime figures, white collar criminals and corrupt officials have been arrested, convicted and frequently incarcerated. Acting LEAA Administrator James H. Gregg recently noted that "they (the operations) have the capability to net hardcore criminals by the hundreds and recover stolen property in the millions. Besides that, STINGs have helped solve hijackings, crack auto theft rings, solved other crimes such as murder, assault and rape, and they have gathered invaluable criminal intelligence information on the inner workings of organized crime."

¹Walsh, M.E. The Fence -- A New Look at the World of Property Theft. Contributions in Sociology, No. 21. Westport, Ct.: Greenwood Press, 1977.

The Anti-Fencing Program has also produced a number of ancillary benefits. Many of the agencies that have participated in the Program report improved officer morale and renewed public confidence in law enforcement. Cooperation between Federal, state and local law enforcement agencies has improved. Perhaps most important, the program has provided a "window" on the criminal world heretofore unavailable. Participating agencies have gained unique insights into the inner workings of the local stolen property distribution system. The miles of videotape of thieves and fences discussing their activities, methods and motives in their own "environment" are already contributing to police training films. There is some evidence of improved police-prosecutor relations in jurisdictions where videotaped evidence has provided prosecutors with a new understanding of the behavior police are confronted with and have testified to for years. In the future, this videotape may provide unique opportunities to researchers wishing to study the career criminal in his own environment or to corrections specialists to design rehabilitation programs with a more in-depth understanding of the individual's behavior on the street.

The Anti-Fencing Program, as noted in a recent U.S. News and World Report article, continues to rack up impressive results. Videotaped stolen property transactions all across the country are showing evidence of growing apprehension on the part of thieves and fences about Anti-Fencing operations. By increasing the apparent risks associated with property crime, the program may also be acting as a significant deterrent. Despite the Program's laudable record, it may be that the most notable achievements lie ahead, as operations become more and more sophisticated and we learn more about the inner workings of the stolen property distribution system.

THE ANTI-FENCING PROGRAM CONCEPT

The operations conducted under the sponsorship of the LEAA Anti-Fencing Program are considerably more sophisticated than the popular STING image suggests. The complex doctrine of the Program belies its inherent simplicity. As mentioned previously, the program is based on the penetration of the stolen property distribution system by undercover operatives who simulate the activities of a fence. This penetration has two mutually-supportive and interrelated thrusts: enforcement and intelligence.

In enforcement, the Program encourages the incrimination of thieves, the individuals directly responsible for community loss and fear problems. The emphasis is on skilled professional thieves who have escaped the police for years, and older career thieves, with long police records, who are responsible for a disproportionate number of theft offenses.

In intelligence, recognition is given to the fact that understanding the stolen property distribution system is critical to impacting on it. The program thus takes maximum advantage of the unique position of a fence

dealing with thieves to develop information toward the identification and incrimination of active fences and other key actors in the system. Without fences, thieves cannot turn stolen property into cash. Their risks increase and profits diminish to only the intrinsic value of the property. This is the heart of the anti-fencing concept.

Of course, the intelligence generated in anti-fencing undercover operations is not limited to property crime. In the presumed safety and security of the places of business of fences, thieves and other fences talk freely, brag considerably and answer questions willingly during stolen property transactions. Often chiefs of police and chiefs of detectives, exploiting this intelligence information months after it is obtained, have stated that this information may be the greatest long-term benefit of the program.

PROPERTY CRIME: PROBLEMS AND SOME ANSWERS

A closer look at property crime in the United States, and the problems associated with enforcement, will tend to place the Anti-Fencing Program in perspective.

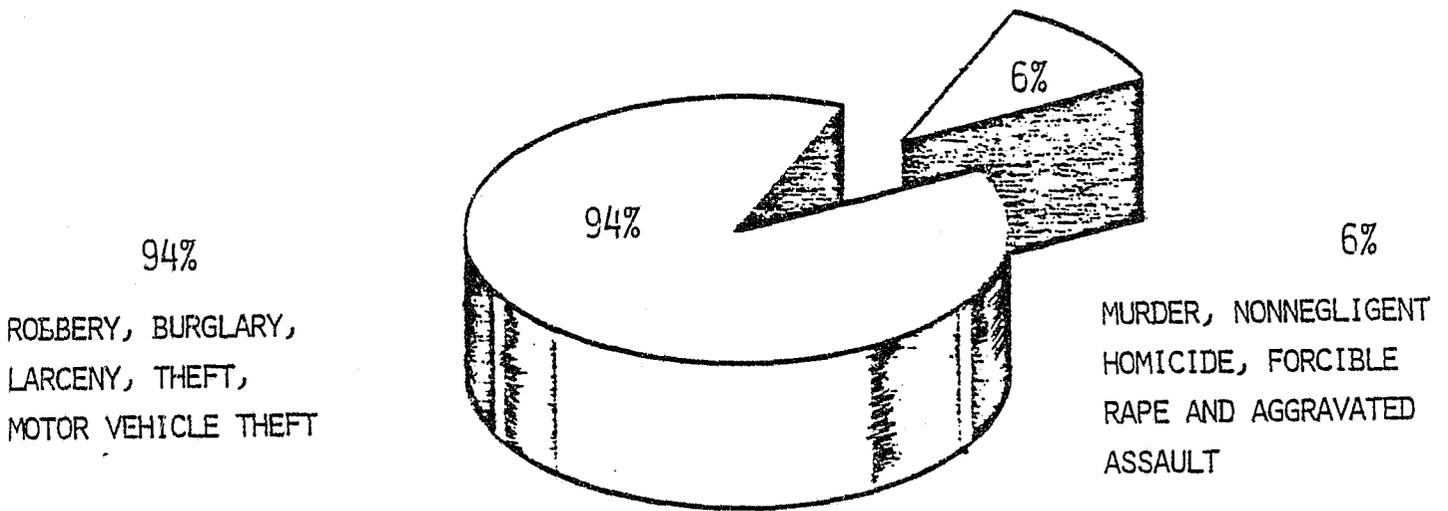
Initially, there is the problem of sheer numbers of property crimes committed. In 1977, for example, there were an estimated 9.9 million offenses of robbery, burglary, larceny-theft, and motor vehicle theft in the United States according to the Uniform Crime Report of the FBI. Victimization surveys would certainly indicate a significant rise in these figures.

NATIONAL PROPERTY CRIME AND PERCENT CHANGES, 1977

CRIME INDEX OFFENSES	ESTIMATED CRIME 1977	% CHANGE OVER 1975	% CHANGE OVER 1968
ROBBERY	404,850	-3.7	+83.0
BURGLARY	3,052,200	-1.2	+51.3
LARCENY THEFT	5,905,700	-5.8	+56.3
MOTOR VEHICLE THEFT	968,400	+1.1	+13.9

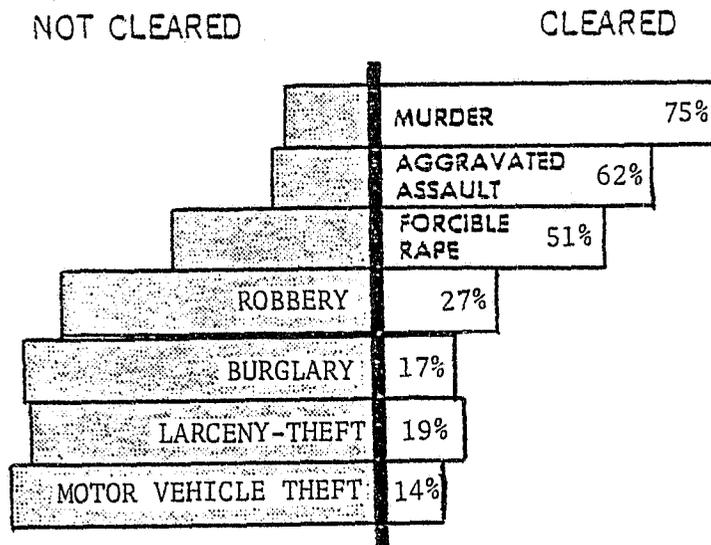
Another view reveals that the crimes of robbery, burglary, larceny-theft, and motor vehicle theft represent 94 percent of the total Crime Index offenses (10.9 million) reported in the United States during 1977, leaving 6 percent for murder, nonnegligent homicide, forcible rape, and aggravated assault.

PART I OFFENSES KNOWN TO POLICE IN 1977: TOTAL OFFENSES 10,935,777



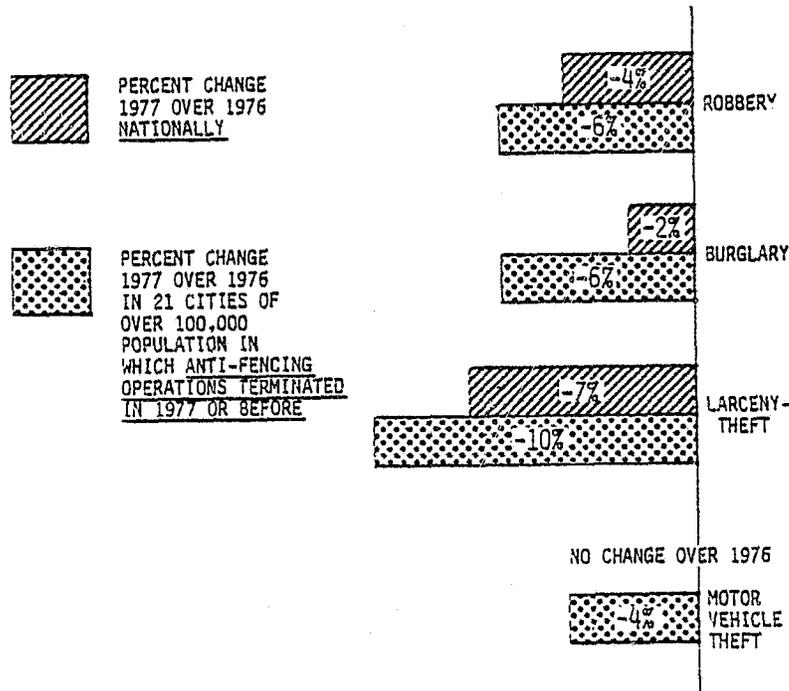
It is on the 6 percent that the police afford more investigative effort, and it is in the 6 percent that the police achieve the most success in clearance of offenses committed.

CRIMES CLEARED BY ARREST
1977



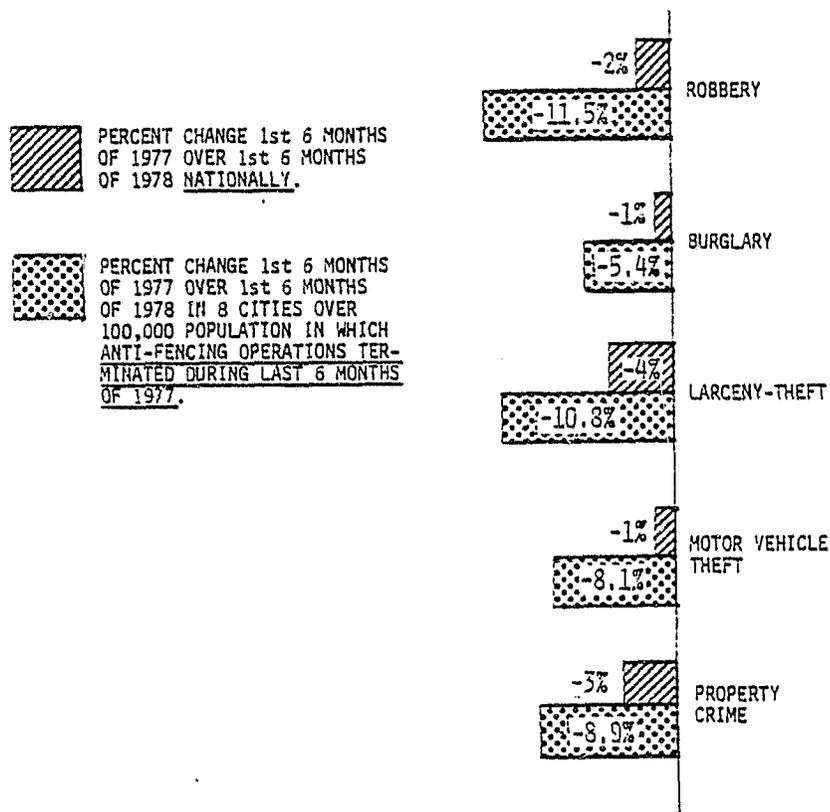
What can be said regarding the high volume of property crime being committed and the Anti-Fencing Program? Certainly, the over 60 operations that have been completed since 1974 in widely scattered geographic areas have not altered greatly the national incidence of property crime. However, there are indications that communities in which anti-fencing operations have been conducted fare better than the national averages regarding property crime offenses known to the police. According to Uniform Crime Report data, property crime offenses known to the police in 1977 nationwide were down for robbery (-4 percent), burglary (-2 percent), larceny-theft (-7 percent), and there was no change for motor vehicle theft when compared to 1976. However, for 21 cities of over 100,000 population in which anti-fencing operations were terminated in 1977 or before, the downward trend in property crime offenses known to the police was greater in each offense category by from 2 to 4 percent over the national figures.

PERCENT CHANGE 1977 OVER 1976, PROPERTY CRIME OFFENSES KNOWN TO POLICE



Further, there are indications that this improvement over the national figures continues. For example, anti-fencing operations were terminated during the last six months of 1977 in eight cities of over 100,000 population. During the first six months of 1978, when the effects of the operations could be expected to be felt in the communities, the eight cities fared better than the nation as a whole regarding property offenses known to the police when compared to the first six months of 1977. The improvement ranged from approximately 5 to 10 percent over national figures.

PERCENT CHANGE 1ST SIX MONTHS OF 1977 OVER 1ST SIX MONTHS OF 1978
IN PROPERTY CRIME OFFENSES KNOWN TO POLICE



There are several ways in which anti-fencing operations can affect the volume of property crimes occurring in a community:

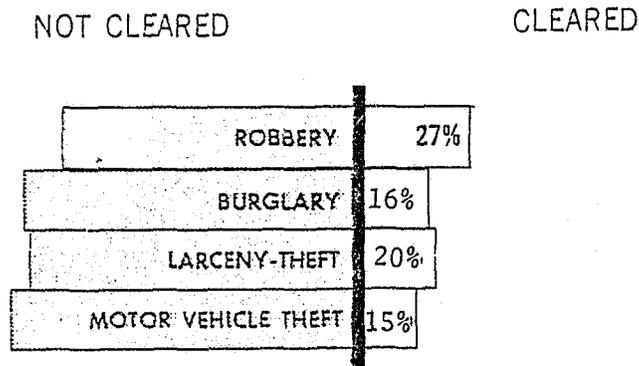
- Undercover anti-fencing officers emphasize the identification and incrimination of career and professional thieves, especially burglars and larcenists, who are responsible for committing a disproportionate number of offenses in the community.
- Undercover officers also emphasize the identification and incrimination of fences. A fence taken off the street by arrest and jail leaves a number of thieves without an outlet for property they may steal, and without directions on what to steal with minimum risk.

- The high conviction rates enjoyed by anti-fencing operations due to the quality of the video evidence and stiff sentences frequently meted out to repeat offenders removes them from active participation in the stolen property distribution system.
- Anti-fencing operations have raised the level of risk of arrest and conviction for property criminals. They have interjected a feeling of insecurity into the thief/fence relationship in that the thief no longer is sure his fence is not a policeman.

THE POLICE AND PROPERTY CRIME

The handling of property crime by law enforcement agencies, except for scattered strike force or special task force groups, is traditionally in a reactive mode, with investigations initiated with the victim's report of an offense to the police. The responding officer, or followup investigator, records details provided by the victim. Thieves, for their own security, quickly dispose of stolen property and the fences take on the risks of storage and handling. This often occurs within hours of the actual theft and frequently before the offense is reported to the police. By the time an investigating officer begins to follow up the few leads available to him, the property has disappeared into the distribution system. The risks have been low, and the profits for a few hours of work may range from meager to remarkable. Research indicates that arrests are likely only when the victim or witness reports promptly and when there is substantial descriptive material available. Due to the nature of property offenses, these conditions are often lacking which would suggest a causative factor in low national clearance rates.

CRIMES AGAINST PROPERTY CLEARED BY ARREST, 1977



Unlike the traditional reactive approach to property crime enforcement, undercover anti-fencing officers are not dependent on offense reports or case loads. Unlike the members of strike forces, they are not dependent on extensive investigations for impact. Instead, anti-fencing officers position themselves in the stolen property marketplace itself, and the thieves and fences come to them. They are in the neck of the funnel through which stolen property flows from the thousands of thieves to the many fewer fences toward ultimate redistribution and resale.

Routine patrol, investigative, and strike force processes, essential as they are to balanced enforcement, have not posed a significant risk of capture and conviction for most thieves and fences. Anti-fencing measures complement regular police procedures to combat property crime.

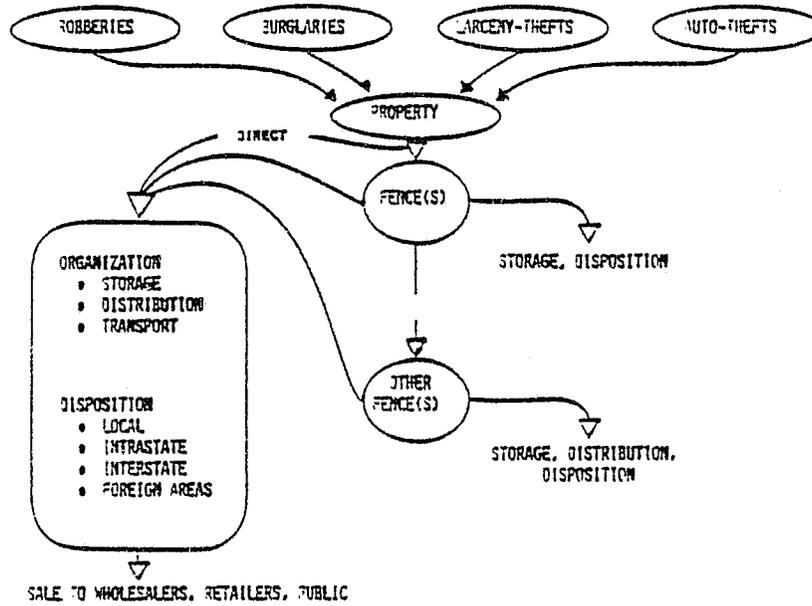
MOVEMENT OF STOLEN GOODS

Another factor complicating the enforcement problems for local police agencies is the rapid movement of stolen property out of their jurisdictions and the movement of property stolen elsewhere into their jurisdictions for resale to the public. Often, local agencies are ill-equipped to deal with mobility within the stolen property distribution system. However, local police agencies conducting anti-fencing operations have had an impact on their movement. They often recover property, sometimes in truck-load quantities, stolen in states several removed from their own community and have arrested thieves and fences from distant areas operating in their jurisdiction. State police agencies often conduct anti-fencing operations targeted specifically against this interstate and intrastate movement of stolen property. Also, Federal officers from a variety of U.S. agencies participate actively in local or State operations targeting interstate and organized crime elements. In other instances, local enforcement agencies have carried out multijurisdictional operations to make an impact on area-wide property crime problems. These are advantages not often enjoyed by city or county police agencies faced with criminal activity that is not restricted in scope to their jurisdictions.

THE STOLEN PROPERTY DISTRIBUTION SYSTEM: THE MARKETPLACE

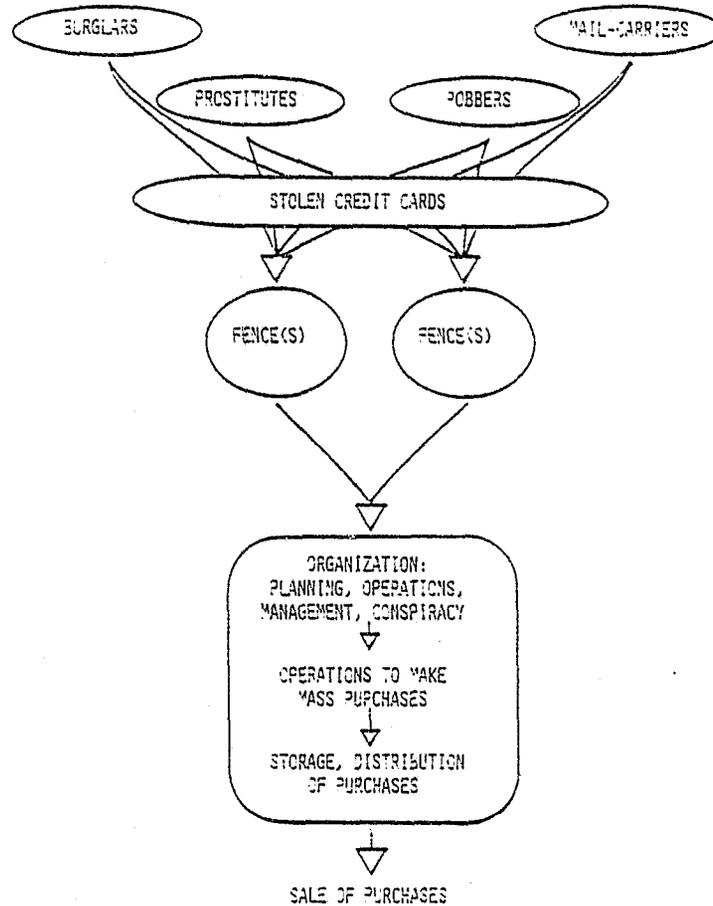
The stolen property distribution system is defined by the number, type, and participants in the transactions that must take place starting with the theft of the property and ending with its reentry into the legitimate property stream. The nature and extent of the system is primarily determined by the property itself. Some related factors that shape the system include: The resale value of the property, the time required to steal it, the space required to store it, the time required to sell it and the effort required to ensure that it cannot be traced or identified as stolen. Each of these factors must be weighed by fences and thieves in profit versus risk considerations.

THE STOLEN PROPERTY DISTRIBUTION SYSTEM



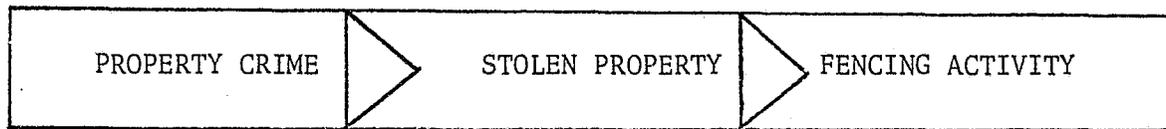
Dollar figures quoted earlier on the traffic in the criminal receiving and disposition of stolen property make the point that property crime is big business. Thus, the flow of stolen property from thieves through the system to the ultimate customer requires many of the same kinds of distribution capabilities encountered in legitimate businesses.

AN ACTUAL SYSTEM THAT OPERATED IN 6 SOUTHERN STATES



Transport (often interstate and even international), storage, and marketing of stolen property is necessary. Organization, management, communications, and planning are requirements. In all of this, it is the fence who is the key between the suppliers (the thieves whom he instructs on what is marketable) and the market itself (the organizations to which he wholesales, who transport, store, and sell the stolen property). Anti-fencing operations, by virtue of the available buy money with which they make transactions as fences, have unique access to both sides of this system for the purpose of incrimination and the acquisition of information on the inner workings of the illegal system.

Just as the stolen property is the critical factor in shaping the stolen property distribution system, it is also important to planning the law enforcement intervention in the system. The type and character of the property being stolen in an area serves as a means for developing operational direction for the anti-fencing project. The stolen property is the critical link between thieves and fences. Effective property crime enforcement strategies require a systems approach that focuses



THIEVES

- WILL STEAL ONLY
WHAT HE CAN SELL

- WILL STEAL ONLY
WHAT HIS SKILLS
PERMIT

FENCES

- CAN BUY ONLY
WHAT THE THIEF
CAN MAKE AVAIL-
ABLE

- WILL BUY ONLY
WHAT HE CAN
SELL

both on the demand (the illegal market) and the supply (thieves) of stolen property. Simply, if stolen televisions are a major problem, the operation may set itself up as a fence especially interested in televisions, at once incriminating the thieves who are stealing them and developing information toward the identification and incrimination of the fences who are buying them. Of course, as the previous discussions demonstrated, additional decisions would be required based on whether the televisions are being stolen from residences or truck or whether they are being resold by individual item or by the truckload. Thus, by assuming the undercover role of the fence from inside the system, law enforcement agencies can intervene directly at a pivotal point in the illegal marketplace.

HOW THE PROGRAM WORKS

In establishing an anti-fencing operation, a team is selected and provided with appropriate cover while word is spread surreptitiously in the right places in the criminal community. The team may be composed of State, county, metro, or city police officers with undercover, investigative, surveillance, safety, and technical functions to perform. An assistant prosecutor is also assigned to the team. Often, the team is composed

of sworn officers from various state and local law enforcement agencies and agents from one or more Federal agencies, such as the FBI, Bureau of Alcohol, Tobacco and Firearms, Postal Service, Bureau of Customs, or the Secret Service. In some instances, the team was composed of members of the Organized Crime Investigative Unit of a district attorney's office along with local and Federal officers.

LEAA provides financial and technical assistance to these teams as follows:

- Funds with which to carry out the role of the fence -- or rather, buy money with which to conduct stolen property transactions.
- Funds to pay for prosecutions.
- Funds to procure necessary special electronic, photographic, and communications equipment in order to record transactions with thieves and fences for evidentiary and informational purposes.
- Funds for lease of buildings and equipment (autos and vans).
- Expert advice and assistance necessary to field the operational team.
- Investigative and informant expenses.

State and local funds are provided the team matching the LEAA funds supplied. Sometimes institutional funds are also made available to supplement these funds. For example, the Insurance Crime Prevention Institute of Westport, Connecticut, provided additional financial support to three federally-funded anti-fencing operations conducted in the Erie County-Buffalo, New York, community. Often insurance companies replace the team's buy money used to recover stolen property they had insured.

The decisionmaking body for anti-fencing projects is usually an advisory council composed of senior local law enforcement officials, federal law enforcement officials and the local and federal prosecutors offices. This group approves the targets and objectives of the anti-fencing operations to be implemented. The property crime problem in the community may indicate that the operational team should concentrate on professional or career burglars victimizing residences or commercial warehouses; professional shoplifters harassing the small businessmen; motor vehicle or heavy transport, construction, drilling, or farm equipment thieves and fences; or the organized, high-value, high-volume theft rings and the broker fences who buy and move the stolen property. It is the advisory council that specifies the type of operation to be conducted.

One alternative may be a long-term, deep penetration into the stolen property distribution system in order to uncover the highest levels of fencing of stolen property and its movement, labor racketeering, corruption, white collar crime, and the infiltration of organized crime in these activities. In this category, the purchase of stolen property is done for the purpose of acquiring acceptance and credibility in the upper reaches of the system, although perpetrators in such transactions are eventually brought to justice. A second alternative may be the initiation of a short-term operation with direct and immediate impact on the local property crime situation. The main purpose of such an operation is the identification and apprehension of thieves and the recovery of stolen property. The emphasis is on immediate investigation and development of felony charges in the property crime categories.

SELECTED OPERATIONAL RESULTS

There is no single, "typical" STING operation. Broad descriptions and generalizations of the concepts and objectives of the LEAA Anti-Fencing Program fail to illustrate the uniqueness of each separate operation. Each one is planned and designed for a specific purpose, in a special local or regional geographic and demographic setting. Also, broad, Programwide statements do not really make clear the imagination and ingenuity of the law enforcement and prosecutive officers who design the operational sites, select the cover business, and conduct daily dialogues with all levels of criminals, despite the potential dangers involved. A closer look at a few of the more than 60 operations conducted in the Program will provide some specific insights into operational inventiveness and effectiveness.

ART INTERNATIONAL

Art International, a wholesale art supply store located in a southern metropolitan area, traded in stolen property with fences and thieves over an 8 1/2-month period. It operated in the middle of the flow of stolen property in a tristate area. The undercover officers of the operational team were accepted and possessed credibility among the area's criminal elements, who never suspected that Art International was owned and operated by members of the county police force and agents of the Treasury Department's Bureau of Alcohol, Tobacco and Firearms. The operation was financed and assisted under a \$300,000 grant from LEAA with \$40,000 in matching funds provided by the county.

Art International sold some art materials (purchased legally at local stores) to unsuspecting, legitimate customers. However, its real business was conducted through the drive-in loading dock in the rear of the store where thieves and fences were videotaped and sound recorded offering stolen property for sale for cash (and, unknown to them, information). The results of the short-lived business: 256 suspects indicted on 1400 indictment

counts and over \$3 million in merchandise recovered, at a cost of approximately 10 cents on the value dollar. Fifteen of the suspects were professional fences, with three of the major fences working parts of the area's stolen property system. One major fence had been in this illegal business for 15 to 20 years without an arrest.

ERIE COUNTY OPERATION #1

In Buffalo, New York, in 1976, Charles S. Carlo managed an antique and art shop at 168 Elmwood Street in the lower west side of town. On the side, he purchased stolen property and was known and accepted as a fence among the organized crime elements of the criminal community. However, for more than 9 months, Carlo acted under the direction of undercover FBI agents in an anti-fencing operation run jointly by members of the Erie County District Attorney's Office, the FBI, and the Bureau of Criminal Investigation of the New York State Police. During the Buffalo operation, goods valued in excess of one-half million dollars were purchased for approximately 10 percent of their real value. The stolen items recovered included diamonds, pearls, antiques, rare coins, gold and silver ingots, and an original oil painting entitled "Le Rabbin," painted by Rembrandt in 1655. The painting had been stolen in March 1971 by international art thieves from the Leon Bonnat Museum in Bayonne, France, where it was on loan from the Louvre in Paris.

In all, the operation netted 34 suspects who were all well known to the police, all career or professional burglars or larcenists. Faced with the photographic and sound-recorded evidence against them, all but two pleaded guilty to felony charges of burglary, grand larceny, or criminal possession of stolen property.

OPERATION HOTSTUFF

Investment Sales, Inc. was a wholesale lamp sales outlet located in Suite 212, 3041 Getwell Road in Memphis, Tennessee. The outlet was listed in the telephone book, The Blue Book, and the City Directory. It was managed by James T. Genovese. Genovese spread the word that he was a relative of the former east coast Mafia boss, Vito Genovese, and that he was buying stolen property for movement and resale by organized crime elements. Actually, Genovese (not his real name) was a convicted felon who had agreed to cooperate with members of the Memphis Police Organized Crime Unit in an LEAA-financed anti-fencing operation. Genovese's experience in dealing with the criminal element at the level targeted by the operational team was unique. He had already been accepted by businessmen fences in organized crime and traveling criminals in the Memphis area. Should criminals test the cover of the wholesale lamp store, or legitimate businessmen make purchases, arrangements had been made with a lamp manufacturer to honor orders within 10 days.

For a period of 8 months, the team operated through their cooperating individual, recovering stolen property from fences dealing in interstate traffic and penetrating drug fence organizations (fences who paid off thieves and thief-addicts with drugs). In all, the 12-man team expended \$27,000 to recover \$700,000 worth of stolen merchandise and contraband. A total of

224 felony indictments were obtained from grand juries, resulting in the arrest of 74 persons who were for the most part fences or persons handling or moving stolen merchandise. All but one pleaded guilty to felony charges.

OPERATION ALPHA

The Alamo Trucking Company was a legitimate business, hauling merchandise from the New Jersey waterfront areas for destinations up and down the east coast. However, Alamo Trucking was also a front for an anti-fencing, organized crime intelligence operation conducted by the New Jersey State Police and the FBI. The operation was designed to enable two New Jersey State Troopers to infiltrate the local shipping and trucking industries in order to develop criminal intelligence with which to prosecute those engaged in organized crime activities. The troopers, backed by a 22-man operational team, were provided with fake identities that would withstand organized crime checking and for 2 1/2 years, they penetrated to the upper echelons of the organized crime hierarchy. Stolen property transactions were made along the way to improve acceptance and credibility. At the project's end, over \$1 million worth of stolen merchandise had been recovered, and approximately 100 "wise guys" or organized crime figures had been identified. Numerous arrests have been made and the investigation and benefits are expected to continue for years.

OPERATION WESTWIND

Shadetree Landscaping appeared to be a small landscaping business in the Fort Worth area. Actually, it served as a major operational site for joint operations of the Fort Worth Police Department and the Federal Bureau of Investigation called Operation Westwind. Operation Westwind has been described as "the most significant activity yet undertaken to fight crime in the (Fort Worth) community." As a result of this operation, over 260 subjects have been arrested, and stolen property valued at approximately \$3.2 million has been recovered. Convicted subjects have been sentenced to an average of 12-15 years.

OPERATION TARPIT

In Los Angeles County, a joint operation of the L. A. County Sheriffs Office and the Federal Bureau of Investigation, conducted over a 22-month period, resulted in the arrest of 260 persons and the recovery of stolen property and contraband valued at over \$42 million. The operation was highly mobile, using a total of 7 storefronts at various times throughout the operations. Operation Tarpit dealt primarily with major receivers and brokers who handled stolen property by the truckload.

OVERALL PROGRAM RESULTS

The Program has resulted in 7,228 indictments against 4600 individuals for offenses ranging from property crimes to homicide. Many of these have

been convicted and are incarcerated.

Since the beginning of the LEAA Anti-Fencing Program, approximately \$150.6 million worth of stolen property and contraband has been recovered and returned to victims or insurance companies. This amount is equivalent to about 9 percent of the total amount of stolen property recovered by police agencies nationwide in 1977. The property was recovered with the expenditure of \$4.1 million in "buy money" (funds for the purchase of stolen property) during the course of 62 operations. This is roughly equivalent to 3 percent of the value of the stolen property recovered.

Research into how much real fences pay thieves for property they steal indicated that the burglars interviewed received prices ranging between 10 percent and 30 percent of the value of the property. Most stated that fences paid them from one-quarter to one-third of the retail value.

Operations-experienced officers, when they consider the nature of the property they recover and the circumstances of the recovery deep within the distribution system, estimate that a minimum of 70 percent of regained property would never be recovered during standard police activity. Thus, the stolen property recovered during anti-fencing operations is complementary to, and not competitive with, normal police procedures.

These recovery figures also can be viewed from another perspective: The results were accomplished with limited manpower (operational teams range between 8 to 20 people), spread over more than 30 geographic areas (some multistate regional or rural areas) in bursts of activity ranging from 4 to 8 months of operational duration. Specifically, during the period of one 8-month operation targeted against quality fences (high and mid-level) and professional thieves, a 12-man team recovered an amount of stolen property that raised the overall police department stolen property recovery figure by 11 percent for the period. But there is more to this story: Only \$27,000 in buy money was required to raise the recovery figure, and 97 percent of the 74 criminals arrested in the operation pleaded guilty to charges placed against them, saving prosecutor and court time and money.

ARRESTS

The FBI, in its Uniform Crime Report for 1977, has estimated that the total arrests in the nation for that year for burglary were 516,800. The Report also states that only 59 percent of the adults charged in the burglary were found guilty. In the same year, arrests for buying, receiving, and possessing stolen property, an offense critical to the charging of fences, were estimated to be 117,300. In a sample of reporting police agencies representing 16 percent of the population, only 54 percent of the adults charged with this offense were found guilty as charged.

When compared to these figures, the over 4600 arrests compiled for all completed anti-fencing operations equal about 1 percent of all burglary arrests made across the nation in 1977 and almost 4 percent of all stolen

property/buying, receiving, and possessing arrests in the same year. However, the impact of the over 4600 anti-fencing arrests can be appreciated when it is remembered that the conviction rate was above 90 percent.

There are other quality facets to the arrests made as a result of anti-fencing operations. For example, in a survey of the results of 12 operations conducted in 8 city or metropolitan areas during the 1974-1976 period, about two-thirds of all arrestees were career criminals with extensive police records. On the other hand, some success has been achieved in identifying and arresting the professional thief and fence who have no police record but have been operating outside the law for many years. For example, in one incident, an arrest was made at the termination of an operation of a mailman with no prior record who was arrested on the basis of 55 different charges uncovered by the operational team.

About one-half of the arrestees in 8 of the 12 operations surveyed last year had some drug involvement. The arrestees were either addicts who committed thefts to support their habit, drug-fences who paid for stolen property in drugs, or dealers in this contraband along with stolen property. In one instance, information obtained from one arrestee resulted in the breaking up of a drug import and distribution ring during which 14 people were arrested, distribution trucks taken, and six tons of Columbian marijuana recovered from a ship in a gulf port in the United States.

The persons arrested in the operations are not juveniles who have been enticed to crime, or who attempt to sell stolen property to a fence as a lark. During the recovery mentioned above, only 4 percent of the total arrestees were juveniles, and, of the juveniles taken, 15 percent had previous police records beyond juvenile records. Some of those arrested were part of a juvenile burglary ring whose method of operation was to loot houses closed for the season in a southern resort areas.

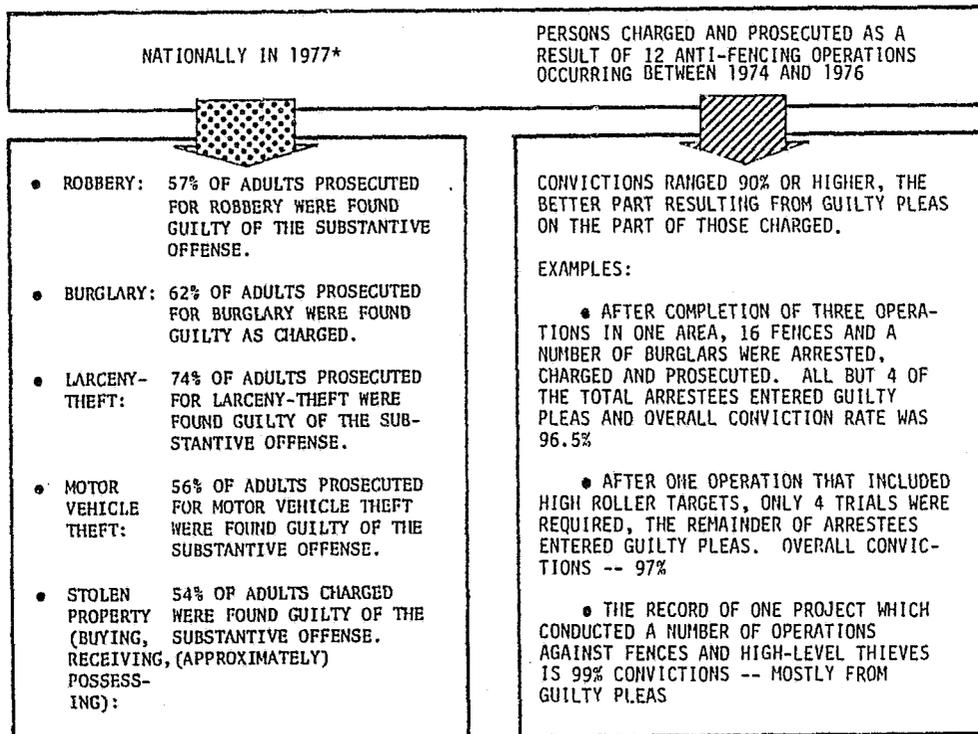
OVER 90 PERCENT CONVICTION RATES

Over the 4 years of the Anti-Fencing Program, high conviction rates for those arrested as a result of operations have become an expectation. Programwide, the conviction rates are higher than 90 percent, with most operations averaging over 95 percent. The conviction rates range from 17 to 31 percent higher than the national averages for the five property offense charges most often placed against persons arrested as a result of STING operations.

When confronted with videotaped and sound-recorded evidence of stolen property transactions occurring during anti-fencing operations, along with supporting information and the existence of the identified stolen property in police custody, defendants and their attorneys generally agree on a guilty plea. Therefore, this strong evidence in the hands of prosecutors has a net benefit of reducing the necessity for plea bargaining. In fact,

the impact of the video evidence on the prosecutors and judges has been so marked that they are beginning to press police to broaden the application of videotaping evidence. One result of this increased awareness has led at least one city police department to use the video equipment acquired under the LEAA Program, and technical personnel trained and experienced in installations and operation, in non-anti-fencing situations for the collection of evidence.

A COMPARISON OF EXPECTATIONS OF CONVICTION OF ADULTS PROSECUTED ON PROPERTY CRIME CHARGES



*UNIFORM CRIME REPORT 1977

IMPACT OF ANTI-FENCING OPERATIONS

If the theory is correct that the older, professional thief with no police record, the career thief with a long record, and the professional fence are responsible for a significant part of the property crime statistics of a community, then their arrest, conviction, and incarceration as a result of anti-fencing operations should result in a discernible change in the communitywide property crime picture at the end of an operation.

To demonstrate that there are, in fact, the kinds of criminals that anti-fencing operations incriminate, figures from one 6-month operation show the following:

- 305 persons were identified during the course of stolen property transactions.
- 89 percent of the persons ranged in age between 20 and 40 which is quite a bit older than the age groups of the most frequent offenders for property crimes identified from Uniform Crime Reports.

A COMPARISON OF AGE GROUPS

AGE GROUPS OF MOST FREQUENT OFFENDERS IN PROPERTY CRIME-NATIONALLY IN 1977		A PROFILE OF AGE GROUPS OF CRIMINALS MAKING STOLEN PROPERTY TRANSACTIONS AT ONE 6-MONTH ANTI-FENCING OPERATION	
	<u>AGE GROUP</u>	<u>AGE GROUPS</u>	<u>PERCENT OF TOTAL</u>
ROBBERY	16-20	UNDER 18	3.3
BURGLARY	15-19	18-19	9.0
LARCENY-THEFT	15-19	20-25	39.0
MOTOR VEHICLE THEFT	15-19	26-30	21.2
		31-40	20.0
		41-50	6.2
		OVER 50	1.3
			<u>100.0 %</u>

Data from this same operation can be used to illustrate the police record history of offenders making stolen property transactions. In this case, 88 percent of the criminals encountered had police records, ranging from 1 to 52 prior arrests for property crimes as well as violent crimes and drug-related crimes.

A PROFILE OF CRIMINALS IDENTIFIED IN A SAMPLE
6-MONTH ANTI-FENCING OPERATIONS

- 305 CRIMINALS IDENTIFIED DURING OPERATIONS
- 259 HAD PRIOR ARRESTS - 98%. RANGE: 1 to 52 PRIOR ARRESTS.
- 36 HAD NO POLICE RECORD - 12%. 3 WERE JUVENILES WITH NO ADULT RECORD
- THE 259 HAD COMPILED A TOTAL OF 2155 ARRESTS. AN AVERAGE OF 8 PER PERSON

- ROBBERY: 28.5% HAD PRIOR ROBBERY ARRESTS. RANGE: 1 TO 8, AVERAGE, 2 PER PERSON
- BURGLARY: 33% HAD PRIOR BURGLARY/B&E ARRESTS. RANGE: 1 TO 10, AVERAGE, 2.3 PER PERSON
- LARCENY: 46% HAD PRIOR LARCENY ARRESTS. RANGE: 1 TO 21, AVERAGE, 2.3 PER PERSON
THEFT
- MOTOR VEHICLE: 8% HAD PRIOR MOTOR VEHICLE THEFT ARRESTS. RANGE: 1 TO 7, AVERAGE, 1.7 PER PERSON
THEFT
- HOMICIDE: 3.5% HAD PRIOR HOMICIDE ARRESTS. RANGE: 1 to 3, AVERAGE, 1.1 PER PERSON
- DRUGS: 43% HAD PRIOR DRUG RELATED ARRESTS. RANGE: 1 to 10, AVERAGE, 2.3 PER PERSON
- OTHER CHARGES: RANGED FROM ASSAULT, KIDNAPPING, FORGERY, RESISTING ARREST, FRAUD, JAIL ESCAPE, PROSTITUTION, CONCEALED WEAPONS, SHOPLIFTING AND MINOR OFFENCES

Another indicator of the character of the arrests made from anti-fencing operations is the offenses on the records of the police departments that are cleared by these arrests. Several examples will help to make clear that, in general, arrests stemming from anti-fencing operations clear more offenses than arrests stemming from standard police procedures. The arrests of 28 criminals in a recent operation cleared 218 offenses, which were primarily burglaries and grand larcenies.

In another eastern metropolitan area, the police department assigned extra investigators to follow up on 152 arrests made after the termination of an operation conducted in 1976. The investigators were able to clear a record 2855 offenses. However, on a programwide basis, the figures are equally remarkable. Data from monthly Uniform Crime Reports and from six operations conducted in 1975-1976 reveal that during the six operations, the police cleared approximately one property crime offense per arrest made through regular police procedures. On the other hand, during the same period, just over three offenses were cleared for each arrest made as a result of the STING operation.

The information above illustrates the character of the arrests made during anti-fencing operations. The proof of the theory and concept can be established if it can be shown that property crime offenses reported to the police declined in the months following the termination of operations. A survey of the impact of anti-fencing arrests on Uniform Crime Report-submitted offense data for 12 operations conducted in 1974-1976 produced the following results:

- Short-term effects -- Property offenses reported to the police declined in all categories during the 2- to- 3-month period immediately following operational termination and arrests when compared to the same period in the year prior to the operation.

<u>Category</u>	<u>Percent Change</u>
Robbery	-22
Burglary	-11
Larceny-theft	- 1
Motor Vehicle Theft	-25

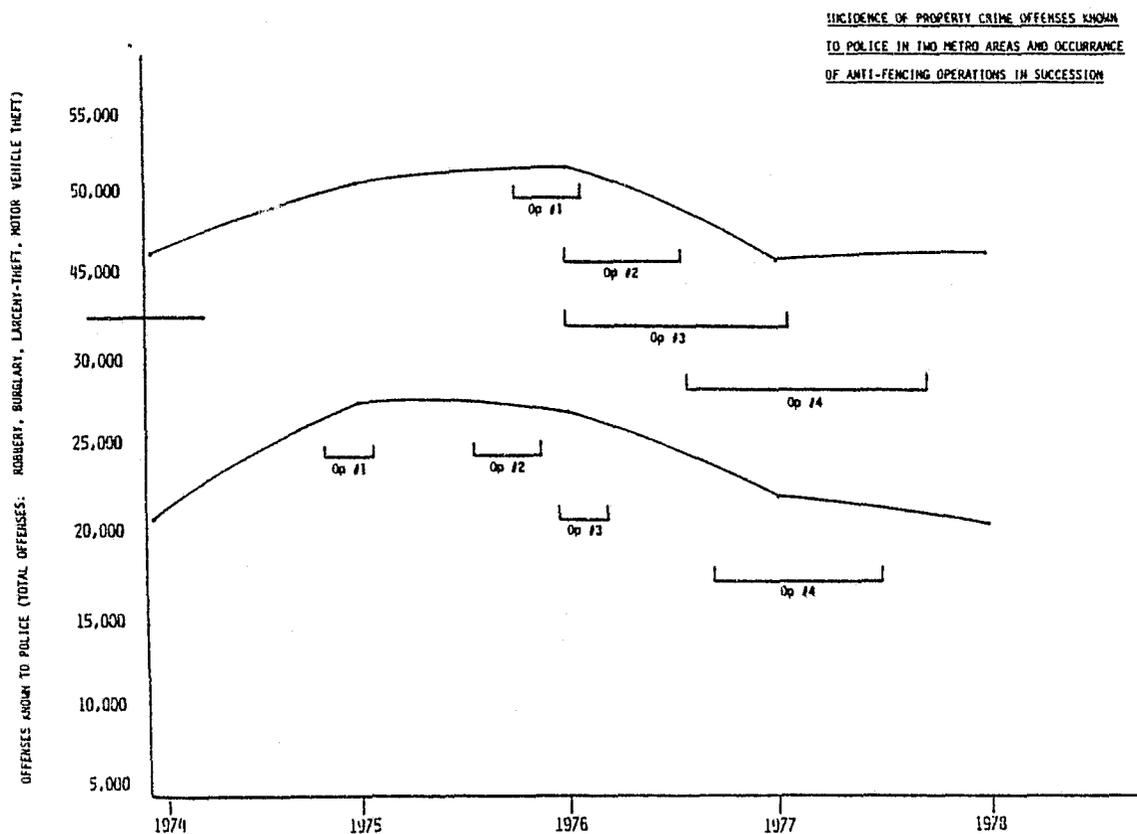
- Long-term effects -- For the period 4- to- 15- months after termination and arrests, offenses declined when compared to the year prior to the operation.

<u>Category</u>	<u>Percent Change</u>
Robbery	-14
Burglary	-17
Larceny-theft	- 5
Motor Vehicle Theft	-26

Although these downward indicators cannot be attributed directly to anti-fencing operations, the analysis implies that similar impact can be expected for other areas in which operations are initiated. It also should be noted that the national trend in property crime offenses known to the

police using 1975 as compared to 1974 statistics, was upward, not downward, as were the areas in which anti-fencing operations occurred: robbery, +7 percent; burglary, +7.4 percent; larceny-theft, +13.1 percent; and motor vehicle theft, +2 percent.

Some information is also available on the effects of successive anti-fencing operations on offenses known to the police. In the accompanying illustration, Uniform Crime Report data on property crime offenses known to the police in two metropolitan areas are plotted alongside the initiation and termination dates for four successive anti-fencing operations.



IMPLICATIONS FOR THE FUTURE

"One area of law enforcement which has received considerable public attention in recent months is the bogus fencing operations carried out by local police in a number of areas, and in large part financed by the LEAA ... LEAA has provided \$567,000 in buy money to recover approximately

\$24.4 million worth of stolen goods ... much of the property recovered was stolen in burglaries at businesses and private homes, but a surprising amount of goods sold to fences is shoplifted. The casual shoplifter who needs the money rather than the goods accounts for a portion of this traffic, but most of it comes from professional shoplifters ... the National Retail Merchants Association (NRMA) views the programs supported by LEAA and carried out by local police to apprehend professional shoplifters through dummy fencing operations as an effective tool in the fight against shoplifting. They have the byproduct of discouraging others from entering the shoplifting business because they encourage the fear that a fence may be the police."

So stated Mr. Allen Routzahn, representing the National Retail Merchants Association, in testimony given before the House of Representatives Subcommittee on Small Business Problems on April 28, 1977. This is but one example of the increasing public and official awareness of the visible and positive impact of anti-fencing operations on property crime.

With the general recognition and appreciation of the potentials of the proactive anti-fencing concept and approach will come the motivation on the part of many law enforcement agencies, urged on by citizen's and business groups (such as the NRMA mentioned above), to undertake these types of activities to complement other enforcement activities. This is, of course, one of the major future goals of the LEAA Anti-Fencing Program.

With this goal in mind, LEAA Program planners expect that each anti-fencing project they finance will become a continuing source of doctrine, technique, and experienced personnel to share out to others, and a reservoir of knowhow in the utilization of video, sound, and communications technology for the acquisition of evidence of criminal action. Already there is evidence that this resource has begun to be tapped.

Within State, county, metro, and city police departments where LEAA-financed operations have been conducted, officials have applied learned experience and techniques to conduct mini-operations with their own resources when special property crime problems or targets of opportunity warrant. In addition, video, sound, and other special equipment and technical experience have been applied to the acquisition of evidence in special circumstances with remarkable results and complete acceptance by prosecutors, courts, and juries.

In other cases, local law enforcement agencies that have not enjoyed LEAA funding for anti-fencing projects have sought their own sources of

funds for buy money and operating expenses and have conducted successful operations. Often, these locally funded operations have sought and received help from the personnel of LEAA-funded projects. Two examples of locally funded operations are provided here to demonstrate the results obtainable:

INTERSTATE MARKETING CONNECTION, INC. (IMC, INC.)

On May 8, 1978, eight members of the Lexington-Fayette Metro Police Force of Lexington, Kentucky, opened a warehouse-based anti-fencing operation that operated for 5 months. At the end of the operation, 65 suspects had been arrested and \$165,000 worth of property recovered. One hundred five thousand dollars worth of the recovered property already has been returned to the victims. Funds for this operation totaled \$19,200, of which \$15,000 was used to recover the stolen property with about 9 cents on the dollar payment to the thieves. The funds were provided by the Lexington-Fayette Urban County Government, the Attorney's Office for the State of Kentucky, and the Police Division of the Public Safety Department. The 65 arrests cleared 134 property crime offenses known to the metro police, 115 of which occurred in the Lexington-Fayette County jurisdiction. It also should be mentioned that the Lexington-Fayette County Metro personnel were ably assisted in the operation's early stages by experienced members of the Jefferson County Police Force anti-fencing unit who conducted the successful LEAA-financed Art International operation described earlier. Two Jefferson County personnel came to Lexington and conducted scouting activities in the area for the IMC, Inc. operation.

NEW AVON SWAP SHOP

In Rockford, Illinois, on February 18, 1977, a locally funded anti-fencing operation was opened by members of the Rockford Police Department. The operation ran for 4 months, during which time over \$50,000 worth of property was recovered, and arrest teams apprehended 27 identified suspects on charges ranging from burglary to possession of stolen property. As a result of these arrests, 72 burglaries and theft offenses were cleared from the books of the Rockford Police Department. Most of the arrestees chose to plead guilty, and those choosing to go to trial have been found guilty.

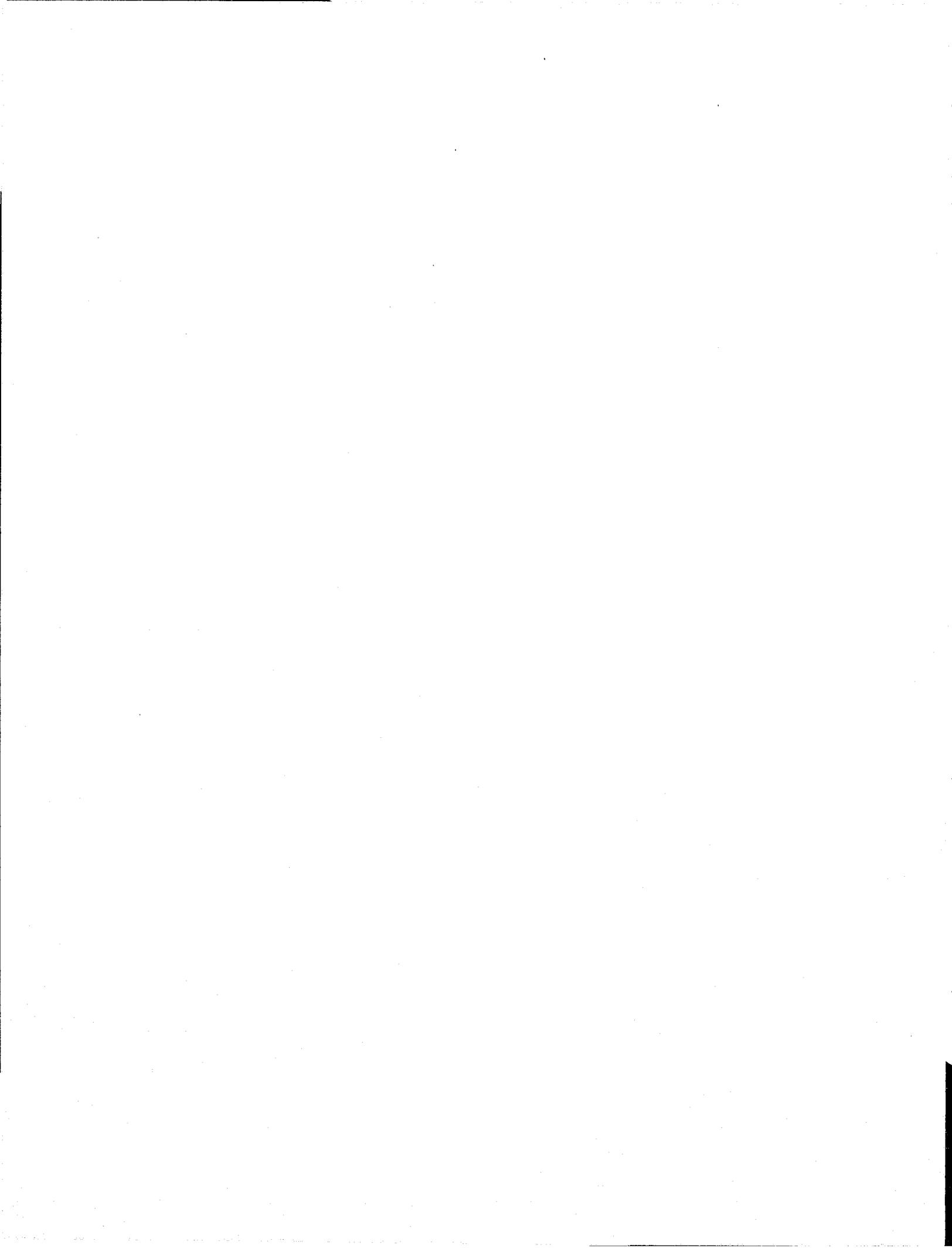
The financing for the operation came from \$7900 provided by the local Kiwanis Clubs, who were told only that the Department needed help for an anti-burglary program. Rockford Police had spent much time and effort in developing trust between business, industry, and the total community. The publicized results of the anti-fencing operation using Kiwanis members' money helped these goals.

The future may also see even broader application of concepts and techniques developed in the Anti-Fencing Program. One STING-like operation in Chicago targeted official corruption. The potential for the application of these concepts to crimes like arson is undeniable.

INCREASED LOCAL CAPACITY AT LOW INVESTMENT

Heartened by years of low risk of arrest -- and low risk of prosecution if arrested -- professional fences, thieves, and the other members of the stolen property distribution system have been afforded the time and opportunity to develop their skills and, in many cases, to organize. Law enforcement agencies have recognized the sophistication of burglars who, for example, use CB radios to coordinate their assaults on homes and warehouses and scanners to intercept police radio transmissions. They are able to plan their burglaries in great detail with careful reconnaissance, travel in teams to other cities or states, and sell their loot to increasingly established and organized fences. These fences, in turn, have organized outlets for the storage and movement of the stolen property.

Many agencies find themselves strapped to meet the increased capabilities of the professional thief and fence. Moreover, normal police procedures probably cannot improve property crime clearances, since the redistribution system can move stolen property to other jurisdictions quickly and effectively. To enhance their capacity to fight property crime, local police agencies now can employ proven and increasingly sophisticated anti-fencing techniques to make quality arrests. These techniques provide the ability to take the offensive against the components of the system with a modest investment of law enforcement dollars.



END