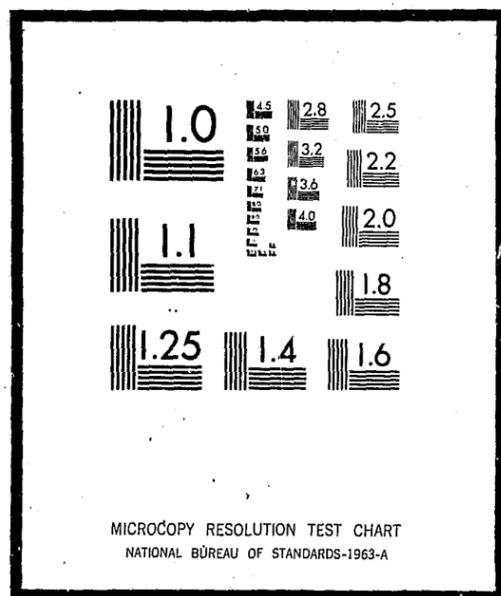# NCJRS

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GUIDELINES FOR THE DEVELOPMENT OF AN ANALYTICAL SYSTEM FOR STATE-WIDE PLANNING, EVALUATION, AND COORDINATION OF ORGANIZED CRIME CONTROL PROGRAMS

Volume II of

EVALUATION OF THE OCJP ORGANIZED CRIME PROGRAM AND RECOMMENDATION FOR CONTINUATION

by

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Submitted to the

Office of Criminal Justice Programs
Executive Office
State of Michigan

by

International Research and Technology Corporation
1225 Connecticut Avenue, N.W.
Washington, D.C. 20036

January 1973

VOLUME II

GUIDELINES FOR THE DEVELOPMENT OF AN ANALYTICAL SYSTEM FOR STATE-WIDE PLANNING, EVALUATION, AND COORDINATION OF ORGANIZED CRIME CONTROL PROGRAMS

GUIDELINES FOR THE DEVELOPMENT OF AN ANALYTICAL SYSTEM FOR STATE-WIDE PLANNING, EVALUATION, AND COORDINATION OF ORGANIZED CRIME CONTROL PROGRAMS

I. INTRODUCTION

The accompanying volume of this report, *Assessment of the State of Michigan Organized Crime Control Programs (Problems and Recommendations)*, stresses two points. First, planning, evaluation, and control are, at best, largely based upon criteria that do not measure organized criminal activity: emphasis is on monitoring the activities of reputed organized crime figures, with the objective of jailing them, or on developing cases on an *ad hoc* basis which may or may not represent any reasonable definition of organized crime. The few units with operations based upon an activity-orientation have limited effectiveness as they are either small or do not have complete investigative-arrest-prosecutorial powers.

The second point which was stressed is that Office of Criminal Justice Programs must take a more direct role in program planning, evaluation, and coordination, at least to the extent that it initiates statewide efforts with the intent of turning them over to an enforcement agency. This new role, at this time, can only be defined in ambiguous terms as the Constitutional and administrative authority of OCJP is unclear and the attitudes and preferences of the Michigan Commission on Law Enforcement and Criminal Justice are not known.

The recommendations submitted to the OCJP have been categorized, so that each deals with problem areas that represent different levels of abstraction or sets of issues. This report suggests specific guidelines for dealing with the first category of recommendations which is: Define the organized crime problem in Michigan and develop an evaluation system which leads to a resource control system and the activity-oriented indexing of intelligence files. The following section describes the guidelines for the development of a system for state-wide planning, evaluation, and control of organized crime control programs. These system guidelines illustrate in an operational way the result of adopting the first category of recommendations which we believe must be implemented, to some degree, before the others.

II. SYSTEM GUIDELINES

The system outlined below could permit the following:

(1) Definition (with continual updating) of the organized crime problem in terms of activities and their characteristics, individuals and their habits, and institutions and their characteristics.

(2) Development of activity-oriented intelligence systems which permit continual updating and monitoring of the level and scope of organized criminal activity and permits multi-agency strategic planning in terms of both organized crime and law enforcement programs.

(3) Specification of statewide, jurisdictional, and unit-specific objectives which are coherent, nonconflicting, and meaningful.

(4) Analysis of current and past programs to determine their impact upon organized criminal activity, and to evaluate their methods and procedures with a view toward upgrading them.

(5) Continual review of the efforts as a whole with respect to the defined problem so as to allow effective program change and development and the initiation of new programs.

(6) Public accounting of law enforcement programs and agencies in meaningful terms related to impacts upon organized criminal activity.

The guidelines for designing, implementing, and maintaining a system which would accomplish the above follows:

(1) Define, in conceptual, non-crime-specific terms, organized crime in Michigan.

Simple criteria must be established so that planning and enforcement officials can determine in a reasonable time whether or not an activity is an "organized crime." The activity need not be a crime *per se*, but it may be a related non-criminal act such as establishing a legitimate business with criminally obtained capital. If such criteria are not developed, individual units will be able to label any activity an "organized crime," the decision being based either upon arbitrariness, convenience, or capriciousness.

The development of simple criteria will aid in useful state-wide planning and coordination as it will define the relevant pursuits of organized crime control units.

Possible general criteria for identifying organized criminal activity with respect to the universe of criminal and related non-criminal activities are:

● The activity is (or can be) an ongoing one.

● The activity requires supervision and management by people who do not need to participate directly in the activity.

● Resources which support the activity -- money, manpower, influence, etc. -- are interchangeable and replaceable.

These, or similar criteria, make it possible to identify both current and possible future organized criminal activity. An even more general criterion is that organized crime lacks spontaneity (except with respect to certain enforcement actions); opportunities are or can be carefully developed and taken advantage of.

(2) Quantify, in terms of specified indicators of activity, the organized crime problem by establishing baseline data which describe historical and current organized criminal activities.

This is the most methodologically complex of the suggested guidelines, as it deals with two major problems. First, it must arbitrate among and concern itself directly with prejudices of experienced, high-ranking, and powerful law enforcement officials. Second, it must overcome significant definitional problems.

Many policy-level officials directing organized crime control programs in Michigan emphasize, simply, the jailing of individuals. Some of these individuals are considered to be associated with organized crime as they match a profile based usually upon the Mafia-type definition of organized crime. Sometimes broader definitions are used. Other officials investigate crimes as they occur, either without considering the degree to which they are part of organized crime or by arbitrarily classifying them as organized crime. Efforts to understand organized crime from an activity perspective are minimal. One result of this is that organized crime is generally understood only in terms of single events, both criminal and noncriminal, and in terms of identified individuals who are believed to be associated with organized crime.

Establishment of baseline data which describes organized criminal activity requires the prior specification of indicators of criminal activity. First, those activities fitting the criteria of organized crime must be determined. Second, indicators which describe each activity must be specified. These two points represent the major definitional problem. In principle, organized crime is any apparent crime which fits the above-stated criteria. Rather than speculate upon all criminal activities which may be classified as organized crime, Exhibit 1 lists a number of criminal activities which most enforcement officials would classify as organized crime.

Indicators are required which measure changes in the incidence, scope, and characteristics of criminal activity. Indicators of criminal activity must describe, minimally and, whenever possible in quantitative terms, the following: participants in the criminal activity; quantity, quality, and price of the transacted good or service; location of crime; schedules; and method of operation. Exhibit 2 lists one possible list of indicators of organized criminal activity which measure directly changes in organized criminal activities.

At this point, decisions must be made as to which indicators are most useful for reasonably effective law enforcement. This question cannot be systematically answered here; however, some illustrations can be given and discussed.

In drug importing, for example, a good indicator might be the average weight of each drug shipment. Multi-kilo shipments may mean that importers have developed a secure network with only one or two entry points into the country required. Single kilo shipments or less might mean that the network is not so secure, and importers must try to maintain multiple entry points. Schedules of shipments could also provide information as to the relative security of the importing network. The most useful indicators are, simply, the quantity and quality of the imported drugs. These, and similar indicators, are necessary to understand the magnitude of the problem.

Loan sharking may be expressed in terms of total value of loans on the street, average size of loan, number of businessmen who took a loan, and so on.

A careful survey of the officials directing the major organized crime control programs in Michigan could result in a structuring of those indicators which describe organized crime in direct terms.

It must be understood that once these indicators are identified, it may be impossible to derive the required data needed to assign values to them. For example, determining with any accuracy heroin shipments into the United States, across all borders, may be impossible. This problem is overcome by the development of surrogate indicators which may reveal, indirectly, changes in organized criminal activity. Surrogate indicators should be postulated early, and values for them derived as the survey of law enforcement officials takes place. Illustrative surrogate indicators are listed for each category of organized crime in Exhibit 2.

3. <u>Attribute trends in baseline data to either enforcement programs, changes in organized crime not related to enforcement programs, or other forces.</u>

As values are applied to the direct indicators of organized criminal activity or the surrogate indicators for the past ten years, for example, shifts will be apparent. Examples of shifts in the direct indicators of activity might be changes in the amount of heroin being retailed and number of addicts; value of bets made and number of gamblers; value of loans made by loan sharks; and value of goods hijacked. Surrogate indicators which may shift include availability of narcotics paraphernalia, legal costs of indicted organized crime figures, and cost of corrupting a public official. These shifts or changes must be accounted for, thereby gaining some insight into why organized criminal activity increased or decreased.

Of particular interest here is understanding the past effectiveness of enforcement programs. Exhibit 3 identifies the basic enforcement programs in traditional terms -- investigation, prosecution, harassment, education, research, and lobbying -- and specifies the premises upon which these programs are based or reasons why these programs are undertaken. As enforcement officials are surveyed in order to obtain information for structuring indicators of organized crime and applying values to them, information should also be obtained as to what enforcement programs, and the reasons for them, were instituted. These programs should be defined in terms of total enforcement resources committed, and examined with respect to the indicator trends, identifying where an enforcement program appeared to influence criminal activity. Considerable effort should be made to understand in some detail the relationships among past enforcement programs, indicator

trends, and the reasons for any shifts. For example, if narcotics consumption dropped, did it drop because people were convinced they should not use it? (an education program); because illegal drugs were removed from the market? (seizure of heroin shipments); because the distribution network was broken up? (prosecution of heroin importers or dealers); or because addicts found a legal substitute? (maintenance clinics).

Shifts or changes in trends of the baseline data for specified indicators may also be attributable to non-enforcement actions. Examples here include the discovery of new opportunities by organized crime, competition among organized crime figures, new anti-crime business/labor programs, and legislation.

In general, the major question to be answered is: What, in the past, caused organized criminal activities to change in incidence, scope, and characteristics? Firm evidence often will not be available, although causal relationships might be derived from sequential occurrences and coincidental actions. For example, if a change in the price/purity ratio of heroin available on the street occurs two days after a major seizure, the seizure might be credited as the cause. As priorities are established, it will be possible to determine the degree to which it is desirable to understand those relationships which are not evident.

4.   Establish priorities for reducing organized crime.

Although the overall goal of organized crime control programs is to eliminate organized crime of all types, limited resources make it necessary to establish priorities and guidelines in accordance with the availability of resources. There are three major aspects to the setting of these priorities and guidelines: first, determination of the negative impacts associated with the different types of organized criminal activities and the subsequent rank-ordering of these activities; second, consideration of the pressures external to the organized crime effort which encourage it to ignore or acknowledge various types of crime; and third, determination of the strategies (resource mixes) necessary to reduce various types of organized crime at associated probabilities of success.

Determination of the negative impacts of organized criminal activities and the associated rank-ordering has four analytical components. First, it is necessary to determine the levels of criminal activity as defined by

the indicators previously listed. Second, it is necessary to define the interrelationships among different criminal activities. In doing so, the essential question concerns the degree to which the continuation of a particular criminal activity depends upon the continuation of others. For example, successful numbers operations may be dependent upon police corruption. Third, direct and indirect societal impacts, both quantitative and qualitative, of the criminal activities must be determined. A direct impact of loan sharking, for example, is that a worker's family is deprived of large amounts of essential income as a result of exorbitant interest paid to the usurer. Indirect impacts include the borrower, unable to pay the interest, arranging for the theft of large amounts of property which is then sold through disguised fencing operations, thereby diminishing the ability of legitimate businessmen to compete. Fourth, and finally, the criminal activities must be rank-ordered not only in accordance with their levels of activity, interrelationships, and impacts, but also in accordance with the perceived level of immorality associated with each type of criminal activity. Moral and ethical judgments must be made concerning the degree to which crimes offend the community's senses. Questions to be resolved include: Is the murder of a policeman worse than ongoing gambling? Is loan sharking worse than gambling? Is police corruption worse than prostitution?

Determination of the resource requirements and associated probabilities of success in achieving a defined objective (e.g., there is a high probability that given a commitment of X, the level of gambling activity can be reduced by 30 percent) are important considerations when deciding whether or not to commit resources to combatting a particular crime. Without some idea as to what a commitment of resources at any level is likely to accomplish and without an idea as to how much it will cost to have a desired impact upon the criminal activity under attack, resources cannot be initially allocated in a meaningful and rational manner. But beyond the initial allocation, each additional allocation must be similarly assessed as there is likely, in any law enforcement program, to be a point of diminishing returns, a point at which the cost of a further reduction in the level of a particular criminal activity is higher than any benefits which may accrue. For example, to reduce gambling by 50 percent may require a budget commitment of X. To reduce the remaining level of gambling by an additional 5 percent may require a commitment of 2X, a cost perhaps too high, given the anticipated results.

The third area, that of considering explicit pressures exogenous to the organized crime control effort, bears directly upon the allocation of resources in accordance with the rank-ordering of criminal activities. Regardless of how important areas of organized criminal activity are judged to be, and regardless of the available resources and associated probability of success in dealing with these criminal activities, political or administrative pressures will to a degree dictate the actual allocation of resources. If a police officer is killed in the course of an armed robbery, resources may have to be diverted from organized crime investigations to assist in the homicide investigation. If a prosecutor and mayor need organized crime convictions in order to win reelection, the organized crime effort may have to make a few insignificant gambling and narcotics cases, thereby diverting resources from more important investigations.

The establishment of the appropriate resource allocations in accordance with these criteria is not a one-time occurrence. Rather, it is an ongoing process. Levels of organized criminal activity, both in single jurisdictions and across the state, must be continually monitored. Rank-orderings and priorities, external pressures, and the probabilities of successful law enforcement efforts, given available resource mixes, must be continually reassessed. This ongoing process will result in the continued realignment of organized crime control programs in accordance with the needs and resources of the communities to be served.

EXHIBIT 1

AREAS OF ORGANIZED CRIME

I. DRUGS
    A. Importing and Wholesaling
    B. Sales and Distribution
    C. Promotion of Use

II. GAMBLING
    A. Sports
    B. Mutuel
    C. Casino
    D. Other

III. LABOR RACKETEERING
    A. Sweetheart Contracts
    B. Extortion
        1. Business
        2. Personal
    C. Theft and Misuse of Union, Welfare, and Pension Plan Funds

IV. LOAN SHARKING
    A. Business
    B. Personal

V. HIJACKING
    A. Consumer Durables
    B. Consumer Nondurables
    C. Supplies and Raw Materials
    D. Capital Equipment

VI. SMUGGLING
    A. Consumer Durables
    B. Consumer Nondurables
    C. Supplies and Raw Materials
    D. People

AREAS OF ORGANIZED CRIME (Continued)

VII. THEFT

    A.   Consumer Durables

    B.   Consumer Nondurables

    C.   Supplies and Raw Materials

    D.   Capital Equipment.

VIII. DISTRIBUTION OF ILLEGALLY OBTAINED GOODS

    A.   Hijacked Goods

    B.   Smuggled Goods

    C.   Stolen Goods

    D.   Illegally Produced Goods

IX. EXTORTION

    A.   Business

    B.   Personal

X. FRAUD

    A.   Business

    B.   Consumer

    C.   Insurance

XI. ARSON

XII. CORRUPTION OF OFFICIALS

    A.   Elected

    B.   Career

    C.   Law Enforcement

XIII. COUNTERFEITING AND FORGERY

    A.   Official Documents and Licenses

    B.   Currency and Negotiable Instruments

    C.   Other

XIV. PROSTITUTION

XV. MANUFACTURE AND DISTRIBUTION OF PORNOGRAPHIC MATERIAL

XVI. OFFENSES AGAINST THE PERSON

EXHIBIT 2

LIST OF INDICATORS
FOR USE IN
PLANNING AND EVALUATING
ORGANIZED CRIME CONTROL PROGRAMS

DRUGS

	Indicators of Activity	Surrogate Indicators
Importing and Manufacturing	--Amounts manufactured and imported.	--Price/purity.
	--Costs of importing and manufacturing.	--Availability of drugs at wholesale level.
	--Characteristics of importers and manufacturers: • Number existing; • Locations; • Names; • Method of operation.	--Availability of drugs on street. --Cost of corruption. --Sale and availability of narcotics paraphernalia (e.g., quinine sulfite, capsules, pill-making machines).
	--Distribution, by weight, of drugs.	--Activities of alleged importers and manufacturers.
	--Importing and manufacturing schedules.	--Complaints.
	--Amount of drug available for distribution.	--Tips. --Investigative leads.
	--Amount of narcotics sold.	--Supporting crimes committed.
	--Distribution of illegally obtained revenues.	--Legal and related costs of organized crime figures.
	--Characteristics of suppliers.	--Change in "lifestyle" of organized crime figures.
Wholesaling and Distribution	--Amounts entering wholesaling and distribution networks.	--Price/purity relationships.
	--Amount sold to "retailers."	--Availability of drugs on street.
	--Costs of wholesaling and distribution.	--Cost of corruption.
	--Characteristics of whole-salers and distributors: • Number, existing and new; • Locations; • Names; • Methods of operation.	--Activities of alleged wholesalers and distributors. --Sale and availability of narcotics paraphernalia. --Complaints. --Tips.

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	Indicators of Activity	Surrogate Indicators
Wholesaling and Distribution (continued)	--Distribution, by weight, of wholesale lots.	--Investigative leads.
	--Wholesale and distribution schedules.	--Addicts suffering from withdrawal.
	--Frequency (e.g., days/month) narcotics wholesaled.	--Supprting crimes committed. --Requests by addicts for clinical assistance.
	--Value of narcotics sold.	
	--Distribution of illegally obtained revenues.	--Legal and related costs of organized crime figures.
	--Legal and related costs of organized crime figures.	--Change in "lifestyle" of organized crime figures.
Retail Sale	--Amounts retailed.	--Price/purity relationship.
	--Value of amounts retailed.	--Availability of drugs on street.
	--Costs of retailing.	--Cost of corruption.
	--Characteristics of retailers: • Number, existing and new; • Locations; • Names; • Method of operation.	--Activities of alleged and known retailers and addicts/users. --Sale and availability of narcotics paraphernalia.
	--Frequency (e.g., days of month or time of day) narcotics can be bought.	--Complaints. --Tips.
	--Locations (e.g., number of square blocks or buildings) where narcotics are retailed.	--Investigative leads. --Requests by addicts for clinical assistance.
	--Distribution of illegally obtained revenues.	--Addicts suffering from withdrawal.
		--Employee absences and injuries.
		--Loss of tools and materials.
	--Characteristics of addicts: • Number, existing and new; • Locations; • Names.	--Legal and related costs of organized crime figures. --Changes in "lifestyle" or organized crime figures.

GAMBLING

	Indicators of Activity	Surrogate Indicators
Sports Betting	--Characteristics of gambling "managers." • Number, existing and new; • Locations; • Names; • Method of operation. --Number of wagers. --Value of wagers. --Distribution, by value, of wagers. --Degree to which gambling odds are manipulated or games fixed. --Degree to which winning bets are paid "honestly." --Location of gambling (e.g., by block or address) activity. --Distribution of illegally obtained revenues --Characteristics of gamblers: • Number, existing and new; • Locations; • Names; • Method of operation.	--Employee absences and injuries. --Loss of tools and materials. --Degree to which odds are discussed in newspapers. --Availability of betting opportunities. --Activities of alleged gamblers and associates. --Complaints. --Tips. --Investigative leads. --Corruption costs. --Sales of gambling-related publications. --Legal and related costs of organized crime figures.
Numbers	--Characteristics of gambling "managers." • Number, existing and new; • Locations; • Names; • Method of operation. --Characteristics of gamblers: • Number, existing and new; • Locations. --Number of bets. --Value of bets. --Distribution, by value, of bets.	--Employee absences and injuries. --Loss of tools and materials. --Degree to which odds are discussed in newspapers. --Availability of betting opportunities. --Activities of alleged gamblers and associates. --Complaints. --Tips --Investigative leads.

Continued...

	Indicators of Activity	Surrogate Indicators
Numbers (continued)	--Degree to which gambling odds are manipulated or games fixed. --Degree to which winning bets are paid "honestly." --Location of gambling (e.g., by block or address) activity. --Distribution of illegally obtained revenues	--Corruption costs. --Existence of businesses which generate traffic not commensurate with size or business type. --Legal and related costs of organized crime figures. --Changes in lifestyle of organized crime figures.
Casino Gambling	--Characteristics of gambling "managers": • Number, existing and new; • Locations; • Names; • Method of operation. --Characteristics of Gamblers: • Number, existing and new; • Locations. --Number of wagers. --Value of wagers. --Distribution, by value, of wagers. --Degree to which gambling odds are manipulated or games fixed. --Degree to which winning bets are paid "honestly." --Location of gambling (e.g., by block or address) activity. --Distribution of illegally obtained revenues.	--Degree to which odds are discussed in newspapers. --Availability of betting opportunities. --Activities of alleged gamblers and associates. --Complaints. --Tips. --Investigative leads. --Corruption costs. --Legal and related costs of organized crime figures. --Changes in lifestyle of organized crime figures.

LABOR RACKETEERING

	Indicators of Activity	Surrogate Indicators
Sweetheart Contracts	--Number of sweetheart contracts or illegal agreements, new and existing. --Number of workers under a sweetheart contract or illegal agreement. --Value of "wages lost" due to wage differentials between sweetheart contract and legitimate labor-management agreement. --Characteristics of businesses which have sweetheart agreements: • Number, existing and new; • Business type; • Locations. --Characteristics of unions which "write" sweetheart contracts or individuals which make illegal agreements: • Number, existing and new; • Affiliation; • Type; • Location; • Size. --Rigged elections re union affiliation or officers. --Distribution of illegally obtained revenues.	--Corruption costs. --Activities of individuals believed to be associated with labor racketeering. --Abnormally high union payrolls and expenditures. --Participation of individuals not normally associated with labor-management relations in union activity. --Complaints. --Tips. --Investigative leads. --Legal and related costs of organized crime figures.
Theft and Misuse **of Pension and Welfare Plans**	--Number of workers losing benefits. --Value of benefits lost.	--Corruption costs. --Activities of individuals believed to be associated with labor racketeering.

	Indicators of Activity	Surrogate Indicators
Theft and Misuse **of Pension and Welfare Plans** (continued)	--Characteristics of abused plans: • Number, existing and new; • Union affiliation; • Business types of employees covered; • Location. --Reduction in employer contribution. --Abnormally high payroll and administrative expenses. --Abnormally high noncollateral investments and loan defaults. --Abnormally high payments for unused benefits. --Distribution of illegally obtained revenues.	--Abnormally high union payrolls and expenditures. --Participation of individuals not normally associated with labor-management relations in union activity. --Complaints. --Tips. --Investigative leads. --Legal and related costs of organized crime figures.
Business Extortion	--Characteristics of businesses extorted. • Number, existing and new; • Business type; • Location; • Size. --Characteristics of unions extorting: • Number, existing and new; • Business type; • Location; • Size; • Individuals involved. --Value of the extortion. --Distribution of illegally obtained revenues.	--Corruption costs. --Activities of individuals believed to be associated with labor racketeering. --Abnormally high union payrolls and expenditures. --Participation of individuals not normally associated with labor-management relations in union activity. --Complaints. --Tips. --Investigative leads. --Legal and related costs of organized crime figures.

LOAN SHARKING

	Indicators of Activity	Surrogate Indicators
Business Loan Sharking	--Number of loans.	--Activities of alleged loan sharks and associates.
	--Value of loans.	
	--Distribution, by value, of loans.	--Incidence of illegal activities which could result in a loan (e.g., gambling).
	--Cost of loan.	--Business failures.
	--Characteristics of businesses which have loans: ● Number, existing and new; ● Business type; ● Size; ● Location; ● Principals involved.	--Number of businesses with credit rating revised downward. --Number of businesses increasing abnormally orders on credit.
	--Characteristics of loan sharks: ● Number, existing and new; ● Size of loans made; ● Principals involved; ● Businesses receiving loans; ● Location.	--Businesses being established by individuals with no business experience and no apparent financing. --Complaints.
	--Reasons for the loan (e.g., gambling debt, blackmail, poor business practices).	--Tips. --Investigative leads.
	--Business taken over or illegally influenced by the lender.	--Legal and related costs of organized crime figures.
	--Actions taken by the lender when the loan is defaulted.	
	--Actions taken by the business-man when loan is defaulted.	
	--Distribution of illegally obtained revenues.	
Personal Loan Sharking	--Number of loans.	--Activities of alleged loan sharks and associates.
	--Value of loans.	
	--Distribution, by value, of individual loans.	--Incidence of illegal activities which could result in a loan (e.g., gambling and narcotics use).
	--Cost of loan.	

	Indicators of Activity	Surrogate Indicators
Personal Loan Sharking (continued)	--Characteristics of individuals taking loans: ● Number, existing and new; ● Employment and salary; ● Location.	--Employment. --Credit and loan application refusals by banks, credit unions, and finance companies.
	--Characteristics of loan sharks: ● Number, existing and new; ● Size of loans made; ● Principals involved; ● Location.	--Complaints. --Tips. --Investigative leads. --Employee absences and injuries.
	--Reasons for the loan.	--Loss of tools and materials.
	--Actions taken by lender when loan defaulted.	--Legal and related costs of organized crime figures.
	--Actions taken by individual when he defaults on loan.	
	--Distribution of illegally obtained revenues.	

HIJACKING AND ORGANIZED THEFT

Indicators of Activity	Surrogate Indicators
--Number of hijackings or thefts.	--Activities of alleged hijackers and thieves.
--Value of goods.	
--Distribution, by value, of goods.	--Incidence of illegal activities which may cause hijackings and thefts (e.g., loan sharking, gambling, and narcotics use).
--Type of goods (e.g., consumer goods, tools, supplies and materials) hijacked or stolen.	--Complaints.
--Reasons goods were hijacked or stolen (e.g., intrinsic value, to pay gambling debt, to satisfy loan shark).	--Tips. --Investigative leads.

	Indicators of Activity	Surrogate Indicators
Hijacking and Organized Theft	--Characteristics of hijackers or thieves: • Number, existing and new; • Type and value of goods selected for theft; • Principals; • Location. --Distribution of illegally obtained revenues. --Characteristics of the sale or reappearance of hijacked or stolen goods (e.g., businesses, price, etc.).	--Availability of goods believed to have been hijacked or stolen. --Decreases in orders by businesses for goods which may be replaced by hijacked goods. --Prices of goods which may have been hijacked. --Formation of businesses which may be outlets for stolen goods. --Legal and related costs of organized crime figures.

SMUGGLING
(excluding drugs)

	Indicators of Activity	Surrogate Indicators
	--Characteristics of smuggled goods: • Goods which are legal to possess (e.g., consumer durables and supplies); • Goods which are illegal to possess (e.g., untaxed cigarettes and narcotics); • People. --Number of smugglings. --Value of goods smuggled. --Distribution, by value, of smuggled goods. --Reasons why goods smuggled (e.g., intrinsic value or to avoid taxes).	--Activities of alleged smugglers. --Complaints. --Tips. --Investigative leads. --Availability of goods believed to have been smuggled. --Decreases in orders by businesses for goods which may be replaced by smuggled goods (e.g., liquor, cigarettes, and meat). --Prices of goods which may have been smuggled. --Formation of businesses which may be outlets for smuggled goods.

	Indicators of Activity	Surrogate Indicators
Smuggling (continued)	--Characteristics of smugglers • Number, existing and new; • Type and value of goods selected for smuggling; • Principals; • Location. --Characteristics of the sale or reappearance of smuggled goods. --Distribution of illegally obtained revenues.	--Legal and related costs of organized crime figures.

DISTRIBUTION OF ILLEGALLY OBTAINED GOODS

Indicators of Activity	Surrogate Indicators
--Value of goods distributed. --Characteristics of goods distributed. --Price of goods when sold. --Characteristics of distribution network (e.g., legitimate business, street peddling, principals involved). --Characteristics of purchasers of illegally obtained goods. --Distribution of illegally obtained revenues.	--Activities of alleged distributors of illegally obtained goods. --Complaints. --Tips. --Investigative leads. --Availability of illegally obtained goods. --Decreases in orders by businesses for goods which may be replaced by illegally obtained goods (e.g., cigarettes, liquor, and meat). --Formation of businesses which may be set up to distribute illegally obtained goods. --Legal and related costs of organized crime figures.

BUSINESS EXTORTION

Indicators of Activity	Surrogate Indicators
--Cost or value of extortion. --Characteristics of businesses extorted: • Number, new and existing; • Type of business; • Size; • Location. --Characteristics of extorters: • Number, new and existing; • Business affiliation; • Principals; • Size; • Location. --Distribution of illegally obtained revenues.	--Activities of alleged extorters. --Prices businesses which may be extorted pay for goods and services. --Market shares held by individual firms of industries controlled by possible extortionists (e.g., coin vending machines and rubbish hauling. --Tips. --Complaints. --Investigative leads. --Legal and related costs of organized crime figures.

BUSINESS FRAUD

	Indicators of Activity	Surrogate Indicators
Scam or Bust-out	--Value of goods. --Characteristics of businesses: • Number, existing and new; • Type; • Size; • Location; • Principals. --Events which preceded the bust-out (e.g., illegitimate takeover, legitimate sale of business, single conspiracy). --Type of goods (e.g., consumer durables or nondurables, tools, supplies).	--Activities of suspected scam experts. --Involuntary bankruptcy petitions filed by creditors against retailers and wholesalers. --Prices of goods which may be sold as part of scam operation. --Tips. --Complaints. --Investigative leads.

	Indicators of Activity	Surrogate Indicators
Scam or Bust-out (continued)	--Distribution of illegally obtained revenues.	--Attempts by new businesses or businesses which have just changed hands to make unsolicited orders, on credit, for large quantities of goods. --Legal and related costs of organized crime figures.
Fraudulent Bankruptcy	--Value of unpaid liabilities. --Characteristics of the creditors (e.g., businessmen, banks, individuals). --Characteristics of the businesses fraudulently going bankrupt. --Events preceding the bankruptcy (e.g., illegitimate takeover, legitimate sale of business, single conspiracy). --Number of bankruptcies. --Distribution of the illegally obtained revenues.	--Activities of alleged bankruptcy "artists" and associates. --Involuntary bankruptcy petitions filed by creditors. --Attorneys assigned to cases by bankruptcy referees. --Tips. --Complaints. --Investigative leads. --Legal and related costs of organized crime figures.
Business Takeover	--Value of assets removed. --Characteristics of purchases of goods and services by business (e.g., stolen merchandise, non-union labor).	--Activities of alleged criminals and associates. --Bankruptcy petitions filed against businesses which were apparently successful. --Participation in businesses by individuals with no apparent business experience.

	Indicators of Activity	Surrogate Indicators
Business Takeover (Continued)	--Characteristics of businesses being taken over: ● Number, existing and new; ● Type; ● Size; ● Principals; ● Location.	--Tips. --Complaints. --Investigative leads. --Legal and related costs of organized crime figures.

CONSUMER FRAUD

Indicators of Activity	Surrogate Indicators
--Cost to consumer of fraud. --Characteristics of the consumer: ● Number, new and existing; ● Income; ● Location. --Distribution of illegally obtained revenues.	--Activities of alleged criminals and associates. --Tips. --Complaints. --Investigative leads. --Legal and related costs of organized crime figures.

COUNTERFEITING AND FORGERY

Indicators of Activity	Surrogate Indicators
--Value of counterfeited materials of intrinsic value (e.g., stocks, bonds, and money). --Value of goods which are "legitimatized" through documentation by counterfeit materials (e.g., automobile titles). --Number of counterfeited and forged papers being passed. --Costs of purchasing counterfeit and forged documents. --Distribution of illegally obtained revenues.	--Activities of alleged counterfeiters and forgers and associates. --Tips. --Complaints. --Investigative leads. --Legal and related costs of organized crime figures.

CORRUPTION OF PUBLIC OFFICIALS

Indicators of Activity	Surrogate Indicators
--Characteristics of corrupt public officials: ● Number, existing and new; ● Responsibilities; ● Locations. --Cost of corruption. --Characteristics of those corrupting public officials.	--Activities of alleged corrupters and their associates. --Public officials living beyond their apparent means. --Public contracts let to businesses that do not seem qualified to perform work. --Regular contact between public officials and known criminals. --Unexplained releases of confidential information.

	Indicators of Activity	Surrogate Indicators
Corruption of Public Officials (continued)		--Evident criminal activity which is not being prosecuted.
		--Unexplained changes in building codes.
		--Unexplained lenient judicial actions.
		--Levels of "corruption-related" illegal activities.
		--Legal and related costs of organized crime figures.

EXHIBIT 3

PREMISES SUPPORTING ORGANIZED CRIME CONTROL PROGRAMS

I. <u>Lobbying</u> contributes to organized crime control through its effect upon legislative change.

A. Lobbying of legislators will affect their attitude toward legislation and cause them to:

1. Introduce and vote for legislation to provide funds to the law enforcement community to fight organized crime.

2. Introduce and vote for legislation which will provide for the establishment of an institutional capability to fight organized crime.

3. Introduce and vote for legislation to legalize the use of particular investigative tools or techniques.

4. Vote against legislation which would deprive the law enforcement community of investigative tools or techniques.

5. Vote for legislation to regulate activities which would otherwise be affected by organized crime.

6. Vote for legislation to outlaw activities which are engaged in by organized crime.

B. Lobbying of "influential people" will cause them to:

1. Ask legislators to act in ways listed above.

II. <u>Education</u> contributes to organized crime control through its ability to affect and reenforce people's behavior.

    A. Education of the general public and special interests leads to:

        1. Permanent refusal to participate in criminal activity.

        2. Temporary refusal to participate in criminal activity.

        3. Increased willingness to report suspicious activity.

        4. Increased willingness to report illegal activity.

        5. Willingness to formally testify before grand juries and in court.

        6. Support of legislation desired by law enforcement community.

        7. Support of actions of law enforcement community.

        8. Opposition to legislation considered detrimental to law enforcement community.

        9. Opposition to actions considered detrimental to law enforcement community.

    B. Education of law enforcement officials leads to increased effectiveness through:

        1. Increased ability to successfully arrest, indict, and prosecute.

        2. Increased ability to identify criminal activity.

        3. Increased ability to investigate crimes and complaints.

        4. Increased ability to comply with prescribed legal procedures.

III. <u>Research</u> contributes to organized crime control through the provision of information which increases the effectiveness of lobbying, educational, investigative, prosecutorial and harassment efforts.

    A. Research into the general phenomenon of organized crime leads to:

        1. An understanding of the interrelationships among the various types of organized criminal activity.

        2. An understanding of the relationships between the organizational structure of organized crime and its activities.

        3. An understanding of the relationships between organized criminal activity and legal activities.

        4. An understanding of the social and economic impacts of organized crime.

    B. Research into particular types of organized criminal activity leads to:

        1. An understanding of the detailed operations of that particular activity.

        2. Indicators to measure the level of each type of criminal activity.

        3. Measures of the effectiveness of combatting that activity.

IV. Investigation contributes to organized crime control directly through its affect upon criminals and their pursuit of criminal activity and indirectly through its contribution to research efforts.

    A. Investigation of individuals allegedly guilty of criminal activity leads to:

       1. Temporary cessation or diminution of the level of criminal activity.

       2. Permanent cessation or diminution of the level of criminal activity.

       3. Acquisition by law enforcement officials of evidence which can be used in prosecutions against the individuals under investigation.

       4. Identification of other alleged criminals.

       5. Acquisition of evidence which can be used in criminal prosecutions against other individuals.

       6. Identification of victims.

       7. Identification of the characteristics of criminal activity.

       8. Identification of strategic or tactical shifts in the scope or incidence of criminal activity.

    B. Investigation into reported crimes leads to:

       1. The prosecution of criminals.

       2. Temporary cessation or diminution of the level of criminal activity.

       3. Permanent cessation or diminution of the level of criminal activity.

       4. Identification of victims and criminals.

       5. Identification of the characteristics of criminal activity.

       6. Identification of strategic or tactical shifts in the scope or incidence of criminal activity.

    C. Investigation into alleged and unreported crimes leads to:

       1. Identification of criminal activity.

       2. Prosecution of criminals.

       3. Identification of victims and criminals.

       4. Temporary cessation or diminution of the level of criminal activity.

       5. Permanent cessation or diminution of the level of criminal activity.

       6. Identification of the characteristics of criminal activity.

       7. Identification of strategic or tactical shifts in the scope or incidence of criminal activity.

V. <u>Prosecution</u> contributes to organized crime control through its affect on criminals and the general public.

A. Arrests of individuals lead to:

1. Successful arraignments.

2. Indictments.

3. Identification of other criminals and criminal activity.

4. Exposure to the public of alleged criminals and criminal activity.

5. Temporary cessation or diminution of the level of criminal activity.

6. Permanent cessation or diminution of the level of criminal activity.

B. Indictments of individuals lead to:

1. Prosecutions.

2. Identification of other criminals and criminal activity.

3. Exposure to the public of alleged criminals and criminal activity.

4. Temporary cessation or diminution of the level of criminal activity.

5. Permanent cessation or diminution of the level of criminal activity.

C. Prosecutions lead to:

1. Incarceration or fine of convicted individual.

2. Temporary cessation or diminution of the level of criminal activity.

3. Permanent cessation or diminution of the level of criminal activity.

4. Identification of other criminals and criminal activity.

5. Exposure to the public of alleged criminals and criminal activity.

VI. <u>Harassment</u> of suspected criminals contributes to organized crime control through its affect upon criminals and the general public.

A. Arrests of individuals suspected of criminal activity, knowing that evidence is insufficient for an indictment, lead to:

1. Temporary cessation or diminution of the level of criminal activity.

2. Permanent cessation or diminution of the level of criminal activity.

3. Identification of criminals and criminal activity.

4. Exposure to the public of alleged criminals and criminal activity.

B. Active surveillance of individuals suspected of criminal activity leads to:

1. Collection of evidence sufficient for arrest and indictment.

2. Temporary cessation or diminution of the level of criminal activity.

3. Permanent cessation or diminution of the level of criminal activity.

4. Identification of criminals and criminal activity.

5. Exposure to the public of alleged criminals and criminal activity.

C. Discriminatory advocacy of the law with respect to suspected criminals leads to:

1. Temporary cessation or diminution of the level of criminal activity.

2. Permanent cessation or diminution of the level of criminal activity.

3. Identification of criminals and criminal behavior.

4. Collection of evidence sufficient for arrests and indictments.

5. Exposure to the public of suspected criminals and criminal activity.

D. Rigid application of administrative standards that are otherwise laxly enforced, with respect to suspected criminals and criminal activity, leads to:

1. Temporary cessation or diminution of the level of criminal activity.

2. Permanent cessation or diminution of the level of criminal activity.

3. Identification of criminals and criminal activity.

4. Collection of evidence sufficient for arrests and indictments.

5. Exposure to the public of suspected criminals and criminal activity.

E. Aggressive investigations of suspected criminals and criminal behavior lead to:

1. Temporary cessation or diminution of the level of criminal activity.

2. Permanent cessation or diminution of the level of criminal activity.

3. Identification of criminals and criminal activity.

4. Collection of evidence sufficient for arrests and indictments.

5. Exposure to the public of suspected criminals and criminal activity.

VII. **Evaluation** of organized crime control programs determines program and project effectiveness.

A. Evaluation of the overall state program leads to decisions concerning:

1. Continuation of program.

2. Redesign and continuation of program.

3. Discard program.

B. Evaluation of specific projects leads to decisions concerning:

1. Program continuation.

2. Redesign and continuation of program.

3. Discard program.

END