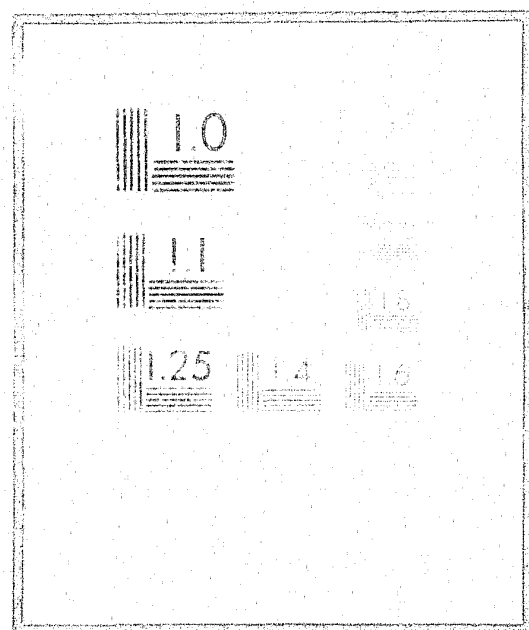


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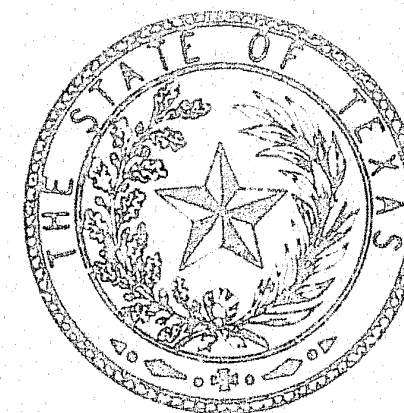
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6-1-77

39378

## EXECUTIVE SUMMARY

### ORGANIZED CRIME IN TEXAS, 1976: A COMPREHENSIVE STUDY



prepared for the  
TEXAS ORGANIZED CRIME PREVENTION COUNCIL

by  
 Peat, Marwick, Mitchell & Co.

January, 1977

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PREFACE

To knowledgeable law enforcement officials and prosecutors in Texas, the existence of organized crime in the State is a given - an acknowledged fact! For the past five years, the annual report of the Texas Organized Crime Prevention Council (TOCPC) has stated that organized crime does exist to some extent in all major communities in Texas. Still, however, skeptics continue to exist.

The broad scope of this study necessitated the utilization of a number of study techniques. Research was conducted of the major written works in the field; personal interviews were held extensively throughout the State at all levels of the public and private sector; households were surveyed for their perceptions of the problem; and contact was made with other states which have established organized crime prevention and control programs.

Specific case data and names of subjects and suspects were not solicited. Additionally, no analysis was conducted which compared the activities of one city to another and persons interviewed are not directly quoted. These conditions, set forth in advance as requirements for cooperation, were granted uniformly. The stipulation of these conditions also served to present the problems relating to organized crime in Texas from an objective, rather than emotional, viewpoint.

Funds for this study were provided through a grant by the Governor's Office, Criminal Justice Division which administers funds in the State of Texas made available through the Law Enforcement Assistance Administration. The fact that the Criminal Justice Division and LEAA provided financial support for this study does not necessarily indicate the concurrence of either agency in the statements or conclusions contained herein.

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EXECUTIVE SUMMARY

The basic findings of the Comprehensive Study of Organized Crime in Texas are highlighted in this Executive Summary.

BASIC OBJECTIVES

The Texas Organized Crime Prevention Council is charged, through Executive Order of the Governor, to develop a comprehensive plan for the control of organized crime in Texas and to coordinate the criminal justice agencies and activities involved in its control. In seeking this Comprehensive Study of Organized Crime in Texas, the Council sought to accomplish three basic objectives:

- . Assess previous and current efforts to deal with organized crime;
- . Determine the impact of organized crime on Texas residents; and
- . Develop a strategy from which can evolve a permanent plan for controlling organized crime.

The methodology developed for the study was established to address these objectives, and numerous sub-objectives, in detail.

GENERAL CONCLUSIONS

The conclusion of this study is that there is considerable evidence that organized crime activities exist in all metropolitan areas of the State and that it has created problems which are broad in scope, economically burdensome, and critically entrenched. Based on those interviewed and our research, the findings of this study are that organized criminal operations are involved in a wide variety of illegal activities grossing between \$1.8 billion and \$3.2 billion annually (See Illustration A); that syndicated

ILLUSTRATION A  
 ESTIMATED ANNUAL DOLLAR VOLUME  
 OF MAJOR ORGANIZED CRIMINAL  
 ACTIVITIES IDENTIFIED WITHIN TEXAS

ACTIVITY	ESTIMATED RANGE OF ANNUAL DOLLAR VOLUME (MILLIONS)
NARCOTICS	\$ 700 - \$ 1,100
GAMBLING	425 - 975
FENCING	215 - 500
COUNTERFEITING	180 - 220
BUSINESS-RELATED FRAUDS	120 - 224
PROSTITUTION	95 - 135
PORNOGRAPHY	28 - 40
CARGO THEFTS	38 - 76
SMUGGLING	10 - 15
AUTO THEFT	9 - 12
TOTAL (BILLION)	\$ 1.82 - \$ 3.297

BASED ON DOLLAR SUM OF ESTIMATES MADE IN INTERVIEWS CONDUCTED  
 IN 16 METROPOLITAN AREAS OF TEXAS.

AMOUNTS PRESENTED HAVE BEEN ROUNDED FOR PRESENTATION PURPOSES.

groups are involved in illegal operations in Texas; there is reported to be some, although limited, corruption within the system; that the public has not been provided sufficient opportunity to participate in the control of these problems; and that the criminal justice system has not been provided sufficient legislative tools to check its growth.

BASIS FOR CONCLUSIONS

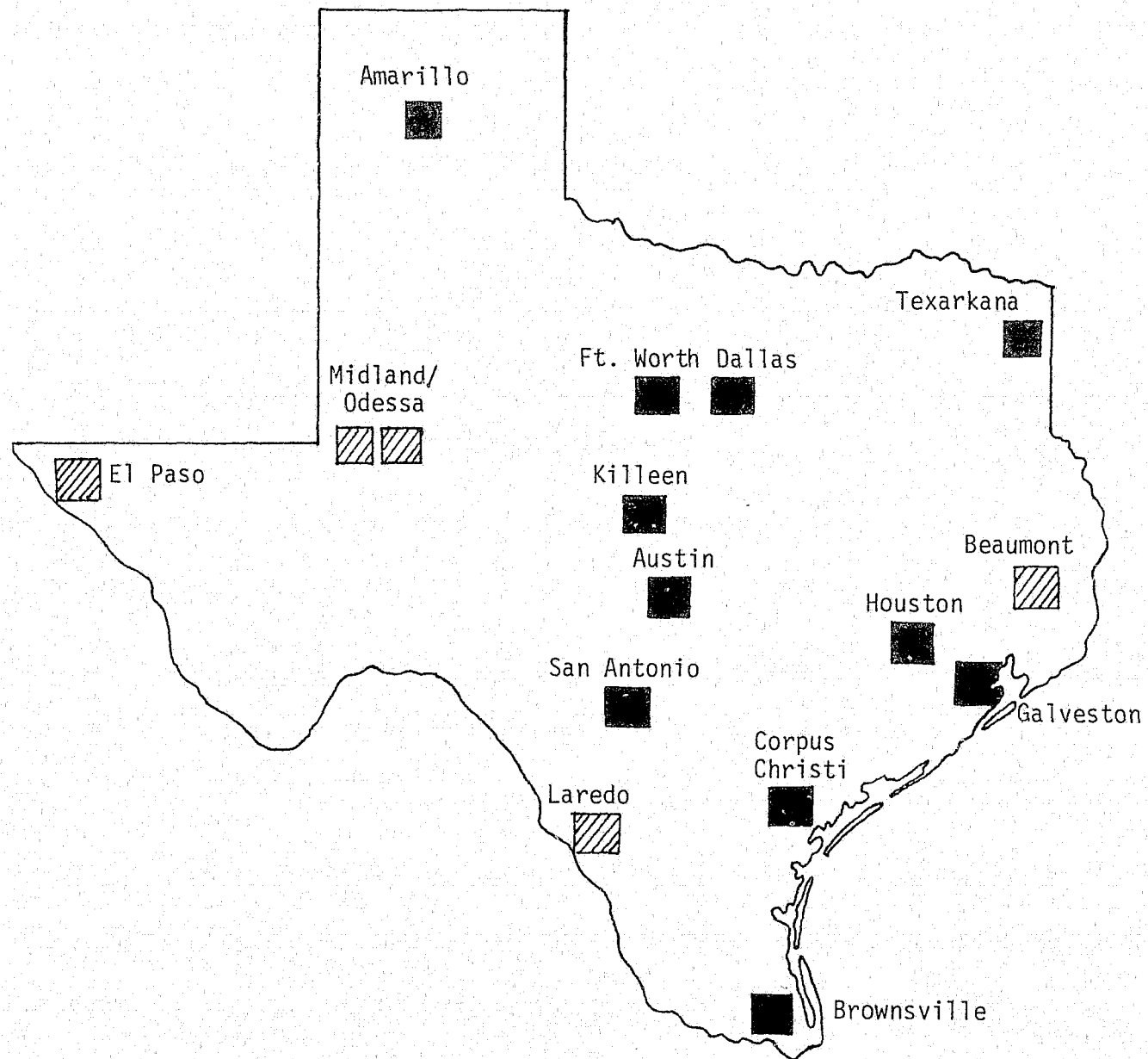
The conclusions of this study are based upon a number of different data collection methods and analysis. The basic methodology applied to achieve the study objectives were:

- Research - Basic research was conducted of national and State efforts to combat organized crime, past legislative efforts in Texas, task force reports, annual reports of the Council, and numerous other surveys, studies, commission reports, books, and articles pertaining to organized crime.
- Personal Interviews - Approximately 350 persons were personally interviewed in 16 metropolitan areas of the State regarding the objectives of this study (See Illustration B and C). Structured interviews were conducted within the criminal justice system and other government offices at the local, county, state and federal level, as well as with business entities and other pertinent organizations.
- Survey - Approximately 25,000 households in 16 metropolitan areas of the State were provided questionnaires regarding organized crime from which more than 2,700 persons responded to questions regarding the extent of organized criminal activities in their area, corruption, and electronic surveillance.

Data was collected, analyzed, and projected to reflect the existence and extent of organized criminal activities in the 24 Standard Metropolitan Statistical Areas of Texas, representing approximately 81 percent of the total State population.

ILLUSTRATION B

METROPOLITAN AREAS SURVEYED



Area Has An Existing Organized Crime Control Unit  
 Additionally Selected Area

ILLUSTRATION C

NUMBER OF PERSONAL INTERVIEWS CONDUCTED

AREA SURVEYED	Number of Interviews		
	Criminal Justice System	Federal and State Organizations	Business Community
Amarillo	9	2	3
Austin	18	21	4
Beaumont	12	1	2
Brownsville	12	3	2
Corpus Christi	15	3	3
Dallas	20	6	7
El Paso	16	2	6
Fort Worth	14	5	6
Galveston	15	1	3
Houston	37	3	9
Killeen	8	3	2
Laredo	7	4	3
Midland / Odessa	13	1	3
San Antonio	23	1	3
Texarkana	14	-	5
<b>TOTAL</b>	<b>233</b>	<b>56</b>	<b>61</b>

EXISTENCE AND EXTENT OF  
ORGANIZED CRIME IN TEXAS

The definition utilized to determine the existence and extent of organized crime in Texas was the following:

A combination of persons, not specific in number, involved in illegal activity over a continuing period of time for the purpose of substantial economic gain.

Based on this definition, the study confirmed prior findings of the Texas Organized Crime Prevention Council (TOCPC) regarding the existence of organized crime and was able to quantify, in general ranges, the extent of this activity. In the paragraphs below, we summarize our findings regarding the existence and extent of organized crime.

Gambling

The study found that gambling activity has increased in Texas over the past five years. The activity is widespread and includes all sections of the State. The principal forms of gambling in Texas are sports wagering, numbers and lotteries, coin device gambling, and casino-type gambling.

It is estimated that between \$425 million and \$975 million is bet in Texas annually on all types of gambling. Sports wagering (bookmaking) is the most prevalent form of gambling and accounts for approximately 93 percent of the total amount wagered. It is estimated that between 840 and 1,450 bookmakers are operating in the metropolitan areas of the State. Betting on football games consumes approximately 63 percent of the total amount of sports betting; horse racing, 14 percent; baseball, 11 percent; and basketball and other sports the remaining 12 percent. Small sports bets average between \$20.00 and \$100.00 per gambler per week and the amount escalates to an average of \$5,000.00 per week for large gamblers.

The study confirmed previous reports that bookmakers in Texas receive betting lines and other pertinent advance information from other parts of the State and across the country. It was the conclusion of those investigators interviewed that the telephone is utilized extensively by bookmakers in Texas, that bets are placed directly with bookies approximately 85 percent of the time, and that almost all of this gambler-bookmaker contact occurs via telephone.

The study concludes that there are between 65 and 100 number and lottery-related gambling operations in the metropolitan areas of the State. These operations are estimated to account for between \$7.1 million and \$13.5 million to be wagered annually. In addition, it was estimated that between 220 and 240 establishments in Texas operate illegal coin-device gambling machines and that this activity, involving perhaps as many as 760 such gambling devices, accounts for an estimated \$6.2 million to \$11.85 million gambled annually.

Casino games, including professional card and dice games, roulette wheels, and other "Las Vegas" type parlor games, take in an estimated \$4 million to \$12.6 million annually from approximately 100 such establishments. Other gambling activities such as cockfights and bingo games are estimated to involve between \$11.6 million and \$24.6 million annually.

Narcotics Trafficking

The trafficking of narcotics into and through Texas has increased over the past five years and is now the most dominant form of organized criminal activity. The trafficking of heroin and marijuana is extremely widespread and there are substantial amounts of cocaine, synthetic drugs, and hashish also being distributed.

Law enforcement officials estimate that between 400 and 500 major drug dealers are importing narcotics into the State to as many as 5,500 local distributors. These distributors, selling through street dealers, account for a volume of drug trafficking estimated at between \$700 million and \$1.1 billion annually.

Mexican heroin has replaced Turkish and other Asian forms of heroin as the most prevalent type available in Texas. The importing of heroin, marijuana, and other drugs from Mexico is the most organized form of activity identified. No fewer than 17 cities and counties in Texas were identified as being major distribution areas for direct shipments of heroin from Mexico and at least two thirds of these areas are believed to be intermediate shipping points to other localities in Texas and the nation.

The widespread use of marijuana was confirmed in the study. The overwhelming majority of marijuana in Texas originates in Mexico and, like heroin, the smuggling networks which are responsible for importing it into the State are highly organized and extensive. It was concluded that between 4 million and 5 million pounds of marijuana are being distributed in Texas each year and that, at the going rate of between \$80.00 and \$150.00 per pound, this accounts for an annual dollar volume of between \$360 million and \$675 million.

#### Prostitution

Prostitution has increased over the past five years, and it is estimated that between 3,000 and 4,500 prostitutes are part of organized operations in metropolitan areas in Texas. Street walking and activities in bars, lounges, hotels, and motels are the principal means by which prostitution is conducted. A recent area of growth involving prostitutes is the expansion of massage parlors in the State.

Organized operations were identified which included the traveling of prostitutes into different sections of the State for conventions, major sports events, and other major events, as well as traveling circuits of prostitutes that visit cities with military bases in Texas and other states.

It was estimated that the amount charged by prostitutes averages between \$35.00 and \$70.00 per customer, although this amount may vary greatly. Prostitutes are believed to have an average income of between \$450.00 and \$775.00 per week. The total dollar volume attributed to this activity is estimated to be between \$95.5 million and \$137 million annually.

#### Pornography

Almost all of the metropolitan areas in Texas are indicated to experience the distribution of pornographic materials. Printed materials, such as books, magazines, and pictures, are the most widely distributed form of pornography compared to the distribution of pornographic films and pornographic paraphernalia.

Law enforcement officials generally believe that 70 to 80 percent of the activities relating to the distribution of pornographic materials is part of a structured operation. Most of the businesses dealing in these materials do so exclusively of any other unrelated type of business.

It is estimated that there are approximately 225 establishments - movie theaters, adult book stores, etc. - which are engaged in the selling or showing of pornographic matter. Officials interviewed estimated that this activity grosses between \$28.2 million and \$41.7 million annually. Approximately 60 percent of this can be related to the sale of printed materials, 35 percent to the showing of films, and 5 percent to the sale of paraphernalia.



### Fencing

The networks which exist as outlets for stolen goods are extensive within the State and extend to virtually all other parts of the nation and to some foreign countries. Pawn shops and second-hand stores are the most prevalent type of "front" business for fencing operations; however, numerous other types of business are also known to deal in stolen property. A substantial portion of fencing operations do not operate a "front" business.

Electronic or radio equipment and guns and other weapons were stolen items acknowledged as being the most often fenced in metropolitan areas of the State (auto thefts were examined separately). Jewelry and machines and equipment are also frequently fenced items. The fencing of some items, such as oil field equipment, was found to be prevalent in selected portions of the State.

The study estimates that between 430 and 760 professional fencing establishments (or persons) are currently operating in the major areas in Texas. The size of each operation varies, although the average dollar volume of merchandise per fence is estimated to be between \$500,000.00 and \$650,000.00 annually. Based upon this, it is estimated that the gross dollar volume for professional fences is between \$215 million and \$500 million annually.

### Additional Activities

Organized crime is not confined to a defined set of offenses. Some organized activities may be more prominent; however, there are an infinite number of activities which may fit the definition of organized crime. This study does not claim to have identified all activities presently being conducted in the State. Additional activities which law enforcement

agencies and other professional groups and associations identified with regularity are contained below.

- . Motor Vehicle Theft - This activity is widespread across the State, and Texas connections have been identified as extending throughout the nation and into Mexico and South America. It is estimated that 15 to 20 percent of all vehicles stolen in the State can be attributed to organized groups and that this activity has an annual dollar volume of between \$8.8 million and \$11.4 million.
- . Cargo Thefts - This activity has increased over the past five years, and interviews at major ports and air terminals in the State indicate that at least one to two percent of all goods imported are routinely diverted and fenced on the black market. Based on the amount of foreign trade imports into the State, this would place the dollar volume of this activity at a minimum of between \$38 and \$76 million annually.
- . Smuggling - The smuggling of contraband across the Texas-Mexican border is widespread. In addition to narcotics, the principal items included in this activity are guns and ammunition, gold and diamonds, tobacco, and a variety of commodities. The value of arms smuggled into Mexico is estimated at \$13 million annually.
- . Insurance Fraud - The major portion of casualty frauds committed in the State are indicated to be:
  - False claims for Workmen's Compensation benefits
  - Staged automobile accidents
  - "Slip and Fall" artists
  - Arson

It is estimated that arson accounts for between 35 and 40 percent of the annual insurance claims for incendiary, or set fire, damage. In Texas, this would amount to between \$21 million and \$24 million annually for insurance claims resulting from arson.
- . Securities Fraud - Fraudulent schemes involving securities are estimated to involve at least \$100 million annually. The major types of these frauds identified include:

- Commodities Fraud
- Schedule D Oil Company Investment Frauds
- Bogus Tax Exempt Securities
- Advance Fee Loan Schemes
- Production of False Financial Statements

Business Frauds - More than 11,000 consumer complaints were received by the Attorney General's office during 1975. The annual dollar volume attributed to all business frauds during the year is estimated at \$200 million; however, the study was not able to determine what portion of this related to organized operations. Some of the more widespread business frauds committed in the State relate to the following types of businesses:

- Franchises and distributorships
- Home repair and exterminating services
- Advance fee employment referral services

Shylocking - Shylocking, or loan sharking, was not identified as a widespread problem in the State. Cases of loans at high interest rates were identified; however, they were normally considered to involve small amounts of money and to be absent of the basic elements of shylocking.

Counterfeiting and Forgery - The ease with which the photo-engraving process can be accomplished has led to increases in activities relating to counterfeiting. An estimated \$5 million in counterfeit currency was printed in Texas during 1975, approximately 90 percent of which was confiscated prior to being put in circulation.

The counterfeiting of securities is considered to be widespread and is estimated to involve between \$180 million and \$200 million annually.

The forging of payroll checks is known to include between three to five organized groups who are involved in check cashing schemes across the State involving between \$100,000.00 to \$200,000.00 annually.

- Labor Racketeering - The study identified some unsubstantiated problems in the State relative to labor racketeering. It was generally felt that Texas' labor leadership is highly reputable and that this is not a serious problem in the State.
- Crimes of Violence - The study learned of numerous instances of crimes of violence, i.e. murder and assault, which were related to organized criminal activities. Violence involving the use of drugs and surrounding prostitution were the most frequently identified. The number or percentage of the total crimes of violence committed in the State which relate to organized criminal activity was determined to be inestimable within the scope of this effort.

#### General Corrupt Practices

All persons interviewed for this study were provided a questionnaire regarding their opinion of the level of corrupt practices in the State. A total of 150 questionnaires were received and the respondents indicated that:

- Corruption in the State is not considered to be widespread.
- There are a small number of police, prosecutors, judges, and other elected public officials who are involved in corrupt practices.
- Other elected public officials are believed to be more corrupt than police, prosecutors, and judges.
- There are a few police, prosecutors, judges, and other elected public officials who are known to regularly associate with known racketeers and/or criminals.
- There is reason to believe that it is virtually impossible to obtain prosecution of certain individuals in the State for criminal activities in which they are known to be involved and for which evidence is attainable.
- Bribery and other forms of corruption are believed to be obstructing the control of some criminal activities, particularly gambling, narcotics, and fencing.

### Syndicated Groups and Infiltration into Legitimate Businesses

The study confirmed prior reports by the Texas Organized Crime Prevention Council regarding the existence of the Mafia or La Cosa Nostra, the Dixie Mafia, and other syndicated groups operating in Texas either to perform illegal acts or own legitimate businesses. The activities of the principal groups identified are summarized below.

- . Mafia or La Cosa Nostra - Primarily it is believed that the main thrust of Mafia activity in Texas occurs through contacts and associates acting in the place of Mafia members who reside outside the State. Members or associates of the Mafia are known to own or have ownership in businesses or commercial property, to have close associations with businessmen, and to have close associations with criminals in the State. There is also indicated involvement in criminal activities, chief of which includes bookmaking and narcotics trafficking.
- . Dixie Mafia - This group is considered to be a loose-knit organization of criminals who are associated but have no formal structure or organization. Members associated with this group are principally involved in the commission of illegal acts as opposed to infiltration of legitimate businesses. Members are considered to have widespread connections.
- . Mexican Connection - This group, which is primarily involved in the smuggling of narcotics, is believed to operate an extensive network of persons in Mexico, Texas, and throughout the nation. Control, structure, organization, and direct family relationships are some of the characteristics associated with this operation. Little is known regarding its size and associates.

### CITIZEN OPINION SURVEY

There were four primary objectives of the citizen opinion survey:

- . To obtain indicators of citizens' awareness as to the extent of organized criminal activities.
- . To obtain perceptions of the degree of success the criminal justice system has had in dealing with organized crime.

- . To estimate the extent to which corrupt practices are believed to affect the fight against organized crime.
- . To estimate the level of support for wiretapping legislation as a tool to combat organized criminal activities.

Households in sixteen metropolitan areas of the State were randomly selected for the survey. A total of 24,972 questionnaires were mailed and 2,712, or 10.9 percent, were returned and analyzed. The survey is considered to be a representative sampling of the State as to geographical distribution, sex, and age of the respondents. Insufficient response by races other than white do not make the survey reflective of the racial population in the State.

The results of the survey are summarized as follows:

- . A majority of the respondents feel that the sale of heroin, prostitution, showing of pornographic films, and dealers selling or buying stolen property has increased over the past five years.
- . With the exception of attending a pornographic movie, the majority of respondents indicated that they had not or did not know anyone who had done any of the following within the past year:
  - placed a bet on a sporting event with a bookie.
  - bought property from an individual or business establishment that more than likely was stolen property.
  - made a purchase of heroin from a dope pusher.
  - borrowed money from an individual rather than a bank or savings and loan at unusually high and illegal interest rates.
- . The vast majority of the respondents have confidence in the integrity of some portion of the criminal justice system or government to respond to organized crime activities.
- . The respondents were not sure of the level of effort of the criminal justice system to reduce organized crime; however, local police and prosecutors received

the most favorable rating while sheriffs' offices and district courts received a less favorable rating.

- . Respondents believe there is a greater degree of corruption among other elected public officials than among police officers, prosecutors, and judges.
- . The majority of respondents do not know if corruption is preventing the control of organized crime.
- . Four out of every five respondents (79.7 percent) indicated that, all things considered, they approved of wiretapping as a tool to combat organized criminal activity (See Illustration D).

The survey indicated that there was active interest among citizens regarding organized crime, as 43.7 percent of the respondents included personal comments to their responses.

#### ENFORCEMENT ACTIVITIES

The study found that enforcement activities regarding narcotics trafficking to be the most intense and widespread. Levels of enforcement for other activities were dependent upon the priorities of the different areas surveyed.

Most officials surveyed indicated that the lack of investigative tools dictated that enforcement in most organized crime matters be directed toward the street participants as opposed to principals and top-echelon operators.

Statistics regarding indictments and convictions are not readily available regarding all organized crime-related offenses. Prosecutions and court activities involving most offenses, with the exception of narcotics, are not reported by category of offense and are not generally available through any means except on a manual search basis.

With the exception of narcotics cases, few violators of organized crime-related offenses serve prison sentences. Statistics of the Texas Department of Corrections reveal that between August 1, 1975, and July 31,

#### ILLUSTRATION D CITIZEN APPROVAL OR DISAPPROVAL OF WIRETAPPING

QUESTION: All things considered, would you say that you approve or disapprove of wiretapping as a tool to combat organized criminal activity?

SECTION OF THE STATE	PERCENT RESPONSES		
	APPROVE	DISAPPROVE	NO OPINION
SECTION I	81.6	15.3	3.1
SECTION II	82.2	14.5	3.3
SECTION III	77.3	16.2	6.5
SECTION IV	75.1	17.1	7.8
TOTAL RESPONSE	79.7	15.6	4.8

#### SECTION I - North and northwestern portion of Texas including:

- Bowie County
- Dallas County
- Tarrant County

#### SECTION II - Southwestern portion of Texas including:

- Galveston County
- Harris County
- Jefferson County

#### SECTION III - Central and southern portion of Texas including:

- Bell County
- Bexar County
- Cameron County
- Nueces County
- Travis County
- Webb County

#### SECTION IV - Panhandle and western portion of Texas including:

- Ector County
- El Paso County
- Midland County
- Potter County
- Randall County

1976, the following number of inmates had been incarcerated for the following types of offenses:

- Sale or Delivery of Narcotics - 458 inmates
- Promotion or Compelling Prostitution - 7 inmates
- Receiving and Concealing Stolen Property - 11 inmates
- Gambling Offenses - 4 inmates

#### ECONOMIC ASSESSMENT

The estimated total dollar volume of organized criminal activity identified within the State, between \$1.8 billion and \$3.2 billion, represents a major dollar drain-off from the State. Using the minimum loss amount of \$1.8 billion for reference, the study relates this amount to the business enterprise system in Texas and to the individual citizen in order to put this dollar volume in perspective. For example, a corporation with \$1.8 billion in sales would rank as the fifth largest in the State. A Texas bank with this size assets would also rank as the fifth largest.

Based on an estimated 1975 population of 11.4 million in Texas, \$1.8 billion represents approximately \$158.00 per person per year or \$632.00 per year for a family of four. Putting this amount in perspective, the U. S. Department of Labor statistics show that the average family in Texas of intermediate income (\$13,000 per year) will spend \$779.00 per year on medical care and \$785.00 per year on house furnishings and utilities.

#### CONSENSUS CONCERNING MAJOR AREAS FOR IMPROVEMENT

The study found widespread agreement that organized criminal activity in Texas is a diffused and perplexing phenomenon. A number of problems

were identified as having restraining influences upon the capability of the system to effectively prevent and control these activities. These problems are categorized into four groups:

- . Lack of sufficient data upon which to develop a detailed program aimed to reduce the problem.
- . Lack of active involvement by all segments of the private sector - business, industry, and public citizenry - that could help direct and provide support for an effective prevention and control program.
- . Inadequacy or absence of laws which hamper enforcement efforts.
- . Lack of a formal means of coordinating and improving the efforts of investigative and preventive offices.

#### NATIONAL AND STATE EFFORTS TO REDUCE ORGANIZED CRIME

The study reviewed and profiled the general approaches to reduce organized crime at the national level, in other states, and, particularly, in Texas. A number of similarities in the organization of the TOCPC and similar operations in other states were noted, particularly in relation to authority establishing the Council, appointment of Council members, and the fact that the primary function of TOCPC and others is program development.

The Texas Organized Crime Prevention Council was created by Executive Order of the Governor in 1970 and continued under a new order in 1975. The Council consists of nine members appointed by the Governor, four subcommittees, an Executive Committee consisting of the chairmen of the subcommittees, and an Operating Committee consisting of the combined membership of the subcommittees. All members of the Council and its committees are from within the criminal justice system at either the local, county,

or state level, with one exception - the Governor's representative.

The four subcommittees are:

- . Legal and Legislative Subcommittee
- . Public Education Subcommittee
- . Intelligence Subcommittee
- . Personnel, Training and Equipment Subcommittee

The TOCPC has four staff members headed by an Executive Director who also chairs the Executive and Operating Committees.

The efforts of the TOCPC have been directed basically toward improving system capability in response to organized crime problems. Generally, the private sector and the public at large have not been included in TOCPC decisions and program implementation. As a planning and coordinating body, the Council has tried to influence the criminal justice system regarding the nature of the problem in Texas and has solicited voluntary support for remedies. Many of the Council members, particularly the Co-Chairmen, have been individually effective in bringing the problem of organized crime before the people of the State and have been active proponents of strong preventive efforts. The Council has also utilized its Annual Report as a primary vehicle to gain this support. The Council has supported various organized crime legislation, but has not been successful in obtaining any change in laws.

#### REORGANIZATION AND PROGRAM OBJECTIVES

The study recommends changes which deal with the scope of the TOCPC activities and its organization. Particular emphasis has been placed on the need for citizen involvement, including citizen representation on the Council, and for the development of priorities for achievement.

#### Scope of the TOCPC

Recommendations regarding the scope of the organization involve directing the Council toward achievement of the following objectives:

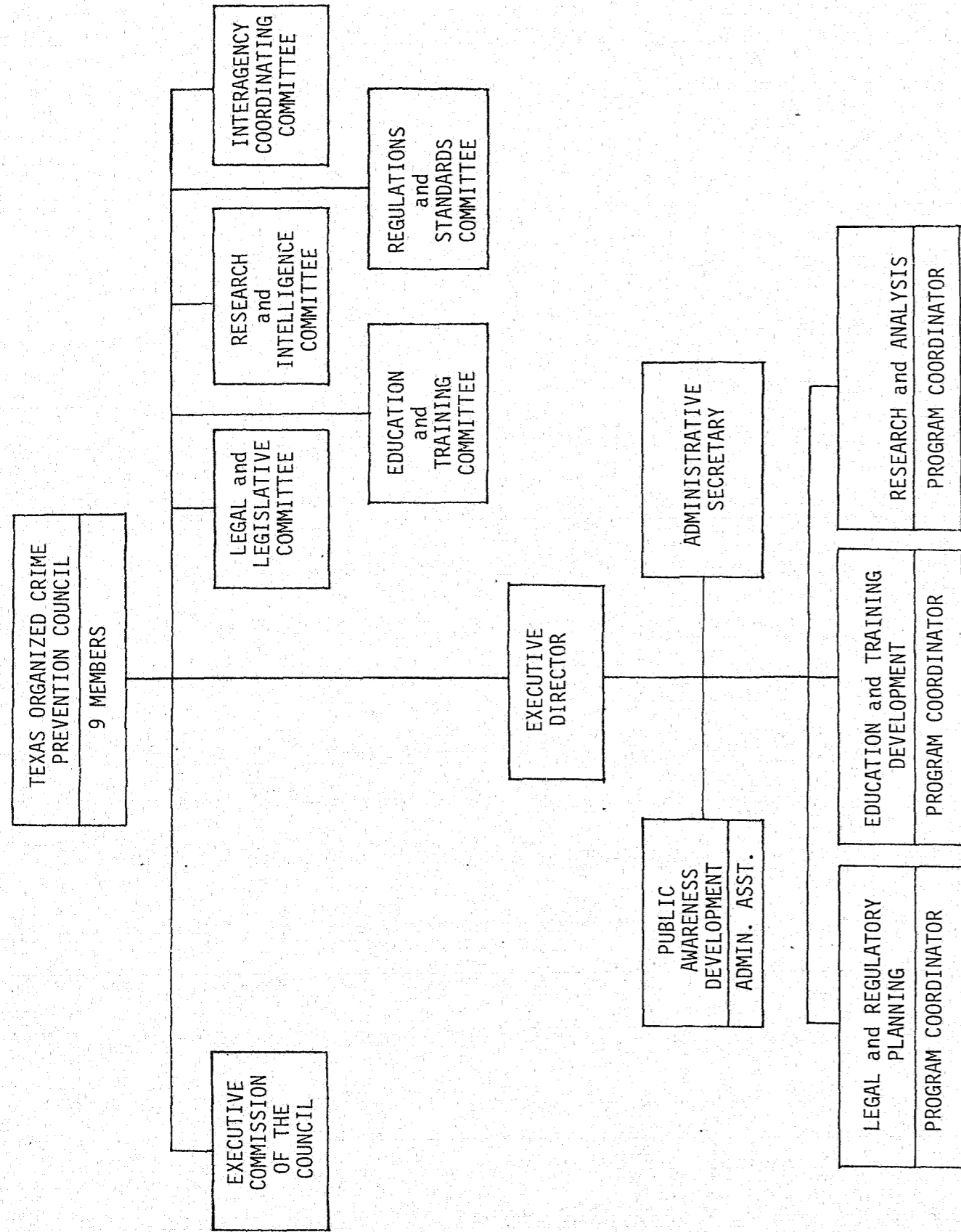
- . Development of specific goals and objectives to combat organized crime.
- . Obtaining of increased public involvement and broad-scale support for the program and activities of the Council.
- . Recommendations for appropriate legislative changes to combat organized crime.
- . Development of a comprehensive public information program.
- . Development of training programs for official personnel aimed at organized crime control.
- . Improvement of the intelligence gathering mechanism to measure and evaluate the nature and extent of organized crime on a continuing basis.

#### Reorganization of the TOCPC

The recommendations regarding reorganization involve integrating a diverse representation of all segments of the public and private community into all levels of the Council (See Illustration E). The proposed reorganization recommendations consist of:

- . Appointment of nine Council members by the Governor, five from the criminal justice system and four from outside the system.
- . Appointment of an Executive Commission of influential persons within the State who, through limited but direct links with the Council, can provide leadership and prominent support in assisting to achieve Council objectives.
- . Appointment of five committees, with diverse membership as follows:
  - Legal and Legislative Committee
  - Education and Training Committee

ILLUSTRATION E  
TEXAS ORGANIZED CRIME PREVENTION COUNCIL  
PROPOSED ORGANIZATIONAL STRUCTURE



- Research and Intelligence Committee
- Regulations and Standards Committee
- Interagency Coordinating Committee

Addition of one program coordinator to the TOCPC staff to include a total of three program coordinators assigned as follows:

- Legal and Regulatory Planning
- Education and Training Development
- Research and Analysis

Relationship to the Criminal Justice Division

In addition, recommendations are made regarding the continuation of funding for the organized crime control units and for the integration of TOCPC plans and activities with the funding strategies of the Governor's Office, Criminal Justice Division (CJD). The study recommends that the TOCPC staff should request a conference with CJD staff to develop in detail the role, relationships, authority, and responsibility of the TOCPC with respect to the locally funded police and prosecution organized crime control units.

Program Development

The study recommends that the TOCPC undertake detailed planning and prioritizing of programs as a means of directing its activities in order to:

- Determine a given program or series of projects relating to organized crime upon which the Council can focus a concerted program effort.
- Plan, organize, and direct major activity in behalf of the specific program or project(s) to receive results in the short term in order to demonstrate valid contributions to the criminal justice system and the public.

### ORGANIZED CRIME LEGISLATION

The study found that Texas has taken a piecemeal and halting approach to the laws necessary to answer the challenge of organized crime. Generally, the result has been that laws passed to combat "ordinary" crime must serve as the chief weapon against organized crime as well.

A review of prior annual reports by the TOCPC revealed the endorsement of seven legislative bills over the past five years which were considered important to combat organized crime. None of the laws have been enacted and, in fact, the Texas Legislature has failed to pass any significant organized crime legislation.

Based on interviews conducted throughout the State, survey of other states, citizen opinion survey, and the findings of this study, several essential items of legislation are recommended.

The Texas Legislature has a major responsibility for designing effective measures to combat organized crime in Texas. The laws the Legislature passes, or fails to pass, have a critical effect on the capabilities of local criminal justice officials to respond to the rising organized crime problems in the State. Presently, these officials must counter organized crime without the benefit of comprehensive legislation aimed directly at this complex problem. It is imperative that the Texas Legislature recognize this situation and assume a strong leadership position in adequately defining organized crime as an offense and giving criminal justice personnel the investigative, prosecutorial and administrative tools they need to combat organized crime in Texas.

The 1975 Annual Report of the Texas Organized Crime Prevention Council (TOCPC) urged the legislature to pass several specific bills to help in the fight against organized crime. The recommendation is seconded,

simply but importantly, in the draft report of the National Task Force on Organized Crime (NTFOC):

"Every state should review and, where necessary, revise or supplement its penal statutes to insure the adequacy of its laws for dealing with organized crime."

NTFOC stresses that this review should focus on the conspiratorial nature of organized crime, the supply of illegal goods and services, business-related crimes, such traditional crimes as theft and fencing, and corruption.

The results of this study have revealed several areas of legislation that are essential if the State is to respond adequately to the challenge of organized crime. In the paragraphs below we discuss what are considered to be the initial legislative needs of the State in this regard.

#### Need for a Definition of Organized Crime

A definition of organized crime has not been developed in Texas. The Texas Legislature must adopt a well-reasoned definition and prohibition of organized crime. Local law enforcement units indicate that the lack of a statutory definition is a major recurring problem. TOCPC, charged with planning to combat organized crime, needs a legislative definition to give it specific direction and to promote inter-agency understanding of the nature of the problem. Police and prosecution groups throughout the State have expressed strong feeling that organized crime must be adequately defined before they can assess local problems and bring rational operational objectives to bear. A definition flexible enough to be effective against any organized crime activity that might occur in the foreseeable future would help structure TOCPC and local agencies alike and would greatly enhance the investigative and prosecutorial capabilities of the Texas criminal justice system.



There are virtually as many definitions of organized crime as there have been attempts to define it. The Department of Justice says the phenomenon includes "any group of individuals whose primary activity involves violating criminal laws to seek illegal profits and power by engaging in racketeering activities and, when appropriate, engaging in intricate financial manipulations." California bases its definition on a conspiracy theory and includes five basic areas of criminal activity: racketeering, vice operations, theft/fence rings, gangs and terrorists. Delaware simply defines it as "a group of individuals working outside the law for economic gain." For Louisiana, organized crime is "a continuing criminal conspiracy operating legally and illegally in society for a profit motive utilizing the tools of fear and corruption"; for Tennessee, "the unlawful activities of the members of an organized, disciplined association engaged in supplying illegal goods and services, including, but not limited to, gambling, prostitution, loan-sharking, narcotics, labor racketeering, and other unlawful activities."

In a survey of each state conducted by the Criminal Justice Division, it was concluded that there are three shared elements of all definitions of organized crime that have been enacted:

- . Time - a continuing series of transactions;
- . Type - the inclusion of those crimes generally associated with "racketeering" or criminal syndicates, including terroristic threats;
- . Conspiracy - participation by more than one person.

NTFOC believes no single definition of organized crime sufficiently describes its character. The Task Force prefers to stress the general

elements of the problem. Accordingly, the Task Force stresses that organized crime is conspiratorial; it has economic gain as its primary goal; it is not limited to illegal activities per se; it is characterized by predatory tactics; its member groups are proficient at controlling and disciplining those they touch; and it extends beyond such stereotyped groups as the Mafia and La Cosa Nostra.

#### Electronic Surveillance

The prosecution of organized criminals requires careful and sophisticated case preparation, especially when the target includes individuals at the top who often communicate only by telephone. We believe that it is essential that the Legislature adopt a provision for electronic surveillance of organized crime figures, being careful to protect the admissibility of evidence by building in adequate strictures against misuse.

TOCPC has supported and endorsed legislation to authorize electronic surveillance for the past five years. It recommends a law patterned after the Federal statute which provides for court-approved surveillance under strong safeguards to prevent abuse. A great majority of law enforcement personnel feel that electronic surveillance is an indispensable tool in the investigation and prosecution of organized crime and, as previously stated, 79.7 percent of the citizens surveyed in this study approve of its use.

NTFOC believes that "every state should have a wiretap and microphonic surveillance statute permitting the use of nonconsensual procedures in cases involving organized crime and related corruption. States should also provide for vigorous enforcement of laws against the illegal use of

wiretap and microphonic surveillance." The Task Force suggests a statute that describes target offenses; places authority to intercept; prescribes the necessary content of an intercept application; details the type and duration of the intercept; regulates the admissibility of evidence; requires notice to the target subject after termination of the intercept; sets penalties for illegal use; and requires periodic public reports.

According to the CJD survey previously cited, the Federal government and twenty-one states authorize surveillance without consent of either party. A review of the CJD state-by-state survey revealed that fifteen of these states track the Federal law. Some of the differences noted included:

- . Maryland, New Jersey, Pennsylvania and Washington have laws more restrictive than the Federal statute.
- . Ohio defines organized crime as a felony but totally prohibits nonconsensual electronic surveillance.
- . Maine permits a nonconsensual wiretap "under color of law," but results may not be used in evidence.

The CJD survey identified four states (Arkansas, Idaho, Mississippi, and Wyoming) as currently trying to pass legislation parallel to Federal law.

#### Joinder

We believe that legislation to permit the liberal joinder of offenses and/or defendants as a means of fighting organized crime in Texas is essential.

The TOCPC has recommended legislation to provide for the joinder of offenses and defendants as permitted now by Rule 8, Title 18, United States Code of Criminal Procedure. This would allow two or more offenses to be charged in the same indictment if the offenses are "of the same or similar

character or are based on the same act or transactions connected together or constituting parts of a common scheme or plan."

This proposal is much broader than present Texas law, which allows the joinder only of the repeated commission of any offense against property, a provision too narrow to be of significant use against organized crime. Similarly, the same scope of joinder is needed to join the several individuals who often work in concert to commit organized crime. By charging and trying defendants together, the law would provide the means for judge, jury, and press to see the conspiracy of organized crime in a single trial. Prosecution witnesses would only testify once against all defendants, and the coordinated presentation should increase the likelihood of conviction.

According to the CJD survey, a substantial majority of states provide for joinder into one trial of multiple offenses committed by one defendant, and for joinder of multiple defendants where they act jointly. Joinder is automatic in most states, with many giving the trial court discretion to sever. Thirty-three states allow joinder of both; eleven (including Illinois, Maryland, Massachusetts and Michigan) do not allow joinder at all; six (Mississippi, Pennsylvania, South Dakota, Texas, Utah and West Virginia) allow joinder of defendants only.

#### Penalties

We recommend that the Texas Legislature specify significant penalties for the organized crime offender who poses a special threat to society. Because convicted organized crime figures will probably resume illegal activities when released into the community, individual cases should be reviewed with care before parole or probation is granted. Specifically,

we recommend legislation that offers:

- . no probation, unless the defendant helps prosecute others or unless the defendant is fined heavily;
- . no parole from minimum sentences;
- . fines at least equal to the gain, or intended gain of the offense, with the possibility of treble punishment; and
- . Texas Department of Corrections segregation of organized crime figures, with restrictions on correspondence and visitors.

Both the TOCPC and NTFOC recommend special sentencing treatment for individuals convicted of organized crime. The TOCPC suggests that laws provide mandatory minimum and maximum penalties for organized crime exceeding penalties prescribed for the same offense as an "ordinary" crime.

The NTFOC would have the states enact legislation to establish a special offender status similar to that set out in Title X of the Organized Crime Control Act of 1970. Criminals afforded this status would be subject to a hearing process which could result in increased sentences. Additionally, the NTFOC urges criminal court judges to impose maximum terms and fines allowed on organized crime offenders, believing that "normal approaches to criminal sentencing generally are not applicable to members of criminal organizations." The Task Force also recommends that state legislatures devise a formula for the imposition of economic sanctions sufficient to suppress the original activity.

#### Broad Jurisdictional Grand Jury

We believe that legislation should be enacted permitting the Governor or Presiding Judge of the Court of Criminal Appeals to authorize the Attorney General to convene a specialized grand jury to deal with organized crime and

corruption investigations.

#### Statutory Authority for TOCPC

The impetus for organized crime prevention councils comes from the Omnibus Crime Control and Safe Streets Act of 1968, which provided for federal financial assistance to develop state plans to combat organized crime, to establish and support state and local organized crime enforcement agencies and to establish systems for organized crime intelligence centers. In 1970, Governor Preston Smith charged the Council to develop a comprehensive plan for the suppression of any organized crime existing in Texas, prevent its further encroachment in the State, and coordinate the activities of all law enforcement and prosecuting agencies in the State in the implementation of a comprehensive organized crime control program.

TOCPC is federally funded through the Criminal Justice Division. If federal funding were withdrawn, a distinct possibility, there would be no allocated funds for an organized crime prevention council in Texas. Given the current level of organized crime in Texas, such a development would be disastrous.

We agree with the NTFOC that every state must have an established crime prevention council. To secure an uninterrupted fight against organized crime, TOCPC should be given permanence by legislative act. The law should require TOCPC to:

- . develop plans to combat organized crime;
- . develop mechanisms for sharing intelligence data among jurisdictions;
- . submit an annual report of criminal activity in Texas; and
- . stimulate government and private awareness and action.

### Mandatory Reporting

Many law enforcement agencies do not keep the types of records and data which TOCPC needs to develop projections or conclusions about organized criminal activities and to determine the most appropriate organized crime control program. TOCPC's 1975 Annual Report sets out the benefits of having comprehensive organized crime data:

- . long-term strategic planning could be more realistic and effective;
- . programs to inform the public and enlist their aid could be more effective;
- . state resources could better meet the needs of local agencies;
- . an assessment capability to anticipate organized crime could be properly directed.

The lack of adequate information about organized crime has serious consequences. The public fails to understand the magnitude of organized criminal activity. Released statistics must always rest on estimates or projections, since there is no formal reporting. Comparisons within Texas, or with other states, is not valid.

The accumulation and analysis of organized crime data can identify areas of priority for the concentration of criminal justice resources in the fight against organized crime. The legislature, criminal justice officials, and the public would benefit from having such data at hand. We recommend legislation to mandate the reporting of organized crime information to the Department of Public Safety, in the same manner that index crimes are currently reported, and to provide penalties for failure to comply with the reporting requirements.

### PRIORITIES FOR FUTURE LEGISLATION

In previous portions of this section, we outlined essential legislation for combatting organized crime. There are a number of areas, all

important, which we believe should be addressed by the Council as recommendations for future legislation or system procedural changes. From among these, we believe priority consideration should be given to these measures:

- . Protection of Witnesses - The state should commit the financial resources necessary to promote the cooperation of witnesses who might otherwise suffer reprisals from target criminals.
- . Civil Restraints - Prostitution, drug traffic, fencing, and other organized criminal activity could be controlled to a degree by civil injunctions against common law nuisances.
- . Presentence Reports - Adequate presentence review of cases involving organized crime figures would be useful to the sentencing court, interested agencies, reviewing courts, defense counsel, and the prosecuting attorney.
- . Increased Sentences - Special organized crime offenders should be sentenced and/or fined in a manner best designed to discourage their return to organized criminal activities.
- . Maximum Terms - Criminal court judges should be encouraged to impose the maximum terms and fines currently allowed as a justified and appropriate sanction against organized crime.
- . Economic Sanctions - In those categories of organized criminal activity where economic sanction is appropriate, a formula sufficient to suppress the particular offense should be developed.
- . Correctional Policies - Correctional agencies should redesign their inmate policies to treat special offenders in an appropriate restricted manner.
- . Probation Supervision - Probation policies for special offenders should include measured caseload standards, regular detailed reports, and ready use of amendment or revocation powers.
- . Parole - Consideration for parole and parole supervision should track policies designed for probation departments and officers.

ORGANIZED CRIME  
INTELLIGENCE SYSTEM

The operation of the Texas Law Enforcement Intelligence Units Association (TLEIUA) is documented in the study. This is a "pointer" system containing names of organized crime subjects with detailed information available from the submitting agency. This card file has three principal components:

- . System input - consists of the submission of new card entries, the update of existing entries, inquiries by member agencies and coordination of input activities by member agencies;
- . System operations - consists of the actual search of the organized crime information files, and related DPS files, identification through the pointer concept of other sources of information, file maintenance activities (e.g., purging and updating) and various administrative functions; and
- . System output - consists of the reporting of the availability of information to requesting agencies from submitting agencies and management reporting (e.g., system usage, security monitoring and data base management).

Participation in TLEIUA was found to consist almost exclusively of CJD funded organized crime units.

Recommendations for Improvement

The study recommends that TLEIUA seek to achieve the following:

- . Obtaining of broad participation from all segments of law enforcement and government agencies.
- . Development of structured analysis of data by analysts assigned to local organized crime control units or at the local agency level.
- . Gradual expansion of the manual system into a semi-automated system to provide for additional cumulative analysis and greater ease in maintaining records.

The study also recognizes the potential for abuse of criminal intelligence files and indicates that law enforcement agencies must take the lead in assuring that intelligence activities are conducted properly and according to law, and that they do not threaten the constitutional rights of any citizen. It is also recognized that, in order for law enforcement and the rest of the criminal justice system to detect and prevent illegal acts, the effective collection, production, maintenance, and use of criminal intelligence is essential.

**END**

*7/21/50*