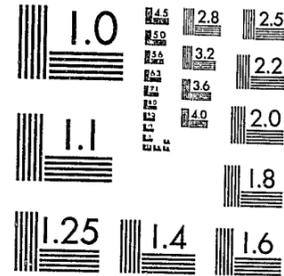


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Department of Justice

STATEMENT

of

Leonard R. Gilman
United States Attorney
Eastern District of Michigan

Before

The

Senate Permanent Subcommittee on Investigations

Concerning

The Young Boys Case -- An Example of
Non-Traditional Organized Crime

on

January 26, 1984

U.S. Department of Justice
National Institute of Justice

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JUL 26 1984

ACQUISITIONS

Mr. Chairman and members of the sub-committee:

I am pleased to appear before the sub-committee to discuss the recent investigation and prosecution of a large-scale narcotics distribution organization in connection with the case of United States of America v. Sylvester Seal Murray, Criminal No. 82-80591 (Eastern District of Michigan). The Sylvester Murray prosecution is notable not only because Murray was a major importer of heroin and cocaine with connections on the east and west coast and in the Caribbean, but also because the case also involved the prosecution of a vital part of the conspiracy which utilized the name "Young Boys, Incorporated" (YBI). "Young Boys, Inc." was an extremely well organized group of drug traffickers dedicated to the mass distribution of heroin directly to drug addicts and users throughout the Detroit metropolitan area. The hallmark of this organization was its use of juveniles as young as 12 years of age in the lower echelon of the organization. These juveniles served as "runners" who would sell individual coin envelopes containing heroin directly to narcotics users in the various public housing projects in the city of Detroit, other areas of the city of Detroit, Highland Park, Pontiac and Flint, Michigan. As such, this organization represents a most unique and disturbing phenomenon of non-traditional "organized" criminal enterprise. By using these boys in the most visible aspect of their heroin trafficking organization, and by other means the leaders of the operation managed to insulate themselves from conventional law enforcement efforts.

The result was an operation which supplied heroin to a substantial percentage of the heroin addicts in the Detroit metropolitan area.

BACKGROUND OF INVESTIGATION

The investigation of Sylvester Seal Murray was a proactive investigation utilizing a combination of investigative techniques including informants, pen registers, physical surveillance, undercover activity, financial investigation and analysis, and electronic surveillance in an effort to penetrate the upper echelon of this organization. The investigation involved a cooperative effort by the Drug Enforcement Administration, the Internal Revenue Service, the Detroit Police Department, and the Michigan State Police. Sylvester Seal Murray, the principal source of the supply for "Young Boys, Inc.," was the initial target.

In December, 1980, a detective with the Michigan State Police Narcotics Enforcement Team was able to purchase a small quantity of heroin from an individual by the name of Melvin Davenport, also known as: "Sammy D". The informant utilized by the Michigan State Police officer advised Special Agent Walter R. Brown, Drug Enforcement Administration, that "Sammy D" knew a great deal about the narcotics activities of Sylvester Seal Murray. During the spring of 1981, Special Agent Brown, acting in an undercover capacity, was able to contact "Sammy D" and discuss the possibility of purchasing a quantity of heroin. Agent Brown's initial purchase consisted of a \$75.00 sample. Special Agent Brown, posing as a narcotics

dealer from Ohio, ultimately made numerous purchases of heroin from "Sammy D" and other associates through the balance of 1981. One undercover contact included a brief face-to-face meeting with Sylvester Murray himself. "Sammy D" also unwittingly provided Special Agent Brown with an extensive body of information about Sylvester Murray. In July 1981 "Sammy D" told Agent Brown that Murray was earning approximately \$5,000 to \$7,000 per day and that he kept a supply of heroin in the Jeffersonian Apartment Building in Detroit. He also told Agent Brown that Murray had been selling narcotics since he was 14 years old.

As a result of these various purchases of heroin, several consensually-recorded telephone calls made in connection with the purchases, pen register analysis on telephones of "Sammy D" and others, telephone toll information, and informant information, sufficient facts were assembled to allow government agents to seek a court-authorized wire intercept on the telephone of "Sammy D" and another associate, John Thomas. The court order was entered on March 11, 1982. More than 600 narcotics-related calls were intercepted during the following 20 day period. The wire interceptions revealed a close relationship between Sylvester Murray and John Thomas and provided the basis to seek an additional court-authorized wire intercept the following month of Murray's home telephone located in Southfield, Michigan.

Numerous narcotics-related conversations were intercepted on Murray's phone. Information acquired, combined with prior transactions, provided probable cause for the issuance of a third court-authorized wire intercept on a telephone located in Apt. 24-1, Jeffersonian Apartments, Detroit, Michigan. On May 18, 1982, a search warrant was executed at Apt. 24-1. Approximately \$696,000 in United States currency was seized. Much of the money was contained in garbage bags. Another warrant was executed simultaneously in the apartment of Murray's associate, Darryl Young, Apt. 2706, Jeffersonian Apartments. In excess of \$40,000 cash was seized, along with large quantities of heroin and cocaine. One package of heroin weighed nearly one-half pound and was analyzed and found to contain 71 percent heroin. A Detroit Police Department chemist testified that the average individual dosage unit found in a single coin envelope of heroin in the Detroit area within the last year and one-half consisted of approximately .3 grams of powder with one percent heroin. A Drug Enforcement Administration chemist computed that the half-pound bag of heroin at 71 percent could make approximately 70,000 individual dosage units of heroin. Additionally, the chemist indicated that he had analyzed approximately 500 heroin samples in his career and only five percent of these analyses have revealed greater than 60 percent heroin.

The wire intercept on Murray's home telephone was still in effect at the time of these searches. Within an hour of the search, Murray had heard of it and reported to his girlfriend that it was not the police he was afraid of, however, but those "Dagos".

The wire intercepts and supporting affidavits remained under court seal as the investigation progressed in an effort to establish firm links between Sylvester Murray and "Young Boys, Inc." and garner evidence implicating members of this organization. On June 16, 1982, a search warrant was obtained for the home of Milton David Jones, also known as, Butch Jones. Butch Jones provided the principal leadership for "Young Boys, Inc." and was primarily responsible for organizing the group into a highly efficient and tightly-knit distribution organization. On the day of the search warrant on Jones' home, he was followed to an address on Tracey in the city of Detroit. Jones carried a satchel into the Tracey residence. At the time of the execution of the federal warrant on Jones' home, he admitted to agents and police officers that the satchel contained in excess of \$10,000 in narcotics proceeds and he had been instructed earlier by Murray not to count the money but to bring it directly to Tracey. A second federal search warrant for the Tracey residence was executed shortly thereafter. Agents found Sylvester Murray on the premises. They also found and seized \$633,000 in cash. Ironically, subsequent investigation revealed that during the month before this raid someone had

broken into the Tracey street residence and stolen a quarter of a million dollars belonging to Murray.

During July, 1982, Drug Enforcement agents received information from an informant that Sylvester Murray had travelled to Los Angeles, California for the purpose of making arrangements to purchase more than four pounds of brown Mexican heroin. Subsequent investigation resulted in a stop of two young men from Detroit at the Los Angeles International Airport and the seizure of approximately \$194,000 in cash which was destined for Murray's drug source of supply in California.

Another order authorizing the interception of wire communications from a telephone located at a Detroit residence used extensively by members of "Young Boys, Inc." to drop narcotics proceeds or relay messages to Butch Jones was obtained in September, 1982. Numerous short conversations regarding money were intercepted and other members of the group were implicated. Contemporaneous with these efforts, the cooperation of several members of the organization was obtained. These accomplice witnesses provided a definitive outline of the organization.

YOUNG BOYS, INC.

Milton David "Butch" Jones was convicted of manslaughter at the age of 17 in 1975 and was sentenced to 7½ to 15 years imprisonment. Subsequent to his release from prison and during the winter of 1980, Butch Jones assembled a group of young men from his neighborhood, the Monterey-Dexter area, of

Detroit on a playground. Jones told this group that he would make them all millionaires. From the onset, Jones instructed the group on how to cut heroin and what price to charge. Jones and the others took on the name "Young Boys, Inc." which had been utilized by a smaller, less well-organized group of persons selling heroin in the city of Detroit. Jones did not use narcotics, drink or pursue the "night life". His natural leadership abilities parlayed the group into an organization that included upwards of 300 members by the end of 1982. Jones discouraged use of drugs by upper echelon members and preached to the group that they could "get high" on money, automobiles, clothes and jewelry. Photographs seized at the time of the raid on the Jones' home and on other occasions depict YBI members counting large sums of cash or posing with cash, jewelry or luxury automobiles.

Butch Jones, or other trusted individuals, would obtain large quantities of "raw" heroin product, much of it from Murray. The heroin would be transported to a "hook up" house. The process of "hooking up" involved cutting or mixing the heroin with quantities of lactose, dormin and quinine and packaging it for distribution. More than a half dozen individuals worked at long tables for several hours to accomplish the task. After the heroin was cut, it would then be spooned into hundreds of individual coin envelopes. The coin envelopes had been previously stamped with brand names or logos distinctive to the group. Brand name stamps utilized included names such as "Who-IE-Con", "Murder One", "Rolls

Royce", "CBS", "Whipcraker".* These envelopes would be sealed and placed into groups of ten, referred to as "bundles". Ten coin envelopes were placed in each "bundle" for purposes of accounting and everyone knew, then, that each "bundle" was worth \$100.00 in revenues to be returned. Various "bundles" were placed in paper bags with the location for distribution, the number of bundles and the expected revenues written on the outside of each bag. A shorthand or code was utilized. The bags would then be transported by other members of the organization in the early morning hours to various locations referred to as "spots". These drop-off areas included apartment buildings in various public housing projects in the city, as well as apartments and houses in other portions of the city, as well as Highland Park, and other areas. Each "spot" was supervised by a selected individual referred to as a "top dog". From the "spots", the heroin was thereafter distributed to "runners" who would sell the heroin either from various apartments, houses or street locations. All "bags" had to be dropped and distributed to the runners by 9:00 to 9:30 a.m. each day. Runners not at their posts on time were dismissed. As police pressure increased during mid-1982, the "hooking up" process shifted to the early morning hours between 1 a.m. and 3 a.m. because there were generally fewer narcotics officers on duty after midnight.

*Sylvester Murray in addition to supplying Young Boys, Inc. had his own persons selling heroin ("mixed jive") to drug addicts and these persons utilized the stamp "Real Dope", "R.D." or "Original R.D.".

The process of "hooking up" was one which was performed on a regular basis by upwards of a half-dozen trusted individuals referred to as the "hook up" crew. At times separate hook up crews worked under the supervision of both Butch Jones and his chief lieutenant Timothy Peoples. During one intercepted conversation between Sylvester Murray and Butch Jones in May, 1982, Jones indicated that they would be "hooking up" all night. Murray extolled the quality of the narcotics he was having delivered to Jones by indicating that "it could kill'em" ... "it will kill them", i.e., it was high quality. The meaning of Sylvester Murray's words were underscored at trial by the testimony of a middle-aged businessman who sold large quantities of quinine, coin envelopes and dormin to Sylvester Murray and members of YBI at a patent medicine store. This witness had also been provided with cocaine as a "gratuity" from Murray at the time of large purchases and admitted to a drug abuse problem. The witness described his feeling at having used heroin, indicating it made him feel "lost from the world".

Initially, in the organization, Sunday was "pay day" and all of the members would assemble at a "club" where they would be paid according to individual distribution "crews". This "club" was a warehouse located in the city of Detroit. Gambling and entertainment were provided at the "club". Members of the organization who performed various functions were frequently paid salaries according to their position of responsibility. For example, persons who dropped off "bags"

containing "bundles" of coin envelopes were paid \$50 per day with an additional \$20 for gasoline and expenses. "Runners" received upwards of \$300 per week, plus between \$1.00 and \$2.50 for each coin envelope sold. Persons running "spots" (top dogs) received upwards of \$700 per week. Legal counsel was provided by Jones when adult members were arrested by local authorities. One female member of the organization was designated to bond members out of jail promptly using an alias. Members of the organization were also provided with sets of fake identification which included perfect Michigan driver's operator's permits in alias names as well as birth certificates and social security cards. Expensively furnished homes were set up as dormitories. One such house was equipped with microphones which allowed occupants to hear conversations on the street outside. While executing a federal search warrant on another such house in September 1982, agents found an expensive pool table bearing a gold nameplate inscribed "YBI".

Supervisory-level personnel were not permitted to utilize drugs and, if caught using drugs, were "wrecked" or terminated from their jobs. The term "wrecked" stems from a group within the organization which was referred to as the "wrecking crew". This group was responsible for imposing discipline on members, resolving disputes, insuring that there were no "rip offs" and preventing members of the organization from being "hassled" by any individuals. The

"wrecking crew" was dispatched only by Butch Jones or Timothy Peoples.

Runners at the lowest level, however, were permitted to utilize drugs and, on occasion, some older narcotics addicts were recruited to act as runners in an effort to promote business. Runners primarily ranged in age from 12 to 17 years of age. Many supervisory personnel or "lieutenants" initially began as "runners" and worked their way up to more prestigious positions. According to accomplice witnesses the scheme to utilize literally scores of juveniles as "runners" was devised because of the tremendous difficulty and inability of local law enforcement to apprehend and prosecute the juveniles and because of the lack of punishment. Additionally, these juveniles provided layers of insulation to the adult, upper echelon members. Lastly, there was a vast pool of youngsters available in the city who were easily recruited and influenced. The sight of young persons on the street hawking the heroin product by various brand-names became commonplace.

CONCLUSION

Utilizing these investigative techniques and having obtained the cooperation of some accomplice witnesses, the federal grand jury returned an indictment charging both Sylvester Seal Murray and Milton David Jones, a/k/a "Butch Jones" with engaging in a continuing criminal enterprise and with tax offenses. Numerous high-level associates were also charged with conspiracy to possess with the intent to

distribute and to distribute quantities of heroin and cocaine during the period of December 1, 1980 up to and including the time of the filing of the indictment. One of Murray's associates, Darryl Young, remains a fugitive. Sylvester Murray and three associates were convicted after lengthy jury trials. Milton David Jones and numerous members of Young Boys, Inc. entered pleas of guilty. To date, 32 persons named in the indictment have been sentenced to various terms of imprisonment. This successful investigation illustrates current emphasis on high-impact cases in an effort to reach beyond the streets and apprehend those who exercise power and control in major trafficking groups. Emphasizing the financial aspects of these criminal operations, both in terms of tax prosecutions and in the forfeitures of about \$1.5 million was also a successful technique used in this investigation. This concentration on the financial techniques in high impact prosecutions of large-scale well insulated drug trafficking organizations is one of the main goals of The Narcotics Task Forces under the leadership of the Attorney General. This investigation also serves as a clear example of the necessity of fostering and maintaining close cooperation between federal agencies and local law enforcement offices. These agencies were able to set aside individual goals and to combine in a cohesive effort over an extended period of time. By combining the best assets of each agency, effective results are obtainable.

Mr. Chairman, that concludes my prepared statement, and I would be pleased at this time to respond to questions you or the members of the sub-committee may have.

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