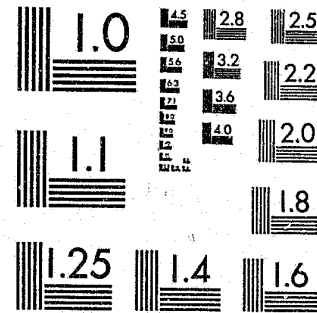


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CASE STUDIES:
THREE ORGANIZED CRIME ENFORCEMENT EFFORTS

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EXECUTIVE SUMMARY

This report contains case studies of three statewide organized crime enforcement efforts: the Coordinated Law Enforcement Unit of British Columbia, Canada; the Department of Law and Department of Public Safety of the state of Arizona; and the New York State Organized Crime Task Force. The emphasis in these studies is on the organizational structure, resources, and decisionmaking processes within organized crime enforcement units.

The specific organized crime enforcement efforts studied were selected for the diversity of their structure and/or special organizational features. Each study involved reviewing background materials and visiting sites; at each site relevant documentary materials were examined and personal interviews conducted. While each enforcement effort offers its own unique lessons, the studies of all three efforts taken together uncovered three key factors that contribute greatly to the success or failure of any enforcement effort. These factors deserve special attention here.

The first insight gained from all three studies has to do with the importance of adequate and stable support for an organized crime enforcement effort. In effect, money is crucial to successful organized crime enforcement because money binds people together and gives them the capacity to undertake the mission. For example, without adequate funding or a sufficiently large staff, the New York State Organized Crime Task Force was a moribund enforcement effort. CLEU, with its stable funding situation, on the other hand, has been able to maintain a consistent enforcement effort despite enormous internal conflict.

Money means more than funding for personnel, facilities, and equipment; it also reflects the depth of political commitment to an organized crime enforcement effort. As Arizona officials nearly learned, a budget, if not backed by a firm political commitment, can be quite ephemeral indeed. A stable commitment results not only in financial support, but also in other kinds of support, especially insulation from political crosscurrents. The New York Task Force offers a stunning example of an enforcement effort altered by an inappropriate association with an explosive public event--Attica. CLEU and Arizona demonstrate that while major events may call an enforcement effort into being, these events need not dictate an agency's activities nor control its future.

A second insight provided by the three case studies concerns the importance of information. Clearly, the lifeblood of an organized crime enforcement effort is the strength and vitality of its information base. None of the agencies profiled focused on the importance of information per se and yet each had shown considerable effort in planning for the gathering and analyzing intelligence. Specialized personnel were recruited for the intelligence function in all three efforts and organizational relationships could be defined by their informational content.

The unreported nature of organized crime makes intelligence information important to an organized crime enforcement effort. It is unclear, however, the extent to which intelligence information--its source(s), content, and value--constitutes a major force shaping an enforcement program. In addition, the "care and feeding" of an intelligence system appears to be a organizational function that is never

fully resolved, but is continually evolving. Yet this evolution apparently is a healthy attribute which seems to ensure a dynamic enforcement program.

A final insight gleaned from these case studies is that an organized crime enforcement effort should be designed in such a way that its structure reinforces its chosen mission and/or the skills and experience of its staff. Thus, while there is no one "right way" to structure an organized crime enforcement effort, there are clearly ways in which the structure of an effort can enhance or hinder the organization's mission. For example, where a blending of civil and criminal enforcement efforts is desired, the organizational structure should support such an objective, probably by combining civil and criminal functions within the organization. Similarly, where joint enforcement efforts are contemplated, the authority of all potential participants must be recognized and reaffirmed by the organizational structure of the program. Finally, even complex organizational goals can be enunciated and implemented through a selective recruitment process. Of particular importance is the capacity of the organization to match the individual skills and experience of its personnel with specific organizational goals. This may mean balancing prior experience against specialized training and may guide the timing and content of staff hiring.

ORGANIZED CRIME ENFORCEMENT EFFORTS AT THE STATE LEVEL:
THREE CASE STUDIES

This report presents case studies of three organized crime enforcement agencies, focusing on the intra-organizational structures as well as on the interrelationships with other agencies in the law enforcement bureaucracy. The three organized crime units studied are in very different stages of development and therefore confront different bureaucratic issues. The Coordinated Law Enforcement Unit of British Columbia, Canada (CLEU), illustrates how an eight-year old, stable organization functions. The Arizona Departments of Law and Public Safety, jointly charged with organized crime law enforcement, provide a contrasting picture of a newly-developing unit. And the third site, the New York Organized Crime Task Force, presents the opportunity to study a formerly impotent agency in the process of revitalization. All three jurisdictions, however, face similar enforcement challenges because they are major centers for the importation and distribution of narcotics. In addition, the enforcement efforts were prompted by dramatic disclosures of organized crime problems in the area.

Among the insights gained from the study is the optimum way for a new agency to react to existing power relationships within its jurisdiction. CLEU encountered very strong power positions and pre-established relationships within Canadian and provincial law enforcement which it used by bringing key authority figures into the CLEU organization. In Arizona, where responsibility for anti-organized crime enforcement efforts had traditionally been delegated to local authorities, the statewide agency was created without a clear

articulation of its jurisdiction. Experience suggested that the existing structures should be integrated into the new organization rather than circumvented.

Another issue highlighted by the study is the importance of bureaucratic control over intelligence, enforcement, and research information. The receipt and processing of information is of critical importance in organized crime enforcement where victims and witnesses are reluctant to come forward. Despite CLEU's heavy organizational focus on information, most of its internal battles have focused on the control, access, use and dissemination of information. Arizona, therefore, needs not only to develop adequate sources of information, but also to provide a system for processing that information.

Finally, the study notes the importance of a stable and dependable source of funding as a means of withstanding internal and external problems. Without an unwavering socio-political commitment to the process, evidenced by financial support, the necessary talent needed to combat organized crime cannot be attracted and retained.

Case Study Methods

The same five-step approach was used in conducting the three case studies. First, the scope and objectives of the study, were explained to the agency both by telephone and in writing, in order to secure permission from the agency to conduct the study. Next, background information was gathered on each of the enforcement agencies and on the nature of the organized crime problems in each jurisdiction. This effort involved a review of any publication or reports prepared by the agencies, any relevant books or articles, and newspaper coverage of the agencies

and of organized crime in the jurisdictions. Third, site visits were made to each agency, during which written materials describing the organizational structure, goals, resources, and procedures of the effort were gathered; and interviews were conducted with key actors at all operating levels in the organization and with those outside the agencies who had interacted with them. Fourth, a draft report on each enforcement effort was prepared and sent to each agency for review. Finally each agency's written and oral comments on the draft report were incorporated, when appropriate, into the final case study documents found here.

To say that each case study utilized the same basic approach is not to suggest that the three studies were conducted in precisely the same manner. Instead, each varied in the amount of time and funds available and in terms of any special opportunities presented. The nature of that variation and more detail about each of the studies is found in the following discussions:

1. The Coordinated Law Enforcement Unit of British Columbia. The study of CLEU was conducted over the longest period of time (from April 1981 to April 1982), involved the most site visits (three), and resulted in the largest number of interviews. The CLEU case study had these attributes for several reasons. First, there was a need to understand the functional relationships within the Canadian justice system as well as within CLEU, which involved a more lengthy learning process. Second, the researcher's proximity to British Columbia permitted a more extensive study during several site visits. Finally, because CLEU was the first of the three studies to be conducted, it functioned to some extent as a pilot site for testing research methods and procedures.

Altogether 24 interviews were conducted with CLEU staff, investigative personnel, and relevant agency heads in British Columbia. Those interviewed included the Deputy Minister, Deputy Assistant Minister--Police Services, the CLEU Director, all section chiefs of the Policy Board, the members of the Joint Management Teams in Vancouver and Victoria, and supervisors and members of the Joint Forces Operations. Additional interviews were conducted with intelligence unit supervisors and with chiefs of smaller outside agencies in British Columbia. Interviews were not the only sources of information; since CLEU has published a number of reports and maintains its own clipping and publication services, this case study had more documentation to draw upon than did the studies of other sites.

2. The Arizona Department of Law and Department of Public Safety. The Arizona case study came about as a result of a special opportunity. In 1980, the Arizona State Legislature had appropriated funds for the Department of Law and Department of Public Safety to engage in the suppression of organized crime. In 1981, the Legislature wanted a review of these statewide organized crime enforcement efforts and hired members of the Temple/Battelle project team to conduct it. The Arizona case study, then, was undertaken in conjunction with and in the context of an overall assessment for the Legislature of the statewide organized crime enforcement program.*

* Battelle was hired separately by the legislature for this purpose with the full understanding of its (i.e., Battelle's) involvement in the NLJ/Temple study. In fact, the involvement of the project team members in both projects was viewed as a special advantage. The case study itself was presented as an appendix to the main Battelle report, The Containment of Organized Crime--A Report to the Arizona Legislative Council, BHARC-300/81/043, Seattle, WA, December 1981.

The special circumstances under which the Arizona study was conducted account for the variation in tone in this study, compared to the CLEU and New York reports. These circumstances also affected the manner in which the study was conducted. The timeline for the study, for example, was dictated by the Legislature's review schedule; it took roughly five months. Because the study was a combined effort of two projects, it was possible to share some costs and make additional site visits, despite the distances involved.

Sixteen interviews were conducted with personnel in the Arizona Department of Law, Department of Public Safety, with other state officials, and with officials outside law enforcement agencies. Those interviewed included the Attorney General, Deputy Attorney General, and Division Chiefs in the Department of Law, the head of the Criminal Investigation Bureau and the Investigations Division of the Department of Public Safety, and supervisors of the Organized Crime and Racketeering Investigations District and of individual organized crime and racketeering units. Considerable documentary information was available about prior white-collar crime enforcement efforts and about statewide efforts in the organized crime area.

The New York State Organized Crime Task Force

The New York study was the last one to be initiated and took the least amount of time to complete. Because of the great distance involved, the extent of the study was constricted by limited time and funds. Only one site visit was made to New York, and it was easily the study approached the most intensively. Of great advantage in the New York study was the experience gained from the previous two efforts.

Twelve interviews were conducted in the course of the New York case study. Those interviewed included the Task Force Director, First Assistant Attorney General, Chief Investigator for Field Operations, Chief of the Appeals and Civil Enforcement Section, Chief of the Analysis, Security, and Technical Services Section, and personnel in the Strategic Analysis Unit and individual field teams based at Task Force headquarters in White Plains. No site visits were made to the Northern and Western region offices in Albany and Buffalo, respectively. Additional interviews were conducted with State Police personnel in the detachment assigned to the Task Force. Compared to the other case studies, the New York study was not rich in documentary materials, since the revitalized Task Force had only been in existence for a year and the earlier Task Force had accomplished little of its anti-organized crime mission.

Organization of This Report

This report is divided into three chapters, each containing a separate case study. Each case study begins with a brief history of the enforcement effort, highlighting the events that engendered the effort. Next, the study examines the organizational structure of the enforcement effort and the quality, nature, and amount of resources available to the organization. Then, the decisionmaking processes and procedures used by the various components of the effort are addressed. Finally, the lessons gleaned from each enforcement effort are presented and discussed.

THE NEW YORK STATE ORGANIZED CRIME TASK FORCE

I. ORGANIZATIONAL GENESIS

The New York State Organized Crime Task Force dates its existence from 1970 when it was first proposed by then-Governor Nelson Rockefeller. Rockefeller's proposal, which was not met with resounding approval at the time,* was to locate a statewide Organized Crime Task Force in the New York Attorney General's office, with a director appointed by the governor.

The unpopularity of the concept of a statewide Task Force stemmed primarily from the strength of local prosecutors in New York's 62 counties, especially in the downstate counties--the boroughs of New York City and the surrounding areas. Political concern arose from what was perceived to be a shift in emphasis. In the state of New York, criminal jurisdiction is delegated to the county prosecutors with only limited criminal prosecution powers retained by the Attorney General's office. Thus, with organized crime enforcement lodged traditionally at the local level, the specter of a statewide Organized Crime Task Force with broad prosecutive powers created uncertainty.

Despite such opposition and misgivings, the governor's concept of a statewide Organized Crime Task Force was passed by the legislature and implemented under Section 70-a of the New York State Executive Law, as follows:

70-a. Statewide organized crime task force.

1. There shall be established within the department of law a statewide organized crime task force which, pursuant to the provisions of this section, shall have the duty and power:

*A New York Times Editorial of 8 January 1970, for example, opposed the Task Force, saying it duplicated local and Federal enforcement efforts.

- (a) To conduct investigations and prosecutions of organized crime activities carried on either between two or more counties of this state or between this state or another jurisdiction;
- (b) To cooperate with and assist district attorneys and other local law enforcement officials in their efforts against organized crime.

The selling of the Organized Crime Task Force to the legislature, however, required that certain concessions or compromises be made in order to satisfy the concerns of county and local law enforcement officials and to clarify jurisdictional boundaries. Thus, Section 70-a clearly states that the jurisdiction of the statewide Organized Crime Task Force is limited to: (1) multi-county organized crime activity; or (2) organized crime activity that exists within the state of New York and also has some interstate character. Organized crime activity operating solely on a local level is not within the jurisdiction of the Task Force, except when local law enforcement authorities ask for assistance.

Similarly the mission of the Task Force as defined by Section 70-a is to assist local law enforcement rather than to supersede it. And finally, in a provision safeguarding the relationships between the levels of law enforcement in the state, Section 70-a requires the Task Force to obtain the consent of both the governor and the prosecuting attorney in the relevant county before undertaking prosecution in a particular county.

With these guidelines, the Task Force was set into motion in 1970. A director of the Task Force was appointed, as were a small number of attorneys, investigators, and accountants. A detachment of 35 state troopers was assigned to the Task Force to provide investigative support.

The Task Force quickly encountered a problem: the 1971 uprising at Attica prison. In the aftermath of Attica, the Organized Crime Task

Force, for some reason, was assigned the responsibility of investigating the uprising itself, its causes, and the response of the state police to the uprising. As one might have expected, assessing that tragic set of events was not an auspicious beginning for a fledgling enforcement agency slated to focus on organized crime. By the close of the Attica investigation, the first director had left and the Task Force drifted for about five years (between 1974 and 1978) under an "acting" director.

In 1978, however, some changes in the Task Force began. Robert Abrams, campaigning for attorney general in the state, pledged to revitalize the Organized Crime Task force. Upon winning the election, Abrams named a new acting Director of the Task Force while a search for a permanent director was conducted. A very small budget, however, continued to hamper the efforts of the Task Force. In 1980, a permanent director was named, but that person never assumed the job. Finally, in March of 1981, after a search for yet another director, Ronald Goldstock was appointed. He assumed his duties in July 1981, the first permanent director the Task Force had had in eight years.

Upon his appointment, Goldstock, with the support of the governor and attorney general, requested and was granted a large budget increase.* The increase permitted the hiring of a large number of investigators and attorneys and the revitalization of the Task Force. This case study examines the Task Force during the year following Goldstock's appointment.

As will become clear in the succeeding sections of this report, looking at the Organized Crime Task Force as it exists today is very much

*The budget had been about 1.3 million; the request was 2.7 million.

like looking at a new enforcement agency. Although the agency is 12 years old, it has been moribund for so much of its existence that it is difficult to think of the Task Force as presently constituted as anything but a new agency. In fact, the issue of whether it was easier to create a completely new agency or to overcome a past reputation was discussed with a number of those involved.

Interviewees reported, for example, that within the law enforcement community around the state awareness of the Task Force's prior existence was patchy. And those who did know of the original Task Force usually recalled only the controversy over its creation. Press announcements about revitalizing the Task Force, interviewees noted, were met with varying degrees of dismay among many who had not even realized that the unit has existed throughout the 1970s. For our purpose, then, it is useful to think of the Task Force as a new agency just completing its first year of existence. Where vestiges of the past are relevant, they are noted, but otherwise the general approach of this examination is to view the Task Force as an enforcement effort in its formative stage.

II. ORGANIZATIONAL STRUCTURE

The appointment of Ronald Goldstock as Director of the Organized Crime Task Force has had a significant impact on its structure, primarily because of his background and experience. Mr. Goldstock's experience as a local rackets bureau prosecutor and as a lecturer on the organization and training of organized crime control units has provided him with some well-developed approaches to organized crime enforcement. Goldstock ascribes the shape of the Task Force today to five central assumptions.

The first of these assumptions is that organized crime is a problem for which criminal prosecution is only one remedy. Historically, criminal prosecution has been the most frequently invoked remedy, but other remedies exist, including legislation, civil litigation, and structural, technological, or institutional changes within specific industries.

A second assumption underlying the current Task Force structure is that broad enforcement strategies are needed in the area of organized crime, rather than individual prosecutions and investigations of organized crime targets. Further, such strategies should evolve from analyzing problem areas and should take into account the broad set of remedies available.

A third assumption is that the necessary skills and roles needed for successful organized crime enforcement have changed. Thus, in addition to the traditional criminal investigators and attorney, the mix of personnel now needed to implement an effective organized crime control strategy includes accountants and intelligence analysts, tactical and strategic.

Fourth, it is assumed that there exist state level interests in organized crime enforcement that are different in kind from those at the Federal or local level. Thus, it is possible to capitalize on unique statewide interests in developing a statewide approach to organized crime enforcement.

Fifth, accountability must be built into the system. Historically, law enforcement has had a service-monopoly, permitting it to avoid explaining the priorities it sets and the enforcement choices it makes. As a result, many law enforcement activities are poorly planned and

executed. Tight economic times and a generally poor performance record by law enforcement make it essential that accountability be built into enforcement programs--especially new ones.

The working structure of the Organized Crime Task Force (see Figure 1) is headed at the top by the director of the Task Force, who is a deputy attorney general appointed jointly by the governor and the attorney general. Assisting the Director is a Counsel and a Director of Administration. Under the Director there are three main divisions of the Task Force: the Analytic, Security and Technical Services Division; Field Operations; and the Appeals and Civil Enforcement Division. Within the Analytic, Security and Technical Services Division is the intelligence and analysis unit, the security director, and the technical unit responsible for maintaining all the surveillance equipment and vehicles. Once the Task Force acquires its computer capability, the responsibility for maintaining the equipment and for the viability of the automated intelligence function will rest with the Analytic, Security and Technical Services Division.

Field Operations is headed by a First Assistant Deputy Attorney General for Field Operations and a Chief Investigator for Field Operations. This section of the Task Force is the most complex, since it is subdivided regionally and substantively. Field Operations is divided substantively into four enforcement areas: (1) energy and the environment, including fuel distribution and resource recovery, such as garbage collection and toxic waste disposal; (2) financial crimes and schemes, such as arson-for-profit, gambling, and loansharking; (3) narcotics and the emerging organized crime groups that seem to surface in

this area first; and (4) the redistribution of stolen property, such as cargo theft and related airport/seaport activities, and securities and negotiable instruments.

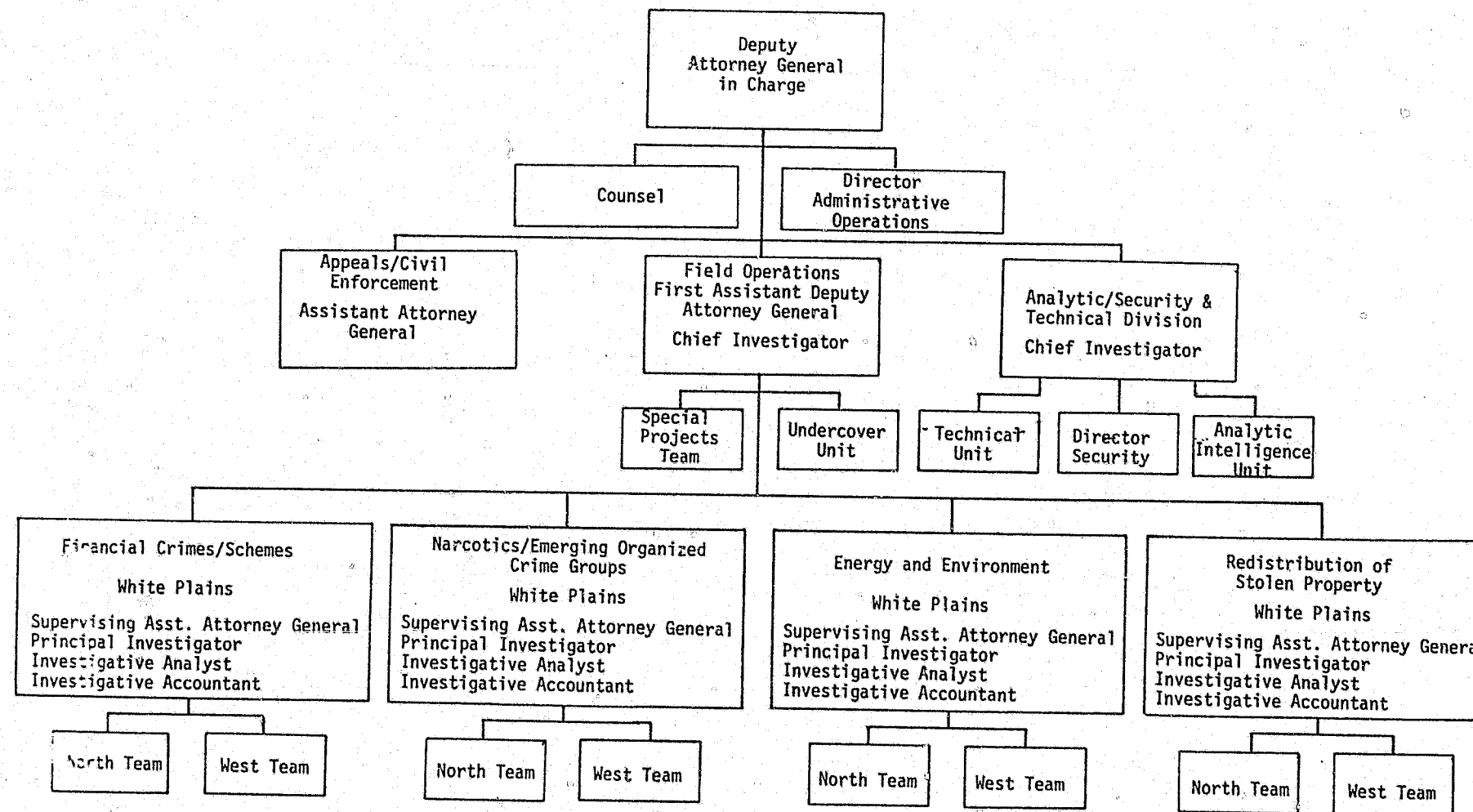


FIGURE 1
 ORGANIZATION OF THE NEW YORK STATE ORGANIZED CRIME TASK FORCE

The Task Force has chosen to pursue these four areas separately for strategy development purposes. Thus, it makes sense to develop coordinated efforts in the energy and environment area since organized criminals who control garbage collection services often gravitate to the mismanagement of landfills and waste dumps. Similarly, organized crime involvement in illicit toxic waste disposal has resulted in organized criminal interest in alternative fuels and fuel distribution systems generally. For the same reasons the financial crimes and schemes of organized crime are generally interrelated. Thus, gambling debts often lead to loansharking obligations, which may in turn result in a variety of scams from bust-outs to fraudulent arsons. By grouping the activities of organized crime in this way, a coordinated and coherent control strategy can be developed.

Of these four enforcement areas, the only one that is not fully functional is the fourth one, the area of redistribution of stolen property. Presently, investigations into stolen property distribution are being handled by those concerned with the Financial Crimes and Schemes. One major investigation in this area, for example, involved a phony credit card ring. The ring was manufacturing phony credit and identification cards and using them to purchase nearly \$2 million worth of merchandise per week nationwide, reselling the goods to other wholesale and retail outlets.

The three enforcement areas that are now fully operational are further subdivided geographically into three regions: a Western region, which includes the Buffalo, Rochester, Binghamton areas; a Northern region, including the Utica, Syracuse, and Albany areas; and a Southern region, encompassing New York City and its metropolitan area. The

headquarters of the Task Force operations for each region are in Buffalo, Albany, and White Plains, respectively.

Within each of these geographic areas there is a team working on each of the substantive enforcement areas described above. Each team is composed of four main actors, who are expected to act as a team rather than in some hierarchical fashion. The four team members--an attorney, a chief investigator, an investigative analyst, and an investigative accountant--have broad responsibilities for defining the major problems in their substantive and regional areas, as well as for developing and implementing a plan to cope with these problems. For investigative assistance, the teams can call upon two special support teams, the Special Projects Team and the Undercover Unit, located within the Field Operations Division at headquarters in White Plains. Other investigative support is available from the State Police (noted below) and from local law enforcement agencies in the teams' geographic areas of operations. Administrative support and coordination is provided by the headquarters' teams. For example, the White Plains team that handles financial frauds and schemes in the southern region of New York, also performs coordinative and administrative duties for the teams based in Albany and Buffalo.

The Appeals and Civil Enforcement Division is responsible for handling appellate cases for the Task Force, as well as civil litigation in conjunction with Task Force cases. The attorneys in this division advise any of the field teams that identify a case requiring civil remedies. Thus, while it is up to the individual team to identify the need for civil relief, the likelihood of recognizing the need and successfully using civil remedies is greatly enhanced by the availability of expert civil counsel.

In addition to its own divisions, the Task Force continues to include a detachment of 35 state police investigators who are distributed throughout the state. Headed by a captain and two lieutenants, the largest number of state police personnel are based at headquarters in White Plains, with a smaller number of investigators distributed through the normal state police detachment areas, in Buffalo, Syracuse, Rochester, and Utica.

III. ORGANIZATIONAL RESOURCES

During its period of relative inactivity, the Organized Crime Task Force still maintained a staff of about 15 people, including attorneys, investigative accountants, and civilian investigators. With the appointment of a new director in 1981, however, the budget for the Task Force was greatly increased and much of it was devoted to hiring a much larger staff to support the expanded structure and mission of the organization. This larger staff is expected not only to generate its own investigations but also to assist state police investigators, state agencies, and local and Federal law enforcement agencies with investigating and prosecuting criminal activity.

The nine regional/substantive teams are almost fully staffed at this point, with the four key members of each team representing most of the newly-hired staff. In addition, the Task Force has provided administrative personnel in each of its offices in order to free investigators and those responsible for enforcement efforts from administrative duties. Thus, a key administrative person is found in each of the three offices of the Task Force, each reporting to the Director for Administrative Operations in White Plains.

The work of the field teams is also supported by other resources. Additional personnel units include a special undercover unit, which is available to any of the teams, and a special projects unit, which works on long-term investigations of specific groups or industries. A strategic intelligence unit, currently consisting of four intelligence analysts, is expected to play a more important role as the Task Force matures and develops a broader internal intelligence capability. Early staffing of the unit is testimony to the important role it is expected to play.

Field Operations teams are also supported by a large technical services unit which maintains the Task Force equipment and vehicles and assists in conducting electronic and photographic surveillances. By having the technical support function exclusively devoted to one unit of technical experts, much of the staff is freed from the more highly technical aspects of surveillance work. Most of the Task Force's new resources have been used to expand the staff, making it possible not only to develop self-generated investigations, but also to enhance the investigative efforts of the state troopers associated with the Task Force, and agents of other law enforcement agencies that may seek the assistance of the Task Force.

The New York Legislature has provided an array of enforcement powers in the organized crime area that are available to the Task Force upon the approval of the governor and local law enforcement authorities. So long as the Task Force either receives that approval or extends the courtesy of requesting approval, the Task Force has access to the same battery of legislation as do local law enforcement authorities. In addition to the battery of evidence-gathering tools recommended by G. Robert Blakey in

the 1967 President's Task Force Report on Organized Crime,* New York has one of the oldest wire tap statutes, predating the Federal Title III.

The Organized Crime Task Force has been vested with subpoena and immunity granting** powers and can make use of state boards and commissions in carrying out its mission. The deputy attorney general in charge of the Task Force is qualified to seek wire tap authorization. Thus, the broad powers of subpoena, electronic surveillance, conferring immunity, and the grand jury are available to the Task Force so long as the autonomy and integrity of local law enforcement are maintained.

At this writing the one piece of legislation not available in the state of New York, which the Task Force is actively seeking, is a state Racketeer Influenced and Corrupt Organizations (RICO) statute. It is expected that proposed legislation, modeled after Federal law and several state statutes, will win approval in the state legislature.

IV. ORGANIZATIONAL POLICY--AND DECISIONMAKING

The examination of organizational and decisionmaking policies of the New York State Organized Crime Task Force has been guided by a series of questions, each of which is stated and discussed below.

- o How are priorities set and decisions made to enter geographic or substantive enforcement areas, and/or specific cases?

*G. Robert Blakey in President's Commission on Law Enforcement and Administration of Justice, Appendix A, Task Force Report: Organized Crime (Washington, D.C.: U.S. Government Printing Office, 1967).

**In order to grant immunity, the Organized Crime Task Force must afford "the appropriate district attorney the opportunity to be heard in respect to any objections which he may have. . . ." New York State Executive Law, Section 70-a.6.

The priority-setting and decisionmaking process of the Task Force are substantially a function of its organizational structure. The logical grouping of organized crime activities into four enforcement areas provides a valuable framework in which to set priorities and develop strategies. By dividing the enforcement effort into broad substantive categories, the need for strategies that take into account the interrelationships among organized crime activity becomes clear. At the same time, it suggests the need for a multifaceted approach to the activities of individuals or groups.

Beyond establishing the broad categories of enforcement activity, however, the Task Force vests the responsibility and authority for setting priorities among individual cases and targets in the teams themselves. Each team, for example, must develop a mission statement to guide its efforts. The northern district energy and environment team is required to develop a mission statement assessing the nature and extent of organized crime activities in the resource recovery and fuel distribution industries in the Albany-Utica-Syracuse area. Mission statements of the narcotics and emerging groups teams focus, for example, on the structure of cocaine distribution systems, including identifying the groups and individuals that play key roles in such systems.

Once these missions statements are approved by the First Assistant Deputy Attorney General, the Chief Investigator for Field Operations, and by the Task Force Director, the teams prepare written strategy documents based upon their mission statements. In addition, the teams are required to develop a written plan for each investigation, detailing not only what will be done but also how the investigation contributes to the overall mission and strategy of the team. The team's strategy documents, taken

together, should be an overall plan for addressing the team's particular enforcement area, taking into account the vagaries of the criminal justice system as well as the enforcement plans of other agencies. In addition, these strategy statements are expected to incorporate a broad set of remedies to cope with the identified organized crime activity; the Task Force asks the teams to think creatively and quite broadly in these strategy documents.

As an example of the innovative approach adopted by the Task Force, a loss prevention specialist--on loan from the U.S. Department of Labor--has been assigned to the analytic unit. This specialist is available to all the teams to assist them: (1) in analyzing the vulnerabilities of a wide range of financial, control, or monitoring systems; (2) in estimating potential losses within industries or individual businesses; and (3) in suggesting effective countermeasures. The analyses by such a specialist can represent valuable input to the development of the enforcement strategies of the teams.

Mission and strategy statements and investigative plans produced by the western and northern teams are submitted to the appropriate White Plains teams, which serve a coordinating function. From there these are submitted to the hierarchy of the Task Force until finally approved by the Director. These statements not only guide the activities of the teams and those law enforcement officers and agencies working with them, but also serves as a basis for evaluating the undertakings. Integrated with the authority and autonomy to develop investigative plans and agendas given to the enforcement teams is the duty to implement them successfully; this responsibility results from the Task Force Director's belief that law enforcement agencies should be accountable for their

activities. Beyond the guidelines established by Executive Law Section 70-a and the limitations imposed by the structural divisions of field operations, there are no restrictions on the content of mission statements or on the nature of Task Force investigative targets.

- o What are the sources of support for the unit and how are resources allocated and marshalled for use among competing enforcement cases and programs.

Staff of the Task Force were asked to assess the depth of support within the executive and legislative levels of government and within the state's law enforcement community for a revitalized statewide organized crime enforcement effort. Although the virtually moribund Task Force that had existed for more than a decade was apparently all some people wanted, most of those interviewed believed that the current level of support is both broad and genuine. Further, this support is believed to transcend the administrations of the current governor and attorney general, who are most responsible for the revitalization effort.

For many, tangible evidence of the depth of support for the Task Force can be found in the substantial budget increase it was granted. The selection of Ronald Goldstock as permanent Task Force Director is taken by many as another indication of the state's new resolve to deal with organized crime, since he is nationally recognized as an authority on organized crime who has a personal and professional commitment to the enforcement effort. His appointment was widely publicized and elicited much favorable comment from the state's law enforcement community.

It is a bit premature to tell how resources will be allocated among competing enforcement cases and programs. When Goldstock took over as Director in July 1981, there were no active investigations and only four pending indictments, two of which had to be dismissed. The Task Force

had no procedures or forms, no internal controls, and no policies for accepting pleas for sentencing. What little equipment the Task Force had was outdated or in disrepair. Initial efforts, therefore, focused on building a procedural and substantive infrastructure. Once that was done, the emphasis shifted to initiating and developing solid cases in each substantive enforcement area; as yet there has been no need to decide how to allocate resources among a large number of existing cases. After about nine months of operating experience, the Task Force has continued this course, completing investigations and returning indictments in a small number of major cases.

Still unknown, therefore, is how the Task Force will choose from a large number of worthy cases in one substantive/geographic area. Case selection is a problem that will require attention as the Task Force matures; in light of current organizational relationships, it is likely that many of those decisions will, like the development of an enforcement agenda itself, be delegated to the teams.

- o How are unit priorities and decisions affected by knowledge of the enforcement plans of other agencies and formal or informal understandings of shared enforcement responsibilities?

As noted above, the strategy statements of each of the teams are expected to take into account the enforcement plans of other agencies. Many of the staff members recruited for the Task Force have worked in other law enforcement agencies within the state of New York, particularly at the local level. Thus, the Task Force has accumulated, through the experience of its personnel, much information about the enforcement plans of other agencies. The rather explicit division of labor between the statewide Organized Crime Task Force and local law enforcement agencies

in the organized crime area* is intensified by the Task Force policy of notifying local prosecutors of its activities in individual jurisdictions, in order that no one feels "ambushed" by an investigation after it is completed.

To date, the Task Force appears to be doing an excellent job coordinating its investigations with those of other agencies. An investigation, resulting in the indictment of four police officers and three other persons on charges of extortion, assault, loansharking, and drug dealing, was conducted jointly by the Task Force and a local district attorney's office. A major credit card fraud investigation was also jointly investigated and is being jointly prosecuted by the Task Force and local law enforcement authorities. The Task Force appears to enjoy the confidence and cooperation of law enforcement agencies throughout New York and in other states as well, as several interstate investigations in such areas as drug-related crimes and interstate fraud have shown.

- o What are the sources of cases; for example, informants, referring agencies, victim complaints, media?

Because of their law enforcement experience, personnel recruited for the Task Force have access to valuable intelligence information through their former agencies. Much of the strategic planning to date has relied on this extensive network of contacts and intelligence information. Thus, for example, members of the southern district team concerned with energy and environment have come from similar positions in local law

* As provided in Executive Law Section 70-a, see p. 10 supra. policy of notifying local prosecutors of its activities in individual jurisdictions, in order that no one feels "ambushed" by an investigation after it is completed.

enforcement agencies and are quite familiar with a number of organized crime figures or groups involved in waste disposal and resource recovery. There has been little difficulty, then, in developing investigative plans and priorities in this area.

At the same time, the Task Force has been quite responsive to investigative leads or requests for assistance from others in the state. One recent drug case, leading to three arrests and the seizure of three kilograms of cocaine, began as a local investigation by two sheriffs' offices. Because the Task Force was available to assist, the investigation led to spin-off arrests in five counties and disruption of a major drug import channel. In addition to these methods of discovering cases, the undercover unit is actively involved in developing investigative targets through both proactive efforts and questioning informants.

Future plans for the self-generation of intelligence and investigative information will depend heavily on the strategic intelligence unit. As the Task Force acquires intelligence information, the strategic intelligence unit will play a large role in surfacing cases that are offshoots of current investigations. The Task Force is acquiring a computer capability in order to automate intelligence files and information processing. Procedures have already been designed to monitor, retrieve, assess, and update information, and to build sound longitudinal records.

- o What detection, investigative, and prosecutive tools or techniques appear to be particularly productive or unproductive and why?

To date, the Task Force appears to be relying on debriefing informants, undercover efforts, and electronic surveillance techniques in

its detection and investigative activities. While these may remain the typical investigative tools of the Task Force, the prosecutive emphasis will eventually include a broader range of remedies than the incarceration thrust traditionally associated with organized crime enforcement. In particular, there is considerable interest in civil remedies and in using a state RICO statute, when and if that becomes available. It is further expected that the Task Force may ask that some legislative and/or administrative remedies be proposed to the state legislature that will aid the teams in implementing their mission and strategy statements.

- o Are existing legal tools (statutory, regulatory, etc.) currently understood and exploited and, if not, why not and where not?

The state of New York appears has ample legislation for dealing with organized crime, with the exception of the lack of a state RICO law. There is a view within the Task Force, however, that the traditional statutory measures may no longer be effective to cope with organized crime. Great emphasis, therefore, is being placed on more creative use of civil remedies and on exploiting other kinds of remedies such as injunctive relief or tightening the process for granting permits within some industries.

- o What relationship, if any, is seen between current enforcement action and the future course of organized crime activity?

It is hoped that the innovative structure of the Task Force field operations will not only shape its own operations, but also permit the agency to influence the future course of organized crime enforcement in New York State. Each of the field teams has been strongly encouraged to undertake industry studies with the help of the strategic intelligence

analysts. Such industry studies are expected to provide the information needed to plan effective remedial action.

In general, the staff of the Task Force appreciates that criminal remedies have not been particularly successful, despite their frequent use in organized crime enforcement. Thus, all parts of the Task Force are actively seeking alternatives. By focusing on broad substantive areas in which organized crime activity is extensive, it is hoped that the innovative approach of the Task Force will be constantly reinforced, affecting not only its own enforcement actions, but the nature and course of organized crime activity in the state as well.

- o What relationship, if any, exists between current enforcement efforts and those planned for the future?

From the point of view of the history of this agency, perhaps the most interesting aspect of current enforcement efforts is that the staff foresees a vital future, a dramatic change from the earlier Task Force. Before, a seeming lack of interest in the work of the Task Force resulted in the failure to appoint a permanent director, enlarge the staff, or provide necessary resources to support the agency's mission.

Now it is clear that the Task Force is quite well-staffed and well-equipped with all kinds of resources, including computer capabilities, technical capabilities, equipment, and vehicles. More important, the Task Force has a staff committed to its goals, its novel substantively and geographically organized structure, and its search for creative enforcement approaches to organized crime. Further, the Task Force has put its goals, innovative structure, and creative approaches on the line by requiring the production of a set of mission and strategy documents against which its efforts can be measured. These statements will also

give continuity to the enforcement efforts of the Task Force. Too often organized crime enforcement efforts take on a life of their own as a particular target is investigated and investigators are led into diverse areas. Although the guidelines of the mission and strategy statements, as well as of the written investigative plans, do not preclude the teams from taking advantage of opportune targets, they do make it less likely that the Task Force will digress from its planned enforcement activities.

V. LESSONS FROM THE NEW YORK STATE ORGANIZED CRIME TASK FORCE

The New York State Organized Crime Task Force, originally created in 1970, had become a dead agency by 1980. It was a virtually unknown agency even within the law enforcement community in the state; where it was known, it was lightly regarded. But by the fall of 1982, this same Task Force had been transformed into a bustling, confident, and exuberant organized crime enforcement effort full of high hopes for the future. Studying the Task Force has provided insight into this organizational transformation, identifying along the way some important ingredients in organized crime enforcement.

To begin with, the New York State Task Force is an excellent study in revitalization through selective recruitment. From the Director on down, the current Task Force is an agency re-built on the special experience and track records of its--mostly, newly-hired--staff. Recruiting an experienced staff permitted the reborn Task Force to hit the ground running and to match the goals of the organization with the skills of its individual members. The result is a staff that is not only interested in and enthusiastic about its work, but also confident of success.

The experience of the Task Force may be an interesting lesson for maturing organized crime enforcement efforts by demonstrating a way of infusing new vitality into them. For newly-developing enforcement efforts with inexperienced staff, the New York situation suggests that pre-service training, particularly in specialty areas, may be preferable to generalized in-service training programs. Thus, a new effort can "create" the specialists it will need by prior training and it can ensure that the new staff members will have the confidence they need to assume their jobs. The New York experience also suggests that organizational and operational structures that reinforce staff skills and specialties permit an agency to get the most from its personnel.

Second, the experience of the revitalized New York State Organized Crime Task Force suggests that innovation may be easier to engender among those with considerable experience than among "raw recruits." Most of the recently hired staff of the Task Force have established expertise as a result of careers in other law enforcement agencies. Their prior experience has taught them much about traditional organized crime enforcement methods, especially that years of dogged investigation often yield disappointing results. Although this experience has left them dissatisfied, it has also made them open to new techniques.

Rather than being set in their ways, the experienced staff of the Task Force is open to different approaches and convinced that more creative efforts against organized crime are needed. Knowing only too well "what doesn't work," they seem eager to attempt what may. Much of this, of course, has to do with the quality of individuals hired by the Task Force. At the same time, however, one suspects that the fact that many have come from successful careers elsewhere permits them to take

greater risks in their new positions. They can be creative; they can break new ground; while the Task Force may need to prove itself, the staff members do not have to prove that they are professionals. With that burden gone, they are freer to innovate than a less experienced staff would be. The idea of hiring experienced professionals for an organized crime enforcement effort is hardly novel. What the New York experience suggests, however, is that the recruitment process should focus less on the breadth or content of prior experience and more on an individual's capacity to use that experience in a new context.

Finally, the New York experience underscores once again the importance of stable and adequate funding in the life of an organized crime enforcement effort. Without anyone even noticing, the New York State Organized Crime Task Force has operated for over a decade. Its low profile and impact were due in large part to inadequate funding, resulting in a small staff easily overwhelmed by its mission.

The doubling of the Task Force budget permitted hiring many staff members, purchasing new equipment, and initiating many enforcement activities. The increased budget supports more than new equipment, staff, and undertakings: it supports the mission of the Task Force itself; it demonstrates a willingness to invest in the very things that can bring success. For the staff of the Task Force, the commitment of adequate funding has been a vote of confidence in their skills, abilities, and intentions and suggests a desire to support their efforts.

Adequate funding of an organized crime enforcement effort is an issue that transcends the budget's bottom line. It is a message that is sent to those involved in the effort, to other law enforcement agencies, and to the community as a whole about the importance of the organized

crime enforcement mission and the resolve to see that mission
accomplished.

THE ORGANIZED CRIME ENFORCEMENT MISSION OF THE
ARIZONA DEPARTMENT OF LAW AND DEPARTMENT
OF PUBLIC SAFETY

I. GENESIS OF THE REPORT

In 1980 the Arizona State Legislature, determined to suppress the growth of organized crime in the state, approved House Bills 2300 and 2301. Under this legislation, approximately \$3.8 million were appropriated over a period of 24 months to fund the personnel and staff support expenses to deal with organized crime. Chosen as the instruments of a statewide assault on organized crime, and as recipients of these appropriations, were the Arizona Department of Law (hereinafter the Attorney General's office) and the Arizona Department of Public Safety.

Bills 2300 and 2301 were merely the latest in a series of measures enacted to assist law enforcement authorities to deal with what were perceived to be increasingly serious crime problems. The first of these statutes was the 1968 Consumer Fraud Act (A.R.S. 44-1521 et seq.), followed in 1975 by the State Grand Jury Act (A.R.S. 21-422). Both Acts were directed primarily at the rampant incidence of land and investment frauds in Arizona, a problem of considerable national concern and state embarrassment by the late 1960s and early 1970s.

The Don Bolles murder in 1976 dispelled the illusion that Arizona's crime problems consisted merely of the work a few sharp con artists. In the aftermath of this killing, attention was drawn to more than three decades of immigration by reputed Mafia figures from all over the nation. Leaving open the question of what might have originally attracted such persons to Arizona, the legislature--through passage in 1978 of the Arizona Racketeering Act (A.R.S. 13-2312-2315)--was determined that, in the future, only the weather, and not the political or enforcement environment of the state would encourage these individuals to stay.

In the context of this series of legislation, HB 2300 and HB 2301 were logical next steps. Thus, having demonstrated the resolve and established the statutory authority to combat organized crime, the legislature was now providing the resources to accomplish the task. The HB 2300 and HB 2301 appropriations were unusual in one respect; in the selection of the agencies that were to receive the resources. Veteran Arizona observers confirm that statewide law enforcement was never a popular concept. During territorial days, for example, a force of Arizona Rangers similar to the Texas Rangers was established. Vehement opposition by local sheriffs, however, made the Rangers' existence short-lived. Only in 1968 did a statewide law enforcement agency re-emerge, in the form of a highway patrol agency.

In the mid-1970s, when the enormous problem of land and investment fraud dominated public and legislative attention, it was the state Attorney General and the state Department of Public Safety (by then performing certain investigative as well as traffic enforcement functions) that were called upon to respond. This recourse to state-level agencies was more the result of filling a vacuum than of making a conscious choice. Local law enforcement agencies traditionally lack the training to cope with white-collar crime problems. In addition, the multijurisdictional character and often distant victims of such crimes made them of less interest to local enforcement agencies.

Using state agencies to head the organized crime enforcement effort, however, was a deliberate move. Local agencies in Arizona had not only been active in organized crime enforcement, but were also being supported by the legislature in a drug enforcement consortium (the Arizona Drug Control District created in 1975 by A.R.S. 41-2152). Selection of the

Attorney General and the Department of Public Safety as recipients of HB 2300 and HB 2301 monies, then, was a choice that indicated something about the scope of the organized crime enforcement effort envisioned. Just how these two agencies have made use of this support is the subject of the balance of this report. Insights from the Arizona experience are discussed in a concluding section.

II. ORGANIZATIONAL STRUCTURE, DECISION MAKING PROCESSES, AND RESOURCES

A. The Attorney General's Office

1. Structure of the organized crime enforcement effort*

The structural arrangements in the office of the Attorney General for organized crime enforcement date back to 1975 with the passage of the State Grand Jury Act (A.R.S. 21-422). To implement that act a section of the Attorney General's office was designated to prepare and present cases to the state grand jury and, following indictment, to prosecute those cases. From the beginning, this special prosecutions section was preoccupied with what had become the serious and embarrassing problems of land and securities fraud in Arizona. Through a series of major cases, the section developed a national reputation for criminal prosecution of large-scale white-collar frauds.

To meet the serious challenges posed, the section increased in size until it became a separate division within the Attorney General's office,

* It should be noted that this case study was completed prior to the October 1981, merger of the Special Prosecutor's Division of the Attorney General's office into the Criminal Division. Comments made herein should be read in light of that change, and what it may indicate about the perspective of the Attorney General toward issues highlighted in this study. Clearly, many of the problems noted in this study were also recognized and acted on, by the Attorney General.

composed of six prosecutive sections and one investigations section. Along the way, this Special Prosecutions Division (SPD) developed a distinctive set of operating procedures, involving meticulous case preparation with documentation and intensive monitoring of criminal justice system processes at the post-trial (sentencing) and even post-incarceration stages. By selective prosecution and attention to all stages of justice system processing the SPD has produced a prosecutive style that is generous in terms of staff time spent per case, and which produces dramatic results. Thus, the Special Prosecutions Division is justifiably proud of its high conviction rate, the substantial prison sentences meted out to offenders, and impressive monetary recoveries for fraud victims.

Meanwhile, the Financial Section of the Attorney General's office, which is concerned with civil prosecution of banking, securities, and insurance violations, developed an interest in organized crime and racketeering problems. Organized crime/racketeering cases tended, however, to be handled on an ad hoc basis within the Attorney General's office because ongoing responsibilities to state regulatory agencies made coordinated or sustained attention to organized crime problems difficult. But the need for a concerted attack on the financial aspects of the problem in the state prompted further legislative action.

In October 1978, the Arizona State Legislature enacted the Arizona Racketeering Act (A.R.S 13-2312-2315). Patterned after the Federal Racketeer Influenced and Corrupt Organizations statute (18 U.S.C. 1961-68), the Arizona statute provides broad civil and criminal enforcement powers against persons and enterprises involved in racketeering activities. The racketeering statute added a significant

weapon to the state's civil enforcement arsenal, which already included the 1968 Consumer Fraud Act (A.R.S. 44-1521 et seq.) with its broad civil investigative authority and civil penalties for consumer fraud matters. In order to take advantage of the significant civil enforcement potential created by both these legal tools, a new division in the Attorney General's office, the Financial Fraud Division, was established in June 1979. The new division combined the previously existing consumer fraud and financial units, and was given responsibility for civil enforcement under the Consumer Fraud Act, the Racketeering Act, and state regulatory statutes dealing with banking, insurance, real estate, and securities.

In 1980, when legislative approval was given for a statewide effort against organized crime, the Attorney General's office had two divisions--one civil (the Financial Fraud Division) and one criminal (the Special Prosecutions Division)--through which such an effort could be launched. The Attorney General's office decided to implement its organized crime enforcement mandate in both divisions simultaneously, in the hope of achieving a truly coordinated civil/criminal enforcement effort.

2. Decisionmaking process

The decision to launch an organized crime enforcement effort through the existing organizational structure of the Attorney General's Office was a significant one. Creating a new division or section, or merging the two divisions (partially or totally) into an organized crime division were available options. These alternatives were rejected, however, for the following reasons. First the creation of a new division would have added yet another layer of decisionmaking in the office. Second, merger of the two divisions into an organized crime unit

would have failed to take into account the significance of their preexisting enforcement responsibilities. Third, such a merger would have failed to maintain the distinction between civil and criminal prosecutions. Finally, merging civil and criminal prosecutions in a single unit might have resulted in parallel proceedings that could have jeopardized major cases. By maintaining the organizational integrity of the two divisions, the Attorney General's office could use its past expertise in undertaking its new enforcement mission without jeopardizing its already existing responsibilities.

Choice of this organizational arrangement, however, created some difficulties: the need to coordinate carefully the activities of two separate units possessing different histories, operating philosophies and styles, and, to some extent, objectives. In order to meet this challenge, an Organized Crime Coordinating Committee was established. Composed of the Chief Assistant Attorney General, the Chief Counsels and one other attorney from the Financial Fraud Division and the Special Prosecutions Division, and the Chief Supervising Special Agents from each division, the Committee is responsible for overall administration of the HB 2300 effort, and for insuring that the civil and criminal prosecutive activities of the two divisions are well-coordinated with each other as well as with the activities of other law enforcement agencies.

In its function as an administrative body, the Committee's duties include: drafting a mission paper for the effort (nearly completed); reviewing the allocation of HB 2300 resources (ongoing); and monitoring the progress of the organized crime enforcement program (ongoing). In its function as a coordinating body, the Committee is charged with identifying general targets of the organized crime enforcement effort;

reviewing selected organized crime cases; and directing the organized crime intelligence efforts of the Attorney General's office. Although it is still too early to tell how well the Committee will perform, interviews with staff in both the Special Prosecutions Division and Financial Fraud Division suggest that the Committee has much to do in order to achieve a fully coordinated enforcement effort.

One of the major obstacles to complete coordination is that the organized crime problem in Arizona is perceived differently in each division. The Special Prosecutions Division sees an organized crime problem that in some sense is just emerging. The SPD sees it peopled by known La Cosa Nostra (LCN) figures who appear to be vaguely involved in investments/ infiltration of legitimate entities; groups in transition (Bikers, Israeli Mafia) seeking to expand their areas of activities or to enter Arizona; and largely ad hoc groups involved in organized crime/ white-collar crime frauds of an ever-changing nature. The Financial Fraud Division sees a more mature organized crime problem in which control of the traditional organized criminal industries (narcotics, fencing, prostitution, pornography, and loansharking) is shared by major local and LCN figures; in which LCN and other group involvement in arson and labor racketeering is on the verge of being firmly established; and in which substantial infiltration of the legitimate business sectors by organized crime elements has already been accomplished. These differing perceptions of the problem lead quite naturally to different enforcement postures. The Financial Fraud Division, for example, follows an aggressive, proactive track undertaking affirmative searches in each area of concern where civil remedies appear fruitful. The Special Prosecutions Division adopts a more reactive approach, followed by very aggressive criminal prosecution and post-conviction monitoring.

In part, the difference stems from the history and current responsibilities of each division. The section of the Financial Fraud Division charged with the organized crime mission is new, hard-charging, and casting about to develop good cases. The Special Prosecutions Division has a much longer history, during which it developed a meticulous and methodical style of responding to complaints. At the same time, since the Special Prosecutions Division has a large number of ongoing cases, it has less need than the Financial Fraud Division to seek new cases; it would have to reallocate resources from existing cases to take care of new ones. In addition, the Special Prosecutions Division developed and matured in an environment where proactive investigations were neither necessary nor frequent. Land and securities frauds were so rampant in Arizona that the SPD found it essential to select several cases from the many needing attention than to develop new cases. Entering an enforcement area where complainants are less frequent or likely, then, requires a stylistic transition for the Special Prosecutions Division. Finally the orientation of each division is different, with the Special Prosecutions Division focusing on white-collar crime and the Financial Fraud Division focusing on racketeering.

Just how successful the Organized Crime Coordinating Committee will be in balancing these different perceptions, postures and orientations and unifying an organized crime control effort remains to be seen. Currently, priority-setting in each division does not appear to stem from a single source. Rather, the Special Prosecutions Division appears to rely on its traditional sources for cases, complainants who go to state agencies or the Department of Public Safety, and, to a limited extent, on

its newly-established intelligence unit. The Financial Fraud Division appears to be relying on its own investigators and those in state regulatory agencies to develop major cases in each of the substantive areas delineated in the division's mission paper. At this point, therefore, the diversity of the two divisions appears to have created more problems than it has solved.

3. Resources

a. Staffing the effort. Funds made available to the Attorney General's office under HB 2300 permit the addition of new staff as follows: the Financial Fraud Division has authorization to add 20 new employees for a total of 34 persons in the division; the Special Prosecutions Division has authorization to add 37 new employees for a total of 71 persons in the division. In each division, new positions were filled with a mix of attorneys, auditors, investigators, and support staff. The staffing plan in each case appears to be a sound one, although it has run into some unanticipated difficulties with the state personnel system (particularly in hiring investigators). In a few cases these have seriously delayed hirings.

Actual staff additions to date reflect again some of the differences between the Financial Fraud Division and the Special Prosecutions Division. For the Financial Fraud Division persons with general organized crime investigative and prosecution experience, particularly at the local law enforcement level, have been sought. By recruiting staff who can bring intelligence and/or actual investigations with them this approach meets the needs of the Division. The Special Prosecutions Division, on the other hand, has sought technical specialists, recruiting, for example, tax investigators, and allocating some of its

resources for an in-house intelligence unit. The strategy here has been to enhance the capabilities of the division's enforcement team rather than to acquire personnel with prior experience against specific enforcement targets.

b. Allocating resources. In allocating resources among investigations and cases, the Special Prosecutions Division uses a strict set of procedures to guide a case through its critical stages. As a case progresses, it is assured of adequate resources to see it through each succeeding stage. The careful attention to the details of each case that is the hallmark of the Special Prosecutions Division makes case screening very critical. Since substantial resources will be devoted to a case accepted for prosecution, the screening process must be very selective. For this reason, the Special Prosecutions Division has tried to maintain a ratio of one attorney to three investigators, in an attempt to avoid a flood of cases that could not be properly reviewed, carefully prosecuted, or monitored. This procedure for allocating resources has worked well in processing cases generated externally, resulting in the impressive prosecutive record noted earlier. How well it will work when the division becomes involved in more numerous, proactive investigations is not known.

The Financial Fraud Division has launched its organized crime mission in a new unit, which implements the Arizona Racketeering Statute (AZRAC) in targeted criminal industries. Because the unit is so new, its focus has been on developing initial cases with great care rather than in allocating resources among existing cases. While it may be premature to describe an operating style, the unit appears to expend a significant amount of resource initially in order to freeze assets of the targeted group or individual, and then to permit the civil discovery process to

fill out the investigative process and lead to appropriate remedial actions. Resource allocation, then, is incremental, and depends upon the information obtained at each stage in the civil process. The danger with this method is that cases may require significant increments of resources that cannot be anticipated at the outset, and the division may be unable to supply them. As the Financial Fraud Division matures, more explicit resource allocation among cases may be required.

c. Statutory tools and techniques. Staff in both the Financial Fraud Division and the Special Prosecutions Division agree that the statutory tools given them by the legislature over the years are quite adequate to combat organized crime in Arizona. Indeed, Arizona has an impressive array of laws and enforcement authorizations designed for organized crime investigation and prosecution. Both divisions feel that what has been lacking has been sophistication at the investigative level in developing cases using available laws. For this reason considerable time and attention has been given by Attorney General's staff to the training of internal and external investigators and auditors. To date, a training manual has been prepared and two courses have been given. Both FFD and SPD personnel have been involved in these efforts to assist investigators in detecting illicit activity and gathering evidence to support prosecution. In addition, the FFD has participated in training programs for investigative and administrative agencies, explaining the advantages and special potency of the civil remedies available under the Arizona Racketeering Act for coping with specific organized crime problems.

While both divisions demonstrate an understanding of the legal tools available, each would use these tools differently. Thus, the SPD

contemplates the future use of the State Grand Jury for investigative rather than indictment purposes, and expects to use electronic surveillance more frequently than in the past. There remain within the division, however, questions about the wisdom of the extensive use of these tools. For the most part, these concerns (which apply to proactive techniques generally) are with the costliness of these tools especially when a specific outcome cannot be determined or predicted. The FFD, on the other hand, would like to see full exploitation of available proactive tools and techniques; the division believes that the outcomes would fully justify the expenses incurred. In particular, FFD would like to see more long-term, undercover surveillance of organized crime figures and enterprises, to secure both intelligence and evidence for prosecution.

The most significant tool available to the Attorney General's office appears to be the Arizona Racketeering Statute (AZRAC). Like the Federal Racketeer Influenced and Corrupt Organizations (RICO) statute after which it is modeled, it is a potent tool. Since it combines civil and criminal enforcement remedies, it can also serve an integrating function within the office, meshing the activities of the FFD and the SPD. This latter potential, however, does not appear to have been realized as yet, which may be only the result of lack of experience. Also undeveloped as yet is a strong bond of trust between the two divisions. Thus, SPD, with its tightly controlled procedures, appears somewhat nervous about how its more free-wheeling and aggressive civil counterpart might affect its cases. Similarly, FFD feels threatened by what it views as the single-minded criminal prosecution posture of SPD. In the FFD view, SPD does not tap FFD's special expertise, thereby apparently precluding the use of civil remedies at the most advantageous time.

If the Attorney General's efforts in using AZRAC are to achieve their potential, explicit procedures for deciding whether to invoke civil or criminal must be established. By establishing these guidelines, the concerns of each division would be addressed: SPD could feel more confident that an orderly invocation of proceedings would ensue, and the FFD would be more confident that the advantages of civil remedies were being carefully weighed and that civil efforts have a full role in the overall enforcement effort.

B. The Department of Public Safety*

1. Structure of the organized crime enforcement effort

The organized crime enforcement effort of the Department of Public Safety (DPS) had its beginnings in 1977 with the establishment of a white-collar crime investigative unit within the Criminal Investigations Bureau, one of six Bureaus in the agency. This unit was created to investigate land frauds, franchise frauds, and other white-collar crime activities for presentation to the state grand jury. The early history of the DPS's involvement in organized crime/white-collar crime enforcement therefore closely parallels that of the SPD in the Attorney General's office.

Entry to the DPS is through the Highway Patrol Bureau and the department has a policy of promoting from within. Officers selected for investigative assignments receive in-house training through the Transitional Investigator School and additional training in their new assignments. Personnel chosen for the white-collar crime unit had to

* It should be noted that this case study was completed in October, 1981. Since that time, the Arizona Department of Public Safety has reportedly taken many steps to deal with issues noted in this study.

undergo investigative training before the unit became fully operational. By 1978, the unit was functioning, working on fraud cases referred from the Attorney General's office, developed from requests for assistance by other law enforcement agencies, and generated internally. A posture of tough criminal enforcement in areas of white-collar crime and fraud has resulted from DPS activities in this period.

HB 2300 funds allocated to the DPS have been devoted exclusively to the Investigations Division of the Criminal Investigations Bureau (hereafter CIB). This division is divided into three districts: a north/central investigations district; a southern investigations district; and an organized crime and racketeering investigations district. The first two districts each contain separate auto theft, liquor enforcement, and investigations units. In addition, the southern investigations district (Tucson) contains an organized crime/racketeering unit. The organized crime and racketeering district (hereafter OCRID) is the section of the CIB primarily chosen to implement the organized crime enforcement mission of DPS under HB 2301. Using appropriations under HB 2301, OCRID has added two racketeering units (and plans a third) to two preexisting organized crime units. In addition, HB 2301 has permitted the addition of personnel to the auto theft units in the other two investigations districts. Choosing OCRID to implement its organized crime enforcement mission, the DPS determined to build on its white-collar crime and fraud investigative experience as well as its established relationship with the SPD in the Attorney General's office.

2. Decisionmaking processes

OCRID's experience in fraud investigation led to the development of a set of impact criteria for selecting cases. In general, white-collar

crime cases were pursued if they met at least one of the following criteria: a large number of victims were involved; five or more principals were suspected of causing substantial monetary losses; or organized crime figures or groups were involved in the crime. Because of the prevalence of land and securities frauds in Arizona at the time of OCRID's creation, surfacing worthwhile investigative targets was not difficult. Complainants were rife and referrals from the Attorney General's office were frequent.

With the assignment to OCRID of an organized crime mission, however, some important target selection and priority setting issues have surfaced. There is no formalized intelligence unit in either the CIB or OCRID. Rather, the Intelligence Division of the DPS is located in a separate Special Services Bureau. While the Intelligence Division has an organized crime squad (comprised of 6 agents and 1 sergeant), its organizational separation from the CIB has inhibited a close working relationship.

In general, OCRID reports an inability to use the work products of the Intelligence Division. The Intelligence Division is seen as having its own priorities, emphasizing out-of-state inquiries and queries from law enforcement personnel in other jurisdictions. While both OCRID and the Intelligence Division insist that the situation has been improving recently, the relationship between the two is still evolving.

To compensate for OCRID's lack of access to the DPS intelligence capability, and the lack of the frequent referrals that aided its earlier fraud investigations, OCRID received explicit guidance in initiating its organized crime enforcement mission. This guidance was the result of a planning meeting held in October 1980 with the Attorney General, Chief

Assistant Attorney General, Chief Counsel of the SPD, Director of the DPS, Superintendent of the Department of Liquor, and representatives from the CIB and DPS's Intelligence Division. The meeting produced several investigative priorities for OCRID. These included examination of the bingo, liquor, and pornography industries in the state, upon which OCRID began working in December 1980. The outcomes of these particular efforts are illustrative of the decisionmaking dilemma facing the district.

The bingo, pornography, and liquor industry investigations in OCRID's estimation were not fruitful in that they did not yield any prosecutable cases. In the meantime, having exhausted its external assignments, OCRID has focused on other investigative areas, such as practices involving mining, time-sharing, advance fee and land schemes, horse racing illegalities, major theft cases, and political corruption. In approaching these areas, OCRID has used the previously described impact criteria to set priorities among cases or targets.

Viewing the failures of OCRID's external assignments, it is tempting to suggest that except for name change and additional personnel, OCRID is merely pursuing its traditional white-collar crime mission within the HB 2301 framework. To do so, however, is to overlook the serious problems facing OCRID. This organization is composed of case-oriented investigative groups whose experience has been characterized primarily by reactive investigation.* OCRID is uncomfortable in its relationship with DPS Intelligence and does not appear to have independent sources of intelligence information. At the same time, OCRID is keenly sensitized

* Important exceptions have been OCRID investigations in the areas of prostitution and fencing.

to historical turf battles between DPS and other law enforcement agencies in the state and remains determined not to usurp or duplicate the efforts of others. This sensitivity has contributed to the establishment of sound relationships with many local law enforcement agencies which have come to rely on the DPS for assistance in undertaking long-term investigations. Still, DPS is careful to emphasize its service function rather than its role as an aggressive investigative competitor. Seen in this light, the "organized crime" assignments given OCRID by planning meeting participants were fraught with problems.

To begin with, the bingo, liquor, and pornography probes, for example, were essentially intelligence assignments that were simultaneously given to the DPS Intelligence Division. A better approach would have been to have made the Intelligence Division assignment first, and then, on the basis of the results of those probes, to have assigned targets to OCRID. Such an approach would have integrated the activities of OCRID and the Intelligence Division in the organized crime enforcement mission.

OCRID next ran into the problem of turf. The October 1980 planning meeting suggested that the emphasis of the bingo, liquor, and pornography investigations be on hidden ownerships, money laundering, and tax violations. From OCRID's perspective, the tax area was an especially curious assignment since DPS has no legal authority in this area without special authorization. Another difficulty was the lack of a clear statutory definition of "hidden ownership," which OCRID felt it needed to guide investigative efforts in this area. And lastly, investigation of money laundering requires travel resources that OCRID did not have.

To add to OCRID's frustration, it turned out that pornography in Arizona had been the subject of long-term investigation by the Phoenix Police Department; therefore this assignment was a needless duplication of efforts. Liquor industry investigations revealed little evidence of organized crime hidden ownership, money laundering, or tax violations, and in any case appeared more appropriate for the CIB liquor enforcement units or State Liquor Department to handle. The bingo investigations did not reveal any organized crime involvement.

Having fruitlessly pursued areas more properly handled by others and/or requiring expertise, jurisdiction, or groundwork not available to OCRID, it decided to continue investigations where it knew a contribution could be made. In OCRID's view, this decision is in keeping with its organized crime enforcement mission since its perception of the organized crime problem in the state is of a substantial level of activity by mobile, ad hoc confidence groups.

3. Resources

a. Staffing of the effort. Use of the HB 2301 monies in DPS to create three racketeering units in the CIB appears to have been a sound decision, as far as it went. One problem is that additional support resources have not been available or well integrated with OCRID's new mandate. Thus, OCRID does not have the intelligence backup it needs to pursue organized crime investigations. It does not have direct access to, or priority use of, department surveillance equipment or vehicles. OCRID does not yet have the experience of pursuing long-term undercover investigations that may be needed in its new enforcement mandate or in evaluating the use of resources consumed by such efforts. Without these backup resources, and given the history and operations of OCRID under

former organizational arrangements, the potential of the HB 2301 racketeering units is seriously inhibited. OCRID especially needs dependable access to intelligence information and clear guidance in setting discrete investigative priorities, including the identification of specific targets. Ideally, support resources for OCRID should be integrated with its organized crime mission through shared funding and/or linked performance evaluations.

b. Statutory tools and techniques. OCRID is quite familiar with the state grand jury and with other investigative authority provided by the legislature. Like the SPD of the Attorney General's office, however, OCRID questions the wisdom of engaging in costly electronic surveillance and/or investigative grand juries, if other methods appear to work as well. OCRID's reluctance to use those techniques is a result of its former fraud investigation experience, where violations in these areas were readily surfaced and major, successful cases could be developed without reliance on these tools. In OCRID's own estimation, however, organized crime enforcement may require a more proactive approach than has been followed in fraud and other white-collar crime investigations.

Most surprising was OCRID's lack of knowledge about the civil enforcement focus of the Attorney General's organized crime enforcement mission. Within OCRID, the FFD is viewed exclusively as a civil consumer fraud section with little relevance to the district's organized crime mandate. Since OCRID's use of legal tools stems in large part from the encouragement and direction provided by the Attorney General's office, it needs a much clearer appreciation of the range of tools and remedies available.

III. LESSONS FROM THE ARIZONA EXPERIENCE TO DATE*

In focusing separately on the organized crime enforcement efforts of the Attorney General's office and the DPS, it becomes clear that even at this early stage of development there exist special factors that affect both agencies, their relationship with each other, and their relationship (singly or jointly) with other law enforcement agencies concerned with organized crime in Arizona. Each of these issues is discussed below.

A. The History of White-Collar Crime Investigation and Prosecution in Arizona.

The relevant operational history of the two state agencies, given the organized crime enforcement mandate by the Arizona Legislature, is in the area of white-collar crime investigation and prosecution. The significance of this particular background cannot be overlooked. It is, in fact, quite refreshing. Too often in too many places victims of fraud have not received attention from law enforcement agencies, their victimization termed a "private, civil matter." In other jurisdictions, when criminal prosecutions ensue, they rarely demonstrate the aggressiveness and vigor that Arizona has shown; nor do they result in the lengthy sentences obtained there. In garnering their impressive record of white-collar crime investigation and prosecution, the Attorney General and the DPS demonstrated a capacity to deal with a complex form of criminal conduct that was reaching serious proportions in the state.

This experience is likely to stand these agencies in good stead in implementing their new organized crime enforcement mission.

*As of October, 1981.

Recommended organized crime enforcement strategies focus increasingly on the enterprises, both legitimate and illegitimate, in which organized crime investments are made and through which crimes are committed; the white-collar crime orientation of the Attorney General and DPS facilitates these organized crime enforcement approaches. In addition, the audit and paper trail investigative techniques needed to implement such enforcement strategies are much more familiar to white-collar crime investigators and prosecutors than to traditional rackets bureau personnel.

At the same time, however, the prior focus of these agencies, land and securities frauds, may handicap them. These activities had reached readily observable and egregious proportions by the mid-1970s when the Attorney General and DPS set about to cope with them. Investigative targets were easily surfaced by DPS, and conserving resources by choosing among prosecutable cases was more often the problem for the Attorney General than was generating investigations and cases. The working styles of OCRID in DPS and the SPD in the Attorney General's office reflect this background. Neither group has had much experience with proactive investigation, targeting instead on the basis of complaints made by victims, or referrals from regulatory agencies. Little use has been made of the state grand jury as an investigative tool rather than as an indicting mechanism. The operating manual of the SPD contains prosecution guidelines that are more appropriate for an agency that has too many rather than too few cases to handle.

The experience on which these working styles are based is decidedly unusual, reflecting the rampant and obvious nature of the frauds to which the Attorney General and DPS were called to respond. From all

indications, their response was appropriate. What should be recognized, however, is that this experience is not typical in the white-collar crime area and is even less so in organized crime enforcement. Instead, white-collar crime prosecutors and investigators are often faced with a dearth of cases, leading them to develop what are called "affirmative searches for violations," the term for proactive investigations in white-collar crime enforcement. Organized crime enforcers are generally even more "affirmative," due to the scarcity of complaining victims or witnesses.

In approaching the problem of organized crime in Arizona, then, the nature of the investigative and prosecutive experience of the Attorney General and DPS in white-collar crime cases not only is relevant but may represent something of an advantage. The operating styles emerging from that experience, however, are not particularly effective in this new undertaking. Organized crime cases cannot be expected to surface in the same ways or with the same ease as did land and security fraud cases. Greater and more varied use of investigative tools will be needed. And most important, the Attorney General and DPS will not be able to rely upon reported violations to ascertain the nature and scope of the problem they are encountering. Instead, they must have access to an ongoing information base monitoring organized crime activities, in order to develop enforcement strategies and to target activities and/or groups.

Currently, neither an adequate information base nor procedures for its use appear to exist; both are equally important. The street orientation of many rackets bureaus makes them not only familiar with, but also attuned to using intelligence information as a basis for action. The white-collar crime enforcement activities of the Attorney General and

the DPS, on the other hand, have not provided much of an experimental base for the use of intelligence information. Instead these agencies have developed cases on the basis of victim complaints or agency referrals, sources which offer far greater credibility than the typical intelligence source. Knowing how to evaluate and apply intelligence information is a skill that is not acquired easily or rapidly. Instead such a skill develops with experience and repeated use of such information. This process, which is beginning in the Attorney General's office and the DPS, will take some time to master. In the meantime, the need to learn to use intelligence information should be regarded as seriously as the need to develop intelligence information itself. It is this latter issue, critical to both the Attorney General and the DPS, to which we now turn.

B. Organized Crime Intelligence in Arizona

As has been noted above, organized crime activities are not generally revealed by reported violations of the law or official complaints of victims or witnesses. Evidence that such activities exist may be inferred from reported crime statistics, but generally the nature and scope of these activities cannot be directly documented or discovered from these sources.* Thus, a high rate of property theft combined with low crime clearance and property recovery rates strongly suggests an organized system for the redistribution of stolen goods. But such statistics neither point directly to individual fences nor fully describe

*But see Nicolette Parisi, "Sources of Data that Identify and Measure the Impacts of Organized Crime," Organized Crime Research Program (Washington, D.C.: National Institute of Justice, 1983).

their activities. Similarly, careful analysis of homicide statistics may suggest those deaths that are "organized crime-related," but this information alone will not describe the dynamics of the interactions between individuals and groups leading to those deaths.

Instead, organized crime is largely unreported crime, involving either consensual transactions between culpable parties, coercive transactions between parties with unequal power positions, or some combination of the two. In this context, some "victims" of organized crime are better viewed as "victim-participants" whose own culpability or fears make them unlikely to report their experiences even when these experiences are unsatisfactory. As a result, finding out about organized crime requires sound intelligence collection and analysis of the information obtained.

Abuses of intelligence-gathering authority in the political arena have adversely affected our perceptions of this critical enforcement function; yet without it, it is doubtful that any organized crime enforcement effort can achieve meaningful results. The state of Arizona currently does not have a central repository of organized crime intelligence information--a major stumbling block to effective law enforcement action. Due to civil liberties concerns, the oldest and probably the most comprehensive intelligence system in the state, that of the Phoenix Police Department, was recently purged, creating a vacuum, particularly in the availability of historical data. But even if that source were still available, such a locally-based intelligence system is not terribly useful to the crime enforcement mission of the Attorney General and the DPS. Instead state authorities must have access to a broader base of information that uncovers activities of statewide significance and concern.

Although the need is clear, how it will be met is not. The DPS has its Intelligence Division, which is neither well-integrated nor well-coordinated with OCRID or the statewide organized crime enforcement mission of the Attorney General and the DPS. The Attorney General's office is attempting to develop its own intelligence capability within the SPD (now part of its Criminal Division). At the same time a new state agency, the Arizona Criminal Intelligence Systems Agency (ACISA), has been created by the legislature. Law enforcement authorities generally express support for the new agency and have high hopes for it. There remains, however, the question whether ACISA will be able to fulfill the intelligence needs of the Attorney General and DPS.

To begin with, ACISA is the reincarnation of an earlier agency which focused on drug enforcement; its ability to handle non-drug-related intelligence is untested. Furthermore since neither OCRID nor the Attorney General's organized crime units are involved in narcotics investigations, ACISA's current information is not likely to be relevant. Second, ACISA has been constituted as a non-law enforcement agency, which has the advantage of permitting the agency to perform a valuable service without competing with others over turf and jurisdiction. The disadvantage of this arrangement, however, is the traditional distrust law enforcement agencies have for "civilian" intelligence systems. Since ACISA will need to rely on law enforcement agencies in the state to contribute intelligence information, it must overcome such distrust.

Finally, ACISA has a broad charter to service the intelligence needs of law enforcement agencies within the state. Because the charter is not limited to organized crime intelligence, it is uncertain how much of its resources will be devoted to intelligence matters of concern to the

organized crime mission of the Attorney General and the DPS. Finally, the policies and operating procedures of the new system are still being developed. Whether the Attorney General and the DPS can expect to rely heavily on ACISA for intelligence information, therefore, will not be known for some time.

The "high hopes" associated with ACISA, then, do not address the current need of the Attorney General and OCRID for sound intelligence. The consequences of the lack of a good intelligence base are severe. Both within and between agencies at state, local, and Federal levels there exist divergent views of the organized crime problems in Arizona and the priorities to be attached to each. Until some basic agreement on the nature of the problem can be reached, a coherent plan of attack cannot easily be established. A sound intelligence system is the necessary foundation for ascertaining the nature of the problem and solving it.

C. The Need for Clear Jurisdiction of the Department of Public Safety/Attorney General in Organized Crime Enforcement

The Arizona Legislature adopted a rather broad definition of organized crime to guide the efforts of the Attorney General and the DPS:

Organized crime is the conduct of an organized criminal syndicate or syndicates which is characterized by a conspiratorial plan to commit or the commission of crimes of force, fraud, corruption, vice and racketeering when the primary motivation for such conduct is the acquisition and maintenance of profit or power.

The definition is both a virtue and a vice. It does not unduly restrict the enforcement activities of these agencies. On the other hand, it does not provide a clear charter or explicit guidance concerning the proper or expected organized crime enforcement role of the Attorney General and DPS

vis-a-vis other law enforcement agencies in the state. This is particularly significant for the DPS, which is especially sensitive to steering a course that is not in conflict with the activities or perceived jurisdiction of local law enforcement agencies.

In the area of land and securities fraud, the jurisdictional issue was less significant since the Attorney General and the DPS essentially moved in to fill a vacuum. In organized crime enforcement this is not the case. All of the predicate crimes enumerated in the Arizona Racketeering Statute, for example, are routinely investigated and prosecuted at the local level. Enforcement authority at the state and local level is concurrent. Many of the activities associated with organized crime groups are locally based. This overlapping raises the question of whether the state or local law enforcement agencies should be responsible.

The Attorney General's office has attempted to deal with this issue through informal agreements. In Maricopa County, for example, all cases originating with state agencies are referred to the Attorney General; all cases originating with local law enforcement agencies are referred to the county prosecutor. This method would appear to be a simple and effective division of jurisdiction; yet it fails to take into account the extent and availability of resources.

Local law enforcement agencies and county prosecutors are hard pressed to cope with the large volume of street crimes cases brought to them. Organized crime cases are often lengthy and expensive to investigate and litigate; civil prosecutions often call for even more specialized expertise. State agencies, due to their mandate and resources to cope with organized crime, may more effectively deal with a

portion of locally-based cases. Nonetheless, a clear definition of jurisdiction would not only provide guidance to the Attorney General and DPS, but also assist local law enforcement in its own planning for the use of increasingly scarce resources. While it is unlikely that firm, explicit divisions can be established a priori, both practical and strategic considerations can suggest useful guidelines for determining when joint, separable, or independent cases should be brought.

D. The Role of Proactive and Undercover Investigations

As noted earlier, the office of the Attorney General and the DPS have not frequently used proactive or undercover investigative techniques. Many persons interviewed, however, felt that such techniques ought to be employed more often. Although undercover techniques are expensive and time-consuming, often incurring costs long before their results can be known or evaluated, they are frequently the only way to develop needed evidence in organized crime cases.

That the Attorney General and the DPS have not placed special reliance on such investigative programs can be explained in part by their inexperience with such operations, and perhaps even more by their uncertainty about the state's proper role in organized crime enforcement. Some of those interviewed suggested that informal, restrictive policies governing undercover activities within Arizona law enforcement agencies limited their use generally. Although totally precluding the use of such techniques is not wise, undercover activities should not be undertaken for their own sake. When carefully targeted, they prove to be a vital part of an organized crime enforcement program; where ill-conceived, they are extraordinarily wasteful of resources.

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More frequent use of undercover techniques on the part of the Attorney General and the DPS appears warranted, and the policies of both agencies should accommodate them. In addition, using such techniques requires special skills and training that must be planned for carefully. At the same time, resources made available to state agencies should take into account such techniques.

E. The Arizona Experience--A Summary

The organized crime enforcement mandate thrust upon the Attorney General and the DPS by the Arizona Legislature presents a great opportunity and poses great challenges. This new mission comes at a time when, as a result of the dismantling of Federal law enforcement assistance programs, experimentation and change in law enforcement operations are somewhat rare. Thus, while the Arizona Attorney General and DPS can call for help and guidance from many experienced organized crime enforcement units around the nation, it is unlikely that many other agencies will be in the stages of initial growth and development now faced by Arizona authorities.

It is fortunate, then, that the Arizona Attorney General and the DPS have substantial internal resources on which they can call in meeting their new mandate. The legislature, for example, has provided an impressive battery of legal tools and statutes, to carry out the organized crime mission.* In addition, the legislature has shown great

*As noted in the introductory section of this report, the months following completion of this case study proved to be turbulent ones for the Attorney General and the DPS. Moves to scrap the HB 2300 and HB 2301 efforts following the 24-month initial appropriation period were mounted in the Arizona Legislature. This put in some doubt the depth of resolve of the legislature to deal with organized crime. Valiant effort appear to have saved the enforcement program, permitting those in the DPS and the Attorney General's office dedicated to the enforcement objectives of HB 2300 and HB 2302 to continue their efforts.

confidence and encouragement in investing these agencies with such an important task. Finally, both the Attorney General and the DPS have a unique and valuable history in white-collar crime enforcement that offers special promise for their organized crime enforcement efforts.

The resources, personnel, legal tools, and prior history of the Attorney General and the DPS, then, suggest an organized crime enforcement effort with extraordinary potential. The challenge will be to build soundly and dynamically upon this firm foundation rather than attempt to replicate previous approaches and efforts.

THE CO-ORDINATED LAW ENFORCEMENT UNIT
OF BRITISH COLUMBIA, CANADA

I. ORGANIZATIONAL GENESIS

The Co-ordinated Law Enforcement Unit (hereinafter CLEU) had its beginnings in a Task Force Report on Correctional Services and Facilities prepared in 1973 for the Department of the Attorney-General of British Columbia. The report documented the alarming increase in serious crime in the province in the decade from 1962 to 1971, attributing most of this increase to criminal activity in the areas of "narcotics, loansharking, gambling, prostitution, extortion, theft rings, hold-up gangs and commercial frauds" (October, 1974, Report:1). Prior to the Task Force Report, organized crime generally had not been regarded as a problem of serious concern to the province, or, where recognized, had not been well articulated. The 1973 report changed all that, establishing the significance of organized crime activity in the province in its own right as well as linking such activity to the more than doubling of the overall crime rate in British Columbia. The impact of the report was profound.

Dr. Malcolm Matheson, author of the report, was subsequently assigned the task of designing a response to organized crime in the province. He proposed a Co-ordinated Law Enforcement Unit with the following objectives:

- o to provide long term study into the activities of [individuals or groups] believed to be involved in organized crime....
- o to stimulate and co-ordinate inter-departmental and intra-governmental co-operation between the various federal, provincial, and municipal agencies and the British Columbia Department of the Attorney-General.
- o to provide the proper atmosphere under which the various agencies could develop the intelligence-gathering process and expedite information exchange.
- o to develop investigation to the point where it was established that a criminal offence had been, was

being, or might be committed, and to act upon it for purposes of prosecution and protection of life and property.

- o to identify the antecedents, criminal associates, and the complete scope of criminal activities of organizations and persons involved in organized crime in British Columbia.
- o to analyze and predict organized crime trends so that steps could be taken to prevent further development.

In order to accomplish these objectives, Matheson suggested three divisions in the Unit: an investigative division, composed of joint forces officers from the many police agencies in the province; a legal division, which would handle the prosecution of cases against targeted groups or individuals as well as provide consultation to investigators when needed; and a policy analysis division, focusing on changes in legislation, access to trial, budgetary needs, internal goal development and evaluation, and overall policy and resource planning. The three divisions were to be governed by a seven-member Policy Board responsible for setting priorities with respect to identified organized crime targets, establishing policy and direction in each division, and allocating budgetary resources. Although this organizational framework has remained the foundation of CLEU, the current CLEU organization differs in several important respects from Matheson's original design.

Of the three divisions originally designed for CLEU, only the investigative and policy analysis divisions were created. The legal division, which was to house a selected group of prosecutors experienced in organized crime cases, would have amalgamated the investigative and prosecutive functions in CLEU along the lines of the United States

rackets bureau model.* This division was never formed, however, largely because of the strong tradition in Canada of an independent prosecutive authority, functionally separate from investigative authorities. It is believed that intermingling the two functions interferes with the prosecutor's capacity to assess objectively the merits of the cases brought by the police, removing an important check and balance in the Canadian justice system.

A second major departure from the Matheson blueprint for CLEU is in the composition and functioning of the Policy Board. The Matheson plan called for a Policy Board, composed of high government officials, law enforcement authorities, and civilians, that not only would set general policies for CLEU, but also would be involved in target selection and resource allocation among the investigative and analytic projects of the operational divisions.

The attempt to include civilians on the Board met with the earliest and strongest opposition and the controversy resulted in altering the Policy Board's mission. Law enforcement authorities balked at the prospect of divulging intelligence information to civilians and steadfastly maintained their resistance. The ensuing battle resulted not only in the removal of civilians from the Board, but also in more subtle changes in the functioning of the Board. Thus, while the current Board retains all the powers originally granted, it does not appear to exercise these powers as first envisioned.

* See G. Robert Blakey, Ronald Goldstock and Charles H. Rogovin, Rackets Bureaus: Investigation and Prosecution of Organized Crime (Washington, DC: U.S. Department of Justice, NILE/CJ, March 1978).

The Board does set overall policy, but its involvement with targeting and resource allocation is at a more general level. Individual members of the Policy Board have access to intelligence information but such access is gained through their positions as law enforcement officials rather than through their roles as Board members. The real targeting and allocation decisions appear to be made elsewhere (see Section IV below), with the Board exercising more a veto than a directive power.

Finally, the Matheson blueprint for CLEU envisioned a true integration of investigative and analytic skills in the fight against organized crime. The investigative division would focus on tactical interactions, and the analytic division on longer range strategic planning, with each guiding and providing feedback to the other. But differences in public service classifications between the enforcement and policy analysis sides of the organization--one composed of police officers, the other, of civilians--made this a shaky union from the first. As a result, most of the persons involved have the perception that the internal battles have been more potent than those waged against the stated target, organized crime.

If these and other elements of the Matheson plan for CLEU seem radical now, they were even more revolutionary at the time they were proposed. In fact, it is testimony to the vision, courage, and energy of Malcolm Matheson that CLEU was launched at all. That CLEU has survived and evolved into a vital organized crime enforcement entity proves the commitment and professionalism of those who have served in key positions in the CLEU organization with Matheson and following his tenure. The process by which CLEU has evolved and operates today is the subject of

the balance of this report. Lessons for other enforcement units from CLEU's experience are summarized in a concluding section.

II. CLEU--THE ORGANIZATIONAL STRUCTURE

In order to understand how CLEU functions, one must first appreciate some aspects of Canadian law enforcement that shape CLEU operations and how it differs from law enforcement in the United States. To begin with, the practice of task force policing, which involves forming ad hoc teams drawn from different law enforcement agencies and different levels of law enforcement to combat specific crime problems, seems well-established in British Columbia. In fact, a number of interviewees made reference to the frequent use of ad hoc task forces, contending that CLEU was not "an organization" at all, but rather the institutionalization of "a concept" or approach to law enforcement that predated CLEU's formation: it was the tradition of cooperative enforcement in the province that gave life to CLEU and not the converse. What is more accurately the case is that CLEU has benefited both from a structure more conducive to, and a law enforcement community more experienced in and more oriented to, collective efforts than exists in the United States.

The higher level of cooperation among law enforcement agencies in British Columbia results in large part from the greater degree of integration in the Canadian justice system. Police across the nation enforce a single federal criminal code, referring cases for prosecution to a uniform system of federal and provincial crown counsel. Of course, there is some separation of responsibilities between federal and provincial authorities. Thus, violations of food and drug, income tax, customs and immigration, antitrust, narcotics, and all other non-criminal

statutes are investigated by federal authorities and prosecuted by federal crown counsel. Criminal code enforcement, on the other hand, is administered at the provincial level, investigated by municipal and provincial authorities, and prosecuted by provincial crown counsel.

The special role of the Royal Canadian Mounted Police (hereafter RCMP) in Canada further reinforces the integrated nature of the Canadian justice system. The RCMP is first of all the federal law enforcement agency, akin to the Federal Bureau of Investigation in the United States. At the same time, however, the RCMP is by contract the provincial policing authority in British Columbia and all other provinces in Canada except Ontario and Quebec, assuming a role similar to many state police forces in the United States. In unincorporated and sparsely populated areas outside of Ontario and Quebec, the RCMP, through its detachments, performs local law enforcement functions on a contractual basis. Additionally, in British Columbia, any municipality with a population greater than 5,000 may contract with the RCMP to provide policing services rather than maintain its own police force. For example, the Municipality of Burnaby, with a population of 136,000, has an RCMP police service of 219 personnel. Simultaneously then, the RCMP is a federal, state, and local law enforcement agency, giving it an influence within Canada that can best be appreciated by imagining the FBI performing analogous roles in the United States.

Finally, there exists in Canadian law enforcement what is best described as an "ambience of power" not frequently observed in the United States. Municipal police authorities have most of the same powers, enforce the same laws, and interact with the same prosecutive mechanism as their RCMP counterparts at the provincial level. Another reason for

the great sense of power in Canadian law enforcement may be the independence maintained between investigative and prosecutive authorities allowing each autonomy and responsibility in its sphere of activity. For a variety of reasons, then, position for position, Canadian law enforcement officials both exude a greater sense of power and exert a greater degree of authority than their United States counterparts.

The organizational structure of CLEU takes full advantage of each of these aspects of the Canadian justice system. As such, a study of CLEU is as much a study of an organizational style adapted to its setting as it is a study of decision-making within the organization.

A. The Ministry of the Attorney General

British Columbia is the third largest province in Canada, after the provinces of Ontario and Quebec. Unlike most provinces, however, British Columbia has a unified Ministry of the Attorney General, so that all justice system matters are superintended by and fall within the responsibility of the Ministry. As is the case with all provincial cabinet ministers, the Attorney General is appointed by the Lieutenant Governor upon the recommendation of the provincial government. The Attorney General is not only the chief law enforcement officer of the province, but he is also, through his Deputy and Assistant Deputy Ministers, the provincial commissioner of corrections and the court administrator. The Ministry is responsible for all provincial prosecutions, all provincial prisons and detention facilities, the appointment of lower court judges, the provincial law reform commission, and even the building of court and provincial correctional facilities. In addition, the Ministry is consulted on the appointment of

federal judges for the province and executes the contract between the RCMP and the province for the provision of provincial and municipal police services. The Ministry employs nearly one-eighth of all professional provincial public servants (5,000 employees) in British Columbia, and has an annual budget of \$314 million (1982/83).

Officially, CLEU is a branch of the Ministry. Its Director, like all Ministry employees, is appointed by the Public Service Commission on the recommendation of the Minister (the Attorney General) or his delegate, and reports directly to the Assistant Deputy Minister--Police Services. It is through the Assistant Deputy Minister that the CLEU Director has access to the Deputy Attorney General, the number two person in the Ministry, who has all the rights, responsibilities, duties, and powers of the Minister in the latter's absence. As noted above, these powers are quite broad. Because of its position within the Ministry, CLEU is very close indeed to that seat of power. (Figure 2 depicts CLEU's position within the Ministry of the Attorney General.)

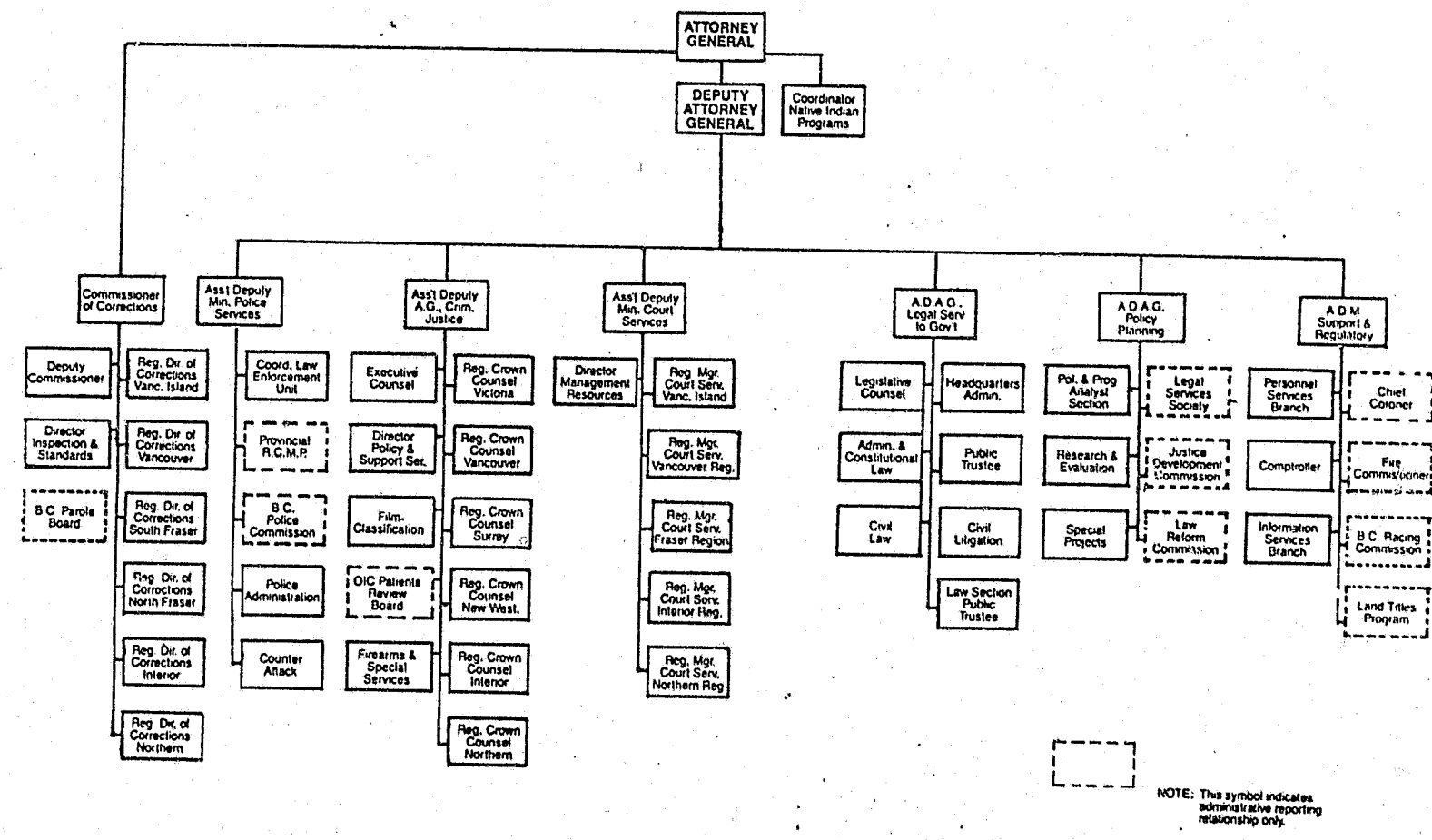


FIGURE 2
 ORGANIZATION CHART, MINISTRY OF ATTORNEY GENERAL--BRITISH COLUMBIA

B. The Policy Board

CLEU is generally directed by its Policy Board, which serves three main functions: setting general priorities, establishing an operating philosophy, and settling jurisdictional disputes. In April 1982, nine persons sat on the Policy Board, its membership determined by personal appointment of the Attorney General for a term of one year. These persons are:

1. The Deputy Attorney General, who sits for the Minister and chairs the Board, a responsibility not delegable.
2. The Deputy Commissioner of the RCMP for the province (who is by statute the Commissioner of the Provincial Police).
3. The Assistant Commissioner (Operations) of the RCMP for the province.
4. The Chief Constable, Vancouver Police Department.
5. The Deputy Chief in Charge of Operations, Vancouver Police Department.
6. A member of the Vancouver Island Joint Management Team (currently the chief Constable, Saanich Police Department).
7. The Assistant Deputy Attorney General--Criminal Justice.
8. The Assistant Deputy Attorney General--Police Services.
9. The Director of CLEU.

Like the Ministry itself, the CLEU Policy Board reflects broad power and influence. Numbered among its members are the top two officials from the RCMP and the Vancouver Police Department, the two largest policing units in the province. Its other members represent the highest echelons of law enforcement authority in the province; its chair carries the full authority of the Ministry. In short, the Policy Board speaks with a potent voice.

According to many within the CLEU organization, the whole of the Policy Board does not equal the sum of its parts. Members of the Policy Board are viewed as wielding power through their independently established positions rather than as a group. Thus, some in the policy analysis side of the organization tend to view the Policy Board as police-dominated. The enforcement side of the organization, on the other hand, seems to view the Board as a device for conferring legitimacy on an organizational arrangement (i.e., the amalgamation of police investigators and civilian analysts) that the police have never really accepted.

Still, the power of the Policy Board remains. Without it, it is unlikely that CLEU would have survived as an organization. The Board essentially functions to rationalize each side of CLEU to the other; and it is only the individual and collective authority of its members that permits this to happen.

C. The Director of CLEU*

The only member of the Policy Board whose authority stems solely from CLEU and is not independently established is the Director of CLEU. This is not to say that the CLEU Director lacks power, but that his authority is intraorganizationally bounded in a way that is not true of other Policy Board members. And, to the extent that the other Board members exert power through their extraorganizational positions, the CLEU Director's authority is structurally constrained.

* Over the next 10 pages, the reader may wish to refer to Figure 3, at p. 84a, depicting an organization chart of CLEU.

Despite its structural limitations, the position of CLEU Director contains significant power. First and foremost is the power of the purse string. Largely provincially funded (see Section III: Organizational Resources at pp. 83 ff.), CLEU is financially accountable to the Ministry. It is through the CLEU Director, a Ministry appointment, that this accountability is ensured.

Generally with fiscal authority comes operational control and substantive direction, but the CLEU Director does not uniformly exert such control in all divisions of the organization. In the Policy Analysis Division, the Director's full authority is firmly established. He hires and fires, approves all expenditures, and through his Director of Operations determines all staff functions and activities. In the enforcement divisions of the organization, however, fiscal authority does not bring with it operational control. Instead, while the Director must approve all expenditures, substantive control and direction of the investigative forces lie in the hands of the Joint Management Teams (discussed below at pp. 75 ff.).

The nature and structure of the CLEU Director's authority are quite understandable in terms of the various power structures subsumed within the organization as a whole. The Policy Analysis Division, like the Director himself, derives its authority and status from within the CLEU framework. The authority and status of the investigative forces, on the other hand, are independently conferred from outside of CLEU. Since their authority is established elsewhere, they seek direction for enforcement efforts from the same source.

To say that the Directorship of CLEU is a difficult position is an understatement. From the start, the position has been filled by a

civilian, a fact that has rankled many police participants. However, since the ministry created and finances CLEU, the organization's fiscal control must also reside with the Ministry. Yet Ministry control and resulting police resentment create problems; the Ministry must have the goodwill and cooperation of the individual policing units if CLEU is to meet its objectives. This tension places the Director of CLEU in a delicate position at best, a situation only partly compensated for by his Policy Board membership.

D. The Joint Management Teams

CLEU has two investigative units, one based in Vancouver and the other in Victoria (Vancouver Island). Each of these units is supervised by a Joint Management Team which consists of high-ranking officials from the police agencies represented in the investigative units.

The Vancouver Joint Management Team consists of the Assistant Commissioner of the RCMP (Operations), and the Vancouver City Police Department's Deputy Chief of Operations, since those are the two agencies supplying the majority of personnel for the CLEU Investigative unit in Vancouver. (Both these persons also sit on the CLEU Policy Board.) The Vancouver Island Joint Management Team consists of the Chief Constable of the Victoria City Police Department, the Saanich Police Department, the Esquimalt Police Department, the Oak Bay Police Department, and the Central Saanich Police Department; and the commanding Officer of the Victoria Subdivision of the RCMP. The chair of the Vancouver Island Joint Management Team also sits on the CLEU Policy Board.

The Joint Management Teams are an important element in the organizational structure of CLEU. They are designed to ensure that the investigative activities undertaken by CLEU are truly collective and coordinated, rather than serving the agenda of one particular agency. A major concern has always been that municipal law enforcement authorities see themselves as equal partners in CLEU operations rather than feeling subservient to the RCMP. All indications are that this sense of full partnership has been achieved--at least for those who have become involved in the units or the Joint Management Teams that supervise them.

This is particularly true of the Victoria Joint Management Team, which is truly a collective management effort by all the relevant law enforcement executives. The situation is somewhat different in Vancouver, however, where the RCMP and Vancouver City Police Department dominate. Here Chief Constables in smaller, adjacent municipalities question whether their needs are being addressed adequately by CLEU. They view the two larger police forces in dominant control positions and see little room for their input into the allocation of CLEU, investigative resources. In their view, CLEU targets mostly "big city" organized crime problems rather than organized crime problems endemic to their smaller communities. These smaller jurisdictions concede that since they have been hard-pressed to contribute personnel to CLEU, as the larger agencies do, their influence is limited. Nevertheless, because CLEU is a provincially-funded effort, they feel they should have better access to organizational resources.

The feelings of neglect expressed by some law enforcement executives in the Vancouver area seem less a reflection on the efficacy of the Joint Management Team concept than a dissatisfaction with persons on the team

and in the relevant law enforcement agencies. Indeed, the Joint Management Team concept can be viewed as a valuable organizational mechanism for CLEU, reinforcing the objective of cooperative and coordinated enforcement efforts. The Joint Management Team does, however, raise some interesting organizational issues, which are discussed at pp. 88 ff.

E. The Joint Forces Operations

Each of CLEU's investigative units, called a Joint Forces Operation, extends the concept of joint management through shared command. The Vancouver Joint Forces Operation usually consists of 35 Vancouver Police Department investigators, and 30 RCMP investigators and two or three investigators from smaller municipal forces. The unit is commanded by one RCMP Inspector and one Vancouver City Police Department Inspector, both rotated periodically. The Vancouver Island Joint Forces Operation, consisting of five RCMP investigators and seven municipal investigators, is presently commanded by an Inspector from the Saanich City Police Department, but the position rotates between the Police Departments of Saanich and Victoria every two years.

Officers serving on the Joint Forces Operations are nominated by their agencies and approved by CLEU. CLEU requires a minimum two to three-year commitment in order to facilitate the lengthy investigations involved in most Joint Forces Operation cases. Some drug investigations, in particular, have led around the world and taken several years to complete. Other investigations such as counterfeiting, prostitution, and fencing, have been shorter in duration but complicated by their multijurisdictional character, extending throughout Western Canada and

into the U.S. While there are no explicit officer selection requirements, most agencies recommend relatively experienced officers with good communication skills and a stable family situation that can withstand extensive absence. Chief Constables generally view the CLEU appointment as a valuable staff development experience for individual officers and their agencies.

Both Joint Forces Operations are supported by tactical intelligence capabilities. The Vancouver Island Joint Intelligence Unit is, at the moment, tied directly to the Vancouver Island Joint Forces Operations. The intelligence unit consists of two officers from the RCMP and two each from the Saanich and Victoria Police Departments. The Vancouver Integrated Intelligence Unit, on the other hand, is independent of the Vancouver Joint Forces Operations, although it is housed in the same building. The Vancouver Integrated Intelligence Unit is jointly funded by the RCMP and the Vancouver Police Department, each contributing half of its officers. While neither the Vancouver Island Joint Intelligence Unit nor the Vancouver Integrated Intelligence Unit is limited to the gathering of organized crime intelligence, each serves as the primary source of intelligence information for the respective Joint Forces Operations. The Vancouver Integrated Intelligence Unit, though not part of CLEU, views its relationship with the Vancouver Joint Forces Operations as mutually beneficial. Because many of its intelligence subjects (particularly those involved in gambling and drugs, or those who are members of permanent and mobile groups, i.e., motorcycle gangs) require long-term investigation, the Joint Forces Operation is generally better structured to handle these than are investigative units in individual agencies, where pressing needs frequently limit the time available for and jurisdiction of each investigation.

F. The Policy Analysis Division

The Policy Analysis Division is answerable to the Director of CLEU through his Director of Operations. All personnel and their work activities must be approved by the Director of Operations and the CLEU Director. With the exception of clerks and office assistants, Policy Analysis Division staff are outside the public service system, appointed instead under the Justice Administration Act. Hiring and firing are controlled by the CLEU Director.

Policy Analysis Division staff work in one of three sections, Strategic Intelligence, Systems Research and Development, and Research and Prevention, each supervised by a section manager. Staff in each of the sections are split between the CLEU offices in Victoria (Vancouver Island) and Vancouver. The activities and functions of each section are described briefly below.

1. Strategic Intelligence. About 50 percent of the time of the Strategic Intelligence Section staff is spent responding to requests from police agencies for data management or data analytic services. Such services include organizing information as it is gathered in the course of an investigation or at the close of an investigation; preparing visual documents for court presentation; and preparing materials for prosecution. While analysts from the Strategic Intelligence Section are used most frequently by the Joint Forces Operations and the integrated intelligence units, their services are available to any police agency in the province when they are not occupied with organized crime assignments.

The Strategic Intelligence Section also engages in joint intelligence projects with other intelligence units, other parts of the Policy Analysis Division, or other parts of the Ministry. Such projects

generally involve long-term assessments of the impact of specific groups, criminal organizations, or legislative approaches to organized crime in the province. Examples of joint projects include an assessment of the potential impact and utility of a Canadian Racketeer Influenced and Corrupt Organizations (RICO) statute for attacking specific organized crime groups (a joint project by Strategic Intelligence, Research and Prevention, and the Provincial Crown Counsel); a study of the influence and importance of specific ethnic criminal organizations in the province (a joint project by Strategic Intelligence and the Vancouver Integrated Intelligence Unit; and a study of the current and future importance to organized crime of specific ethnic youth gangs in the province (a joint project with Canadian Immigration, the Vancouver City Police, the Vancouver Integrated Intelligence Unit, and Strategic Intelligence). About 20 percent of the time of Strategic Intelligence staff is spent on joint projects.

The section spends more than 15-20 percent of its time on self-initiated projects. These are similar in nature to joint projects and, like them, are subject to approval by the Policy Analysis Director of Operations and the CLEU Director. Examples of such studies are investigations of the extent and nature of organized crime involvement in specific Canadian industries; and assessment of the extent and nature of involvement of organized crime groups in some areas of commercial crimes.

Reports produced by the Strategic Intelligence Section are used to inform the Ministry of specific aspects of the organized crime problem that may be amenable to legislative or procedural changes. The RICO study, for example, has been referred to the federal parliament for consideration of changes in the criminal code. These reports may also be released to the public (in sanitized form) in order to mobilize community

support, as was done with the ethnic youth gangs study. Finally, the reports may serve as background for more focused intelligence efforts directed at specific organized crime targets.

Finally, about 5-10 percent of the time of the Strategic Intelligence Section is devoted to assisting regulatory agencies. In this role, the section serves a liaison function between law enforcement and regulatory agencies.

Strategic Intelligence is the section of the Policy Analysis Division that has been most vehemently opposed by the law enforcement community, which has viewed it as an attempted civilian usurpation of an exclusive and unique police function. Over time, however, the section has managed to establish a credible foothold and win acceptance. Its technical-analytic capabilities (e.g., VIA charting), for example, are widely acknowledged and accepted. But its policy-analytic capabilities have encountered greater resistance. In the past three years, police liaison officers have been used in the Section to improve the relationship with law enforcement personnel. In addition, Section staff have worked hard to determine and specify the potential tactical spin-offs of their analyses and assessments.

These efforts appear to have resulted in improved Section access to police intelligence information. Resistance to the Section at this point is inversely related to the level of direct interaction with it. Law enforcement executives resist most strongly, investigators next, and intelligence officers the least. It is significant to note that the law enforcement community no longer urges elimination of the Section; instead, control over the Section is the center of debate.

2. Systems Research and Development. CLEU has its own computer, which is operated and maintained by the Systems Research and Development Section. The function of this section is to coordinate and manipulate, via computer, information from a variety of sources: intelligence units; police surveillance efforts; and regulatory agencies. The extent and value of information from police sources depend upon their willingness to supply it, which is encouraged by the use of liaison officers. A regulatory agency liaison officer in the section coordinates receipt of information from federal and provincial agencies dealing with customs, income tax, liquor, securities, companies, and land. The compilation and analysis of this information is a unique service of the Section since police intelligence and surveillance efforts do not always tap such sources. Information from the Section is disseminated through well-defined channels, in particular through the Section's police liaison officers and those in the Strategic Intelligence Section.

3. Research and Prevention. The Research and Prevention Section undertakes conventional social science and legal research which serves as background for CLEU policy papers and/or focuses on the organized crime aspects of general criminal justice problems. In the CLEU analysis of commercial crimes, for example, this Section provides background information on these crimes and on organized crime's level of involvement in them in other regions, such as the United States. This Section analyzes economic trends and their likely effects on commercial crimes. In contrast, the Strategic Intelligence Section focuses on specific individuals and organizations and their degree of involvement in commercial crimes in the province. In the area of general criminal justice problems, Research and Prevention has examined bail reform and

its impact on the handling of organized crime offenders, especially drug traffickers.

Finally, this Section is involved in developing strategies to prevent organized crime. Thus far, the primary approach to organized crime prevention has been through public education. The press office of CLEU, which handles most press conferences and news releases and provides a clipping service (CLEU-Line), is attached to this section. The CLEU-Line is widely disseminated not only in Canada but also in the United States. Attempts are also underway to develop a film for general audiences on organized crime and how it affects the public.

The Research and Prevention Section functions to keep CLEU in touch with the outside world by keeping the organization informed about what is known about organized crime elsewhere, what is currently happening in organized crime, and what is being done to attack the problem. At the same time, the Section also evaluates CLEU's own performance. For example, one ongoing activity is the court-case tracking of all Joint Forces Operations cases, an effort well-accepted by the investigative units. Since the services it performs are both valuable and uncontroversial, the Research and Prevention Section is well-accepted.

III. ORGANIZATIONAL RESOURCES

The Ministry of the Attorney General provides an annual budget to CLEU of approximately \$3 million to accomplish its organized crime enforcement mission. This budget represents a commitment of resources otherwise unavailable for organized crime enforcement and provides a pool of resources which benefits municipal law enforcement. As backed by the provincial purse, the organizational structure of CLEU provides a

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1 OF 2

powerful incentive for cooperative enforcement action.

The opportunity for direct participation in CLEU is--theoretically at least--open to all. A requisite for direct participation is the commitment of personnel and the payment of base salaries. Most overtime costs, equipment, facilities, and expenses are paid by the province. Given the history of joint enforcement efforts in the province, CLEU essentially lightens the burden of doing what law enforcement executives probably would choose to do anyway; coordinate their organized crime enforcement efforts.

Law enforcement personnel (both investigators and executives) are quick to point out, however, that other, more subtle resources of CLEU have made cooperation easier to establish and maintain. For example, CLEU provides neutral facilities in which intelligence and investigative personnel from various agencies can be housed. CLEU turf is everybody's turf, reinforcing the collective nature of the venture. While the RCMP and Vancouver City components of the Vancouver Integrated Intelligence Unit technically predate CLEU, those involved acknowledge that its organizational vitality dates from its location in CLEU facilities, which are provided at no charge.

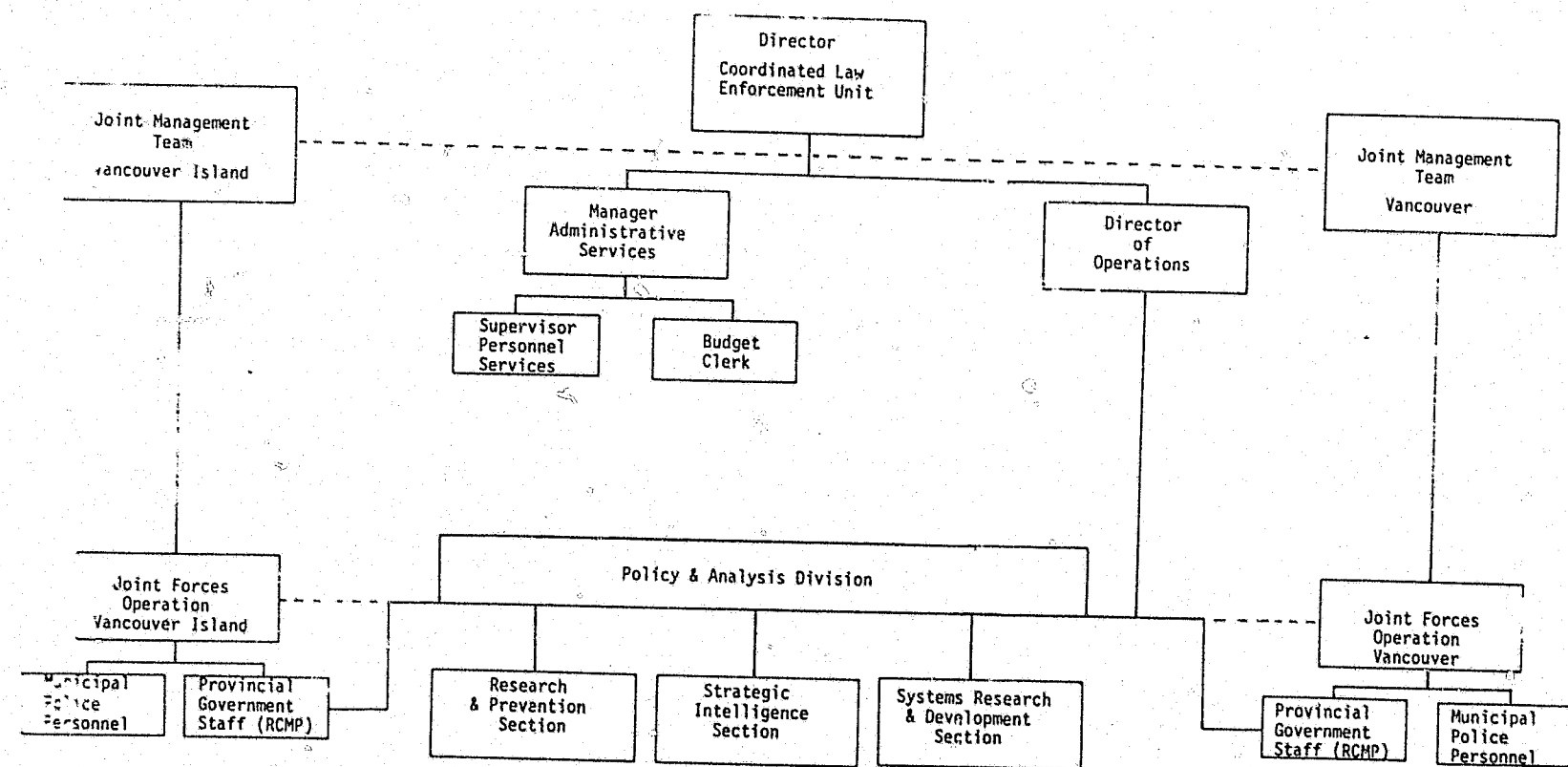


FIGURE 3
ORGANIZATION CHART, COORDINATED LAW ENFORCEMENT UNIT--BRITISH COLUMBIA

CLEU's staff resources would not be nearly as effective as they are were it not for some additional organizational resources. The first of these is equipment. CLEU investigators use state-of-the-art surveillance and communications equipment, purchased by the organization. This equipment is loaned to any police agency in the province, although CLEU Joint Forces Operations have first priority. The Policy Analysis Division is similarly well-equipped for its part in CLEU's organized crime enforcement mission.

Second, the personnel policies within CLEU permit deploying staff resources to best advantage. CLEU Joint Forces Operations can and do undertake lengthy investigations because intra-agency pressures for quick turnaround and results are removed. Similarly, investigations requiring substantial overtime expenditures are not hindered by agency budget constraints. On the Policy Analysis side, recruitment policies under the Justice Administration Act permit CLEU to hire and retain high calibre staff. An organizational commitment to high-calibre personnel is reinforced by extensive in-house and external training. In short, CLEU can expect much of its personnel because it invests much in them as individuals and provides them with the tools needed to do their best work.

The location of CLEU in the Ministry has provided an additional resource which experience has shown to be quite valuable: the ability to tap federal RCMP assistance and resources. International investigations in particular require communication between federal and provincial authorities. Similarly, much of the work of the Policy Analysis Division ultimately requires federal consideration. For example, adoption of RICO legislation, which is currently being studied by CLEU, would occur

on the federal, not provincial, level. It is the Ministry that can recommend federal consideration of CLEU policy analyses. The implications of CLEU activities, both in the investigative and analytic spheres, are much enhanced by the Ministry's interest in them.

Finally, while the two sides of CLEU do not function in as integrative a fashion as originally envisioned, each side benefits from the other's presence. The Policy Analysis Division's association with the CLEU operational component permits it to present its analyses with a voice of experience few civilian analytic groups can muster. This affiliation also gives the Division access to intelligence information, albeit reluctantly provided, that would not otherwise be possible. For its part, the enforcement side of the house has immediate access to a range of analytic skills in the Policy Analysis Division rarely available to investigators. Further, because of the activities of the Policy Analysis Division, CLEU Joint Forces Operations know more about their own operations and about organized crime enforcement operations elsewhere than is true of most enforcement efforts in North America. Unfortunately, internal wrangling continues to threaten this most vital and fragile organizational resource.

IV. ORGANIZATIONAL POLICY--AND DECISIONMAKING

The substance of much of the policy and decisionmaking within CLEU has been hinted at in the preceding discussions. But since this topic provided the focus of the case studies, it is given special attention here. Organizational policy and decision-making were examined by questioning interviewees; the questions are stated and the responses to them are discussed below. A concluding section describes some of the key relationships within CLEU and the issues they raise.

- o How are priorities set and decisions made to enter geographic or substantive enforcement areas, and/or specific cases?

Enforcement target selection in CLEU takes place at the level of the Joint Management Teams. Intelligence profiles of prospective areas, individuals, or organizations are presented at monthly meetings. The actual projects undertaken by the Joint Forces Operations are chosen from the profiles presented. The Joint Management Teams use the following criteria in selecting enforcement targets:

- (a) The threat they pose to the community.
- (b) Stature of the criminals.
- (c) Involvement in organized criminal activity.
- (d) Target generally leading a persistent criminal life.
- (e) Target earning living by or from crime.
- (f) The activity involves a major crime problem.
- (g) The activity is multi-jurisdictional.
- (h) The probability of enforcement success.
- (i) The availability of personnel and resources.

Of particular importance to the Joint Management Team are the multi-jurisdictional character of the criminal activity and the availability of resources. Projects that fall wholly within one jurisdiction or are presented at a time when the Joint Forces Operations are overloaded may be rejected by the Joint Management Teams despite their merit. Rejection by the Joint Management Teams, however, does not mean that a target is dropped entirely. Instead, the Joint Management Teams will refer the target to the appropriate law enforcement agency for action, or will assign personnel in their own agencies to work on the project. The status of Joint Management Team members in their own

agencies permits such decisions to be made. Once an enforcement target profile meeting the above criteria is presented to the Joint Management Teams, it probably will receive law enforcement attention, even though it may not be worked on by the CLEU joint forces.

Of note is the fact that the Policy Board annually approves a list of organized crime targets for the province. This list is generated by the two Joint Management Teams working together. Detailed intelligence profiles on proposed targets are presented to the Joint Management Teams, but not to the Policy Board which must approve the list. Although the Policy Board may disapprove some or all of the selections, it is not clear on what basis substitutions might be offered at the Policy Board level. In effect, the Policy Board serves as a check on the Joint Management Teams by vetoing targets rather than by directing the projects.

The relationship between the annual Policy Board target list and the Joint Forces Operation "projects," which are selected by the Joint Management Teams on a continuing basis throughout the year, is not altogether clear. Presumably since the Joint Management Teams are not only the source of the Policy Board target list, but also the decisionmakers for Joint Forces Operations projects, the relationship should be strong indeed. There remain suspicions, however, both within CLEU and externally, that the Joint Management Teams have on occasion yielded to pressing, current needs of their respective departments in selecting Joint Forces Operations targets rather than adhering to their stated criteria. In this regard, it is worth noting that the relationship of the proposed "project" to the target list approved by the Policy Board is not one of the criteria used by the Joint Management

Teams to select targets. On the other hand, since the Joint Management Teams must annually report to the Policy Board and since their members sit on the Policy Board, it is unlikely that the Teams would totally disregard Policy Board targets. Still, it is not entirely clear how the choices made by the Joint Management Teams are assessed by the Policy Board.

On the policy analysis side of CLEU, project selection appears largely self-generated, pending approval through the Director of Operations, the CLEU Director, and the Ministry. The Policy Analysis Division has developed and submitted to the Ministry a rather detailed goal matrix which guides its activities from year to year and serves as the basis for proposed research and analysis projects. Early attempts to coordinate this goal matrix with the activities of the Joint Forces Operations proved distinctly unsuccessful, prompting the questions of how or if the activities of the two sides of the organization should intertwine.

Like the Joint Management Teams, the Policy Analysis Division must annually present a proposed program plan and a report on past activities to the Policy Board. Armed with this information, the Policy Board would appear to possess both the individual clout and structured power to integrate the activities of both parts of the organization. Yet since each division is dismayed with the other division's activities, even if the actions of CLEU are integrated at the Policy Board level, they are not at the staff level. At the same time, there exists a strong current of opinion that the two sides should not agree or mesh neatly but instead that a certain level of conflict or tension between the two should be expected. The analogy given is of two forces, one fighting a "hot war"

and the other a "cold war" against a common enemy. Although they share a mission, the approaches and tactics of each force will not be completely understood or accepted by the other because their perspectives and objectives differ.

The conflict of perspectives in CLEU is now less overt and vociferous than previously, but over the years this conflict has changed organizational relationships in profound ways and at some cost to individuals. The question at this point is whether the benefits of the remaining conflict (no matter how sub rosa) clearly outweigh its threats to organizational viability.

- o What are the sources of support for the unit and how are resources allocated among competing enforcement cases and programs, and marshalled for use?

Part III contained a description of CLEU organizational resources, but not of the process of allocating these resources. Since CLEU is provincially-funded, the Ministry must maintain budgetary control, which it does through the CLEU Director. All major CLEU expenditures, as opposed to day-to-day commitments, must be approved through the Director of Operations and the CLEU Director. In the Policy Analysis Division, allocations are made on the basis of work plans approved through the same channels making the allocations. On the enforcement side of the organization, the process is more complex.

As noted above, the Joint Management Teams decide which "projects" CLEU investigators will work. Once a project is selected and assigned to the Joint Forces Operations, the Joint Management Team monitors its progress through monthly meetings. The Joint Management Team does not, however, become involved with the financing, resource allocations, or timing of the effort. Instead, it is the CLEU Director who is generally

responsible for financing Joint Forces Operations projects. The level at which negotiations with the CLEU Director take place is with the Joint Forces Operations commanders. The only instance where the Joint Management Teams become involved in resource questions occurs when the CLEU Director denies a Joint Forces Operations request. In this situation, a Joint Management Team appeal to the Policy Board may be made.

Joint Forces Operations field commanders are responsible for justifying budget requests, attracting necessary resources, and allocating the resources they eventually acquire. While operating under the supervision of the Joint Management Teams, then, the Joint Forces Operations commander remains financially responsible to the CLEU Director. On the other side of the coin, the CLEU Director, who has no operational control over the Joint Forces Operations, nevertheless has fiscal responsibility for their conduct and performance.*

- o How are unit priorities and decisions affected by knowledge of the enforcement plans of other agencies and formal or informal understandings of shared enforcement responsibilities?

If there is one aspect of organizational policy and decisionmaking in which CLEU excels, it is in the coordination of existing enforcement resources. Because CLEU's organizational structure is embedded in the power structure of law enforcement in the province, the organization's influence over organized crime enforcement far exceeds its actual involvement. Because CLEU's investigative forces are limited in size, the number of cases they can work is also limited. And yet the presence

* Since completion of this case study, the CLEU Director has been invited to sit with the Vancouver Island Joint Management Team in order to facilitate coordination.

of CLEU shapes the organized crime enforcement efforts of others throughout the province and to some extent throughout Canada.

There is little doubt that, in British Columbia at least, the right hand of organized crime enforcement not only knows what the left had is doing, but alters its behavior accordingly. The level of integration in the Canadian justice system generally, and in the province particularly, plays some part in the degree of coordination of law enforcement efforts, but the structure of CLEU is a predominant force. CLEU provides a framework through which knowledge about the activities of others can be gained and collective action launched. The opportunity to participate translates into the opportunity to plan and allocate resources rationally. Law enforcement officials in the province fully understand their own responsibilities and are unanimous in the assessment that CLEU not only enhances their ability to meet their own objectives, but also permits them to accomplish collectively what they could not achieve individually.

- o What are the sources of cases, e.g. informants, referring agencies, victim complaints, media?

As suggested in preceding discussions, virtually all Joint Forces Operations cases emerge from profiles developed by the two intelligence units (i.e., the Vancouver Integrated Intelligence Unit and the Vancouver Island Joint Intelligence Unit). The other major source of cases is individual law enforcement agencies presenting profiles directly to the Joint Management Teams.

Since neither the Joint Forces Operations nor the intelligence units deal directly with the public; traditional crime reporting mechanisms are not frequent sources for CLEU investigative projects. Instead, it is the Policy Analysis Division that is more likely to develop projects in

response to regulatory agency, media, or public concerns. As an example, the Policy Analysis Division is particularly sensitive to identifying emerging organized crime problems in the United States, on the theory that such problems may surface in Canada as well. Thus, a number of Policy Analysis projects have been designed to test the susceptibility of local conditions to problems presently existing in the United States, with the objective of preventing them or reducing their impact.

- o What detection, investigative, and prosecutive tools or techniques appear to be particularly productive, or the opposite, and why?

CLEU Joint Forces Operations typically use a combination of physical and electronic surveillance designed to turn lower echelon offenders and enlist their aid in identifying and apprehending key enforcement targets. The dominant approach is one of months of persistent and patient nibbling at the same target, building to a coup de grace, such as a major drug interception, or a raid on and seizure of contraband from a targeted group. This operating style is understandable since the Joint Forces Operations are evaluated more on the significance of their targets than on the number of arrests or the amount of time spent in the investigation.

In general, investigators rate wiretaps as a relatively unproductive tool. In their view improved law enforcement ability to monitor offender conversations has led to communications more cryptic in nature and less evidentiary in content than previously. Investigators are generally less enamored of "sting-type" projects than their United States counterparts, and view them as a risky tactic given the Canadian version of entrapment, called "persistent inveigling." Judicial concerns over such inveigling make investigators especially wary of this type of enforcement activity.

- o Are existing legal tools (statutory, regulatory, etc.) currently understood and exploited and, if not, why not and where not?

In general, Canada is not as legislation-rich in the organized crime areas as in the United States, although law enforcement officials do not feel especially disadvantaged in this regard. Two tools that are not available and are acknowledged as potentially valuable are a witness protection program and a RICO statute. Of more concern to law enforcement officials, however, is what they view as the chilling effect of privacy and security regulations on United States law enforcement; they fear similar action with similar results in Canada. Thus, police are far more content to use their existing powers than to risk losing them in a gamble to gain additional authority.

Because Canada has not adopted stringent security and privacy regulations, the Policy Analysis Division of CLEU is concerned that inadequate advantage is taken of information currently gathered by government agencies and available for law enforcement analysis. The Division is actively seeking more creative ways of monitoring data bases to uncover criminal activity and develop useful intelligence information.

- o What relationship, if any, is seen between enforcement action and the future course of organized crime activity?

The original blueprint for CLEU called for an organization with the capacity to undertake enforcement action on the basis of a strategic assessment of the likely course of future events. For reasons noted elsewhere in this report, this is not the organization that has emerged. Rather, CLEU has developed into a two-track organization, with an enforcement component and a policy analysis component strangely uncommunicative with each other. The unsettling character of these

intraorganizational relationships means that CLEU has failed to capitalize fully on its most valuable resource: the unique enforcement perspective gained from the combined skills of its two divisions.

Before marking CLEU down severely on this score, it is important to realize that the organization still comes closer to amalgamating these skills than almost any organized crime enforcement unit in North America. CLEU's problem is that the compromises that have occurred over time to preserve the personal and functional integrity of each division have permitted the two sides to grow independent at the expense of interdependence. Thus, the Policy Analysis Division, in proposing and undertaking its activities, does not have to take into account the activities of CLEU Joint Forces, any more than the Joint Forces Operations are obliged to take Policy Analysis into account. The fact that each has a significant capacity to inform the other is recognized only intermittently. Ironically, then, those outside of CLEU probably gain more from its combined analytic and enforcement skills than do those within the organization itself.

- o What relationship, if any, exists between current enforcement efforts and those planned for the future?

CLEU's organizational structure, combined with its history of stable funding, permits the adoption of longer term enforcement targets than is true of many organized crime units. Joint Forces Operations "projects" generally involve lengthy investigations, a luxury most organized crime units simply do not have. And yet the same care taken in ensuring a high calibre investigative product for each project does not appear to be transferred to planning the interconnectedness of individual projects. Target selection is guided by individualistic criteria rather than by a longer term enforcement plan. Although these criteria go far toward

ensuring the selection of meritorious targets, they do not assure rational interrelationships among Joint Forces Operations projects. The only organizational device that comes close to serving as an overall enforcement plan is the annual target list presented to the Policy Board; and the apparent non-binding quality of this list makes it an unsuitable method for ensuring coordination of the various targets.

Herein lies one of the several key interactions in CLEU that are problematic to the organization's decisionmaking processes: the relationship between the Joint Management Teams and the Policy Board. The Joint Management Teams are endowed with considerable organizational authority and yet their ties to the organization are relatively weak. Instead, the power of the Joint Management Teams derives from extraorganizational status and authority.

A second problem is the relationship between the Joint Forces Operations and the CLEU Director. The CLEU Director must commit organizational resources to the Joint Forces Operations without having any substantive operational control over them. It is not clear how the Director can exercise sound judgment in this situation; nor is it clear how the Joint Forces Operations manage to serve effectively two masters.

Finally, the relationship between the Policy Board and each of the CLEU Divisions remains perplexing. On the one hand, the Board is the only organizational mechanism that can insist upon interdivisional coordination. Yet the Board's traditional response to overt conflict has been to foster divisional independence over interdependence.

V. LESSONS FROM CLEU

To an external observer perhaps the most striking aspect of CLEU is that--despite its turbulent internal history and its perplexing

organizational relationships--it not only functions at all, but functions well. Many of those interviewed explained that CLEU would be difficult to understand and suggested that the only reason it works is "because it does." The temptation is strong simply to accept this argument, but to do so is to overlook some important lessons.

To begin with, CLEU has benefited greatly from the institutionalization of pre-existing power relationships within its organizational structure. Rather than trying to limit or gloss over the extraorganizational power structure, CLEU built upon it in subtle but sure ways. The organization at one and the same time reinforces external authority positions while using them for its own purposes. Thus, CLEU cannot expect to "commandeer" personnel from the law enforcement agencies for provincial purposes. Instead, by involving the authorities who control these personnel in its own organizational structure, the needed investigative staff is "volunteered."

Second, by tapping into existing power relationships and obtaining the Ministry's financial backing, CLEU has been able to coordinate effectively organized crime enforcement resources. While it would be naive to suggest that petty jealousies and jurisdictional snipings do not exist in the British Columbia law enforcement community, the extent to which this type of behavior is minimized is remarkable. CLEU provides both the opportunity and incentive for collective action, and it does so on its own terms, recognizing and preserving individual organizational integrity in a neutral setting dedicated to the realization of joint goals.

Third, CLEU demonstrates a clear appreciation for the importance of information in maintaining organizational vitality. Much emphasis has

been placed upon the acquisition, storage, analysis, and use of information gathered from surveillance, intelligence, and research activities. Organizational relationships have been structured around the flow (or lack thereof) of information. And while CLEU may still not have reached its full potential in the creative use of information, it probably is better informed than many organized crime enforcement units.

Finally, it is doubtful that CLEU could have achieved its many accomplishments to date, much less survived its initial growing pains, without the stable and dependable funding it has enjoyed. Long-term organized crime enforcement efforts just cannot be achieved except in this kind of fiscal environment. Because the Ministry has been willing to make this type of financial commitment, others have been willing to make substantial organizational commitments as well. A perverse or wavering commitment on the part of the Ministry, on the other hand, would undoubtedly have met with a similarly lukewarm response within the law enforcement community. It is to the credit of the Ministry that its commitment has been steadfast, both in times of great organizational stress and in times of relative calm.

Because CLEU has been stable and dependable, others have been able to rely upon its existence in developing their own law enforcement programs. That is what coordinated law enforcement is all about; and through an admittedly complex and often puzzling set of organizational arrangements, that is what CLEU has achieved. For this reason, despite the difference in criminal justice administration, in legislation, and in tradition between Canada and the United States, CLEU deserves a close look.

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