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PRESS BRIEFING
BY
ATTORNEY GENERAL WILLIAM FRENCH SMITH,
COMMISSION CHAIRMAN IRVING KAUFMAN,
AND FBI DIRECTOR WILLIAM WEBSTER
ON THE
ORGANIZED CRIME COMMISSION

The Briefing Room

10:40 A.M. EDT

MR. SPEAKES: You've been presented with a number of pieces of paper including the President's remarks, the fact sheet, the announcement of the commission in executive order. All that is embargoed for wire transmission until the conclusion of this briefing and embargoed for release until 11:45 a.m.

We have with us the Attorney General, the new chairman of the commission, and the Director of the FBI, who will brief you on the subject of the President's Commission on Organized Crime.

ATTORNEY GENERAL SMITH: The Commission on Organized Crime which the President will present in the Rose Garden later this morning is another step in the President's effort to improve the federal law enforcement effort in this country. It builds upon a series of steps that have been taken in the past going back to the Attorney General's Task Force on Violent Crime; the establishment for the first time of the law enforcement coordinating committees in each of the 94 U.S. Attorneys districts around the country; the establishment for the first time of a Cabinet-level interagency task force on drug law enforcement; the reorganization of the Drug Enforcement Administration; the consolidation of the Drug Enforcement Administration with the FBI bringing, for the first time, the FBI into the drug enforcement area, namely bringing our principle law enforcement agency at the federal level into the fight against our number one crime problem; the amendment which we obtained to the posse comitatus statute which, for the first time, permits us to utilize the intelligence and the resources of the armed forces in the crime effort; our South Florida Task Force, our effort to develop direct contacts and relationships with source and transit countries involved in the long process of supplying drugs to this country.

All of those efforts led to the program which the President announced several months ago to deal with the organized crime drug threat in this country. That was an eight-point program. One of the principle features, of course, was the establishment of 12 task forces around the country to deal, specifically, with the subject of organized crime and drugs involving a substantial additional new resource commitment to deal with this problem.

Another one of those eight points that the President announced at that time was the establishment of the President's Commission on Organized Crime. That commission is now being announced today. Its chairman is Judge Irving Kaufman of the Second Circuit Court of Appeals. And he is here with us today and I'm very happy to present him to you.

JUDGE KAUFMAN: Thank you, Mr. Attorney General.

Being a novice at press conferences, as I imagine you can understand, the judges lead a supposedly cloistered life, let me first read a brief statement that I have prepared and then I'll be ready for anything that you have.

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On January 13th, 1960 -- that's 23 years ago, I was a district court judge at the time and I sentenced leaders of organized crime families who were congregated in Appalachian New York to coordinate their lawful activities. I said then and I quote -- now mind you that this was 23 years ago -- "We are not dealing here with unsophisticated, unintelligent defendants who have drifted almost accidentally into

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criminal activity and are bewildered by the operation of criminal law. For the most part, we are dealing with sophisticated, hardened, intelligent defendants who have knowingly refused to live by the rules of an ordered society for most of their lives. The crime for which they stand convicted evidences planning and organization, such that one could not conclude that their criminal activity was a product of a moment's weakness or a short-lived and nonrecurrable temptation. "

That's the end of my statement that the -- that I have extracted from the sentencing. Now, these words are true today as they were 23 years ago. Organized crime is like a pervasive cancer spreading throughout all levels of society. It is not enough to destroy individual cells; we must devise new ways of getting at the whole cancer or we will never be rid of the scourge of organized crime.

Now, President Reagan recognized the extent of this threat when he announced his eight-point crime program in October of 1982. He stated that an independent commission charged with the responsibility of investigating organized crime was a vital part of that plan. The press being as diligent as it is, there have been reports circulating for quite some time that such a commission would be established and there was some talk that I would be named chairman. And for almost a year, a good deal of thought and planning has been undertaken by the Attorney General and his capable staff, and I'm sure that Judge Webster has been consulted any number of times in organizing this effort.

Let me briefly discuss why a commission of this nature is so important today. To combat organized crime effectively, law enforcement officials require a detailed understanding of how mobsters operate. Organized crime is not merely a collection of criminals, but an institution which operates and even flourishes as some of its members are arrested and imprisoned. It continues on just as any well-organized business corporation does as executives are replaced. The threat is great and it continues to grow. Criminals have moved into regions of the country previously untouched and extended their control to new lines of businesses. Organized crime today is more dangerous and pervasive than ever before, yet we lack a comprehensive strategy for confronting this menace.

We have heard about motorcycle gangs, we've read the extensive story in The Wall Street Journal about prison gangs and their discussion of -- I believe you pronounce it -- Nuestra Familia, operating in California prisons, and so on, so that it is almost changed in mutation, just as a virus changes when you're about to cure it.

I don't think I want to go on reading this statement. I will simply say to you that organized crime, of course, now has taken on different shapes and forms. And it's moved into new areas. And, therefore, the President and the Attorney General and all concerned thought that it was time for a fresh and concerted investigation to devise new methods for confronting this blight. We have been given a broad mandate by the President and we intend to exercise it.

The F.B.I., I might say, and the Justice Department have done a superb job to this point in dealing with organized crime. I say that both as a Judge and as a citizen. They've had any number of convictions of top-level people involved in organized crime. But as I've said before, it's changing shape and changing form, getting so different. It isn't really in the mold of the old Cosa Nostra, although that still exists. So I would like to make clear that I don't consider it -- and I think I can speak on behalf of the commission when I say this -- as the commission replacing these fine organizations, but merely supplementing what they're doing by

an open inquiry so that the public will understand -- and that's the way we intend to have this -- so that the public will understand how it has changed in form so that the young people, as well as the old people, can guard against the affects of organized crime and how it trickles down to the kid on the street who, eventually, becomes an addict and, then, a thief and so forth.

And I think that's about enough for the moment, except to say that our ultimate objective really is to make organized crime unprofitable. And how that will come about, I suppose, will depend upon how the investigation develops and what sort of legislation we think we ought to recommend.

Thank you, Mr. Attorney General.

Q General Smith?

ATTORNEY GENERAL SMITH: Yes?

Q Can we ask questions?

ATTORNEY GENERAL SMITH: Yes.

Q What can a commission accomplish that the Justice Department, the FBI, existing institutions cannot accomplish? And what about the funding for this in a time of budget problems?

ATTORNEY GENERAL SMITH: We think a great deal can be accomplished, if for no other reason than bringing the public spotlight on to this very nefarious activity which is spread throughout the country. There is no question about the fact, as Judge Kaufman says, that the FBI has done an outstanding job in this area -- one which is generally not known or recognized. But organized crime is, as Judge Kaufman says, changing -- changing in nature. We, now, find new types such as the prison gangs, and such as the motorcycle gangs, such as the drug rings that are based elsewhere but which operate here -- the "cocaine cowboys."

We're even concerned about, as I've said before, the Japanese organized crime spreading its tentacles into Hawaii and California and the west coast. It is time, we think, to have this kind of an investigation which is in the public, out in the open so that the public can do the one thing that organized crime does not like. And that is to have the spotlight placed on it.

Q Just to ask a quick, follow-up question --

ATTORNEY GENERAL SMITH: Yes.

Q The President said the other night that there was no need to appoint women to the Central American Commission, because they don't tokens anymore. Why five women; why so many women on this commission?

ATTORNEY GENERAL SMITH: Well, what we've tried to do is to appoint members to this commission who bring a different perspective, and who have a certain background, represent a certain constituency that will provide a cross-section. And this is what we've always tried to do with respect to groups that we have designated. And we don't see that there's anything particularly extraordinary about the fact that there happen to be four or five women on this commission.

Q Judge Webster, I have a question for you if you please. The FBI and federal prosecutors have identified, repeatedly, organized crime infiltration of several unions: the Teamsters, and the ILA. How appropriate do you think it is for the President to have gone to the ILA convention, to have the Teamsters Union and the ILA among his political supporters meeting with their leaders who have been named so repeatedly?

DIRECTOR WEBSTER: I don't think I should make a political commentary or talk about the appropriateness of what the President does in his felt obligation to reach out to all segments of the community. Our job, in the FBI, is to develop cases, present them to the government attorneys, and assist in prosecutions.

Q General Smith, would you care to take a crack at that question as a more political appointee, perhaps, than Judge Webster?

ATTORNEY GENERAL SMITH: Well, I think my answer would be substantially the same as his is. I think the question of what organizations the President, or any of us, speak to and what they have done or may do are separate questions. And it's easy to say that this organization has done this or done that. That's a separate and distinct question from what they, in fact, may have done. I'm certainly not in any position here to cast any value judgments as to whether a particular audience is good or bad.

Q Well, Judge Webster, did he get advice from you? I mean, wouldn't somebody in the FBI, upon reading the paper, say, "wait a minute; we have investigated this union and these people." Isn't it worth somebody's

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knowledge in the White House to know that these are -- this union or these unions have so many people convicted of organized crime activities?

DIRECTOR WEBSTER: I don't recall having been asked for any information on that subject. I think it's very important, in connection with the new commission, as well as in our own responsibilities, that we not use the blanket tar brush to condemn organizations or groups.

We are concerned with racketeering and we are concerned with the criminal enterprise. But it takes individuals to engage in criminal activities of that kind. And I want to be sure that as we proceed that we don't allow the public to draw sweeping inferences about corrupt -- organizations being totally corrupt.

Q -- do you think that organizations like the ILA should continue to keep people as part of the union hierarchy after they have been convicted as the ILA has?

DIRECTOR WEBSTER: Well, I think that's a very serious question for them to consider and for the -- for both authorities at the state and at the federal level to consider. I think you can make a very strong case that once you've had convictions that the -- that people ought to step aside, even until they're appeals have been resolved, so as not to bring about this same kind of blanket condemnation on their organization that you've been talking about.

Q Mr. Attorney General, I think maybe the question we're trying to get at is this: Does it make your job tougher when you are investigating a union official, such as Worthy Williams or others? They're under investigation and -- known full well that there's a possibility of indictment. And then you have -- had them coming to the White House or coming to political functions where high government officials are making them legitimate, are dealing with them legitimately. Does that not make your job tougher in prosecuting those kinds of people or dealing with those kinds of people?

ATTORNEY GENERAL SMITH: Well, here again, I think you have to make the distinction between the individual who may have engaged in some illegal activity and the organization. Now, for example, if the suggestion here is that we should boycott an organization because there may be individuals connected with that organization who have been convicted of some criminal activity, if that is the suggestion, it has remarkable ramifications because I assume, based upon what has recently happened, there might be circumstances under which we would then have to terminate all of our relationships with Congress. (Laughter.) There have been members of Congress that have been convicted of this, that or the other. And certainly we're not going to level any blanket accusation against Congress because some individuals may have transgressed the law.

That is true with respect to every organization. Unless the organization, of course, itself is organized crime, which is the subject that we're here to discuss.

Q But, sir, on -- by the same token, you do terminate contacts with members of Congress who may have been involved in crimes. I mean, politically, that's -- you don't spotlight those people as being --

ATTORNEY GENERAL SMITH: Well, I think we'd be inclined to do the same thing with respect to any organization.

Q I'd like to ask Judge Kaufman what happened since Appalachia? Why 23 years? Do you think there was a let-down in really going after organized crime after that?

JUDGE KAUFMAN: No, I don't think so. I think that this is such a complex subject and those who operate in this field, the criminals who operate in this field are so devious that, as I said before, they changed form and formats.

Now, here -- we've all heard statistics in the last year or so that the importation and the sale of narcotics has grown to the extent of \$79 billion a year. Now, when I prosecuted Appalachian, the problem of narcotics was -- Oh, a pip-squeak problem. It didn't amount to much. Now, when we talk about \$79 billion, we're talking about a major part of our economy that never gets taxed. So you can see the social and economic impact that that makes upon the public.

I'm not talking about, also, the problem that exists because of this tremendous sale of narcotics, of cocaine and heroin and so forth and how it sifts all the way down and all the way up and permeates a good part of the public. But when we're talking of \$79 billion, not taxed, out of the economy, we see the extent

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of a problem which has grown in the last 23 years and will continue to grow unless somewhere along the line there's some exposure.

Now, what will we do? Here's the bureau, here's the DEA, here's the Department of Justice. They're breaking their backs every day. That's been my observation. The judges have been very severe in those cases when they come before them. But yet it's a dent.

May I sum it up by saying that the trouble -- the difficulty with organized crime is that it is a self-perpetuating organization, almost like a business organization. You get rid of the top people and there's always someone ready to step in. And so you really, if we put it in terms, medical terms, and I like these medical metaphors once in a while, if we put it in terms of trying to fight cancer, we'll welcome all of the researchers who will come into that field and try to finance them -- even though they've made some headway, the cancer still exists. Yes, we found a good deal about the mystery of the cell and we're finding out a good deal about the mystery of organized crime but we've got to find many more answers.

Q Can you tell us, are you going to stay on the bench during this period or are you going to take a leave of absence? How are you going to handle that?

JUDGE KAUFMAN: No, I hope, at the present time, I want to see which way this goes. I am still a judge. I'm not doing anything about it. And if it begins to get too demanding I will probably lessen my load on the bench.

Q What about if organized crime cases come before you while you're sitting as the chairman?

JUDGE KAUFMAN: I'll have to disqualify myself.

Q You're going to disqualify yourself?

JUDGE KAUFMAN: Oh, absolutely.

Q Until today, I have not --

MR. ROUSSEL: Let's make this the last question. Jerry's got the last one.

Q -- been laboring under the impression --

Q No.

MR. ROUSSEL: Last question.

Q Until today I have not had the impression that there was anything new about motorcycle gangs, cocaine raids, or prison gangs although I confess not to having heard about Japanese organized crime invading Hawaii. (Laughter.) What is new about the --

JUDGE KAUFMAN: What is new about it is very simply this. And I can take myself as an example. In New York City when someone in the Justice Department mentions motorcycle gangs to me, it drew a blank because they're not very extensive in New York City. Now, if we go public and we let the public know that this is a growing problem throughout the United States, it isn't a question of being new. It's a question of what are we going to do about them because they are becoming a very dangerous element to deal with and they are organized.

Q Can we have answers from the Attorney General and the FBI Director on that?

ATTORNEY GENERAL SMITH: Could I supplement that? Could I supplement that answer by saying that it is very important with respect to these new types of organized crime that we get on top of that problem as soon as possible. We did not do so with respect to the Mafia. As a matter of fact, the Mafia grew in this country and spread it's roots at a time when we were not fully aware of the problem and were not on top of it and were not ahead of it. I think it's very important on a law enforcement area that with respect to these new types and, relatively speaking, they are new, that we find out all we can find out about them and stay ahead of them and prevent the same thing from happening that has happened in the past in this respect. And that is a very important function of this commission.

JUDGE KAUFMAN: Mr. Attorney General, may I just supplement one question that was raised before about the ILA. I think the very point that the FBI and your organization has been trying to make is that the leaders have been, in effect, defrauding the membership and there's been a desire -- at least that's the way I've seen it -- that the membership understand what kind of leadership they have so that boycotting an organization because it has bad leadership, I think, would be self-destructive. Union and the existence of unions is terribly important to the American welfare. The important thing is that the unions be clean and honest and in many instances they haven't.

Q But Your Honor --

Q -- people like Teddy Gleason who knew of the corruption in his union and took no action to remove those union heads?

JUDGE KAUFMAN: I don't want to get into those details. I just want to make a general statement that where you get leadership that is not only defrauding the public but defrauding its membership then --

Q -- like Teddy Gleason?

JUDGE KAUFMAN: Your Honor, the President called him a man of integrity in public at the beginning of his speech. Is that an appropriate use of presidential influence?

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DIRECTOR WEBSTER: I think you've got to put that question to the President. I --

Q When do your hearings begin?

DIRECTOR WEBSTER: We haven't gotten the exact --

Q How many will you have?

DIRECTOR WEBSTER: We don't know that.

Q Judge Webster --

Q Thank you.

Q -- as this commission is being announced, it sounds to me like the FBI's been outsmarted. I mean, it says that they've got all these new sorts of crime. Are you losing the battle? Have you just been caught off guard?

DIRECTOR WEBSTER: I never measured in losing it. It's a tough, growing battle, but I think that we've seen in the last two and half years very significant convictions of top players in organized crime families throughout the country. The numbers of convictions today and the number of prosecutions pending show a very substantial number of syndicate officials. And I hope that this process, with a number of techniques that are now in place, will continue.

I would like to say that one of the things I hope the Commission will focus on, in addition to all the other things including the involvement of traditional organized crime in heroin traffic, is the infiltration of legitimate business, utilizing funds derived from other illicit activities, such as gambling, prostitution, loan-sharking, narcotics and bribery.

Q Why can't the FBI do that by itself?

DIRECTOR WEBSTER: We're doing everything that we can within our resources. Everything that helps to focus attention upon the problem, awareness upon the problem will help bring in witnesses who believe that they can successfully assist the government and that the government will successfully prosecute on the information they're given. Everything that brings the citizens and the community into the action, I think will help the FBI.

ATTORNEY GENERAL SMITH: Let me respond to that question further. Judge Webster has not in any sense, any way been outsmarted. As a matter of fact, he's been involved in this process -- that is, setting up the Commission from the very beginning. Obviously, a commission such as this is not going to be an operating entity in the sense that the Department of Justice and the FBI is an operating entity.

This is the kind of a commission which could be compared in one sense with the old Kefauver Commission, the old McClellan Commission. They're going to be reviewing the subject from a different vantage point. And I want to say what I said earlier: that the FBI and the Department of Justice, I think, has done an outstanding job in this area and has achieved convictions and have broken up the very top level of organized crime in a number of cities around this country, most of which has gone without much observation or notice.

Q Thank you.

JUDGE KAUFMAN: May I just add that the Commission will heavily depend upon the cooperation of the FBI and the other agencies

of the government. Our confidence is such in the FBI that we will need it. But lose sight of the fact that we have one other mandate and that is to go public. The FBI does not have that. We want to expose to the public this menace. Thank you.

Q Will you have subpoena power?

JUDGE KAUFMAN: We hope to get it from Congress.

THE PRESS: Thank you.

END

11:10 A.M. EDT

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

July 28, 1983

REMARKS OF THE PRESIDENT
AT THE ANNOUNCEMENT OF THE
ORGANIZED CRIME COMMISSION

The Rose Garden

11:40 A.M. EDT

THE PRESIDENT: Well, please sit down. We can't. (Laughter.) Judge Kaufman and Attorney General Smith, Judge Webster, Chairmen Thurmond and Rodino, other distinguished members of this Commission, and ladies and gentlemen. We're here today to redeem this administration's promise to do all in our power to break apart and cripple the organized criminal syndicates that for too long have been tolerated in America.

The power of these syndicates infects every part of our society. The cost in human and fiscal terms is incalculable. The climate of lawlessness that their very existence fosters makes this confederation of career criminals a costly and tragic part of our history.

The reasons for the mob's success are clear. Its tactics and techniques are well known. Organizational cohesion and discipline, vows of secrecy and loyalty, insulation for its leaders from direct criminal involvement, bribery and corruption of law enforcement and public officials, violence and threats against those who would testify or resist this criminal conspiracy -- all of these have contributed to the curtain of silence that surrounds the mob.

Through the years, a few dedicated Americans have broken this curtain of silence and fought this menace. Their names are familiar -- prosecutor Thomas Dewey and Judge Samuel Seabury, Federal Agent Eliot Ness, Senators Kefauver and McClellan, Attorney General Kennedy, investigative reporter Don Bolles. But for too long this fight has been left to a few dedicated policemen, prosecutors, journalists, or public officials, and too often their efforts have resulted in only temporary gains against this menace.

The time has come to make these gains more permanent, to fully redeem the contributions of those who have waged a lonely battle against difficult odds. And the time has come for all of us to assist in the fight to break the power of the mob in America. It's often been said that no government can eliminate or end the illegal activities that provide much of the revenue and support for organized crime. Well, that is only true as far as it goes. I agree that government cannot stop or abolish the human impulses that make racketeering

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profitable. But I also believe we'd have the capacity to break apart and ultimately destroy the tightly-knit regional and national networks of career criminals who live off these activities.

Late last year, I announced a national strategy to expose, prosecute and ultimately cripple organized crime in America. We are proceeding carefully with the elements of that strategy. Its final goal is the removal of a blot on American history that has lasted nearly a hundred years.

As I've said before, few weapons against organized crime have proven more effective or more important to law enforcement than the investigations of the Kefauver Committee in the early '50s, the labor racketeering hearings of the McClellan Committee in the mid-'50s and the testimony of federal informant Joe Valachi before a Senate Committee in the 1960s.

While some other commissions on crime have been appointed since then, each has been of short duration and had neither the time nor the resources to fully investigate the syndicate and lay out a national program for its elimination.

I'm pleased to announce today that one of America's most distinguished jurists, Judge Irving Kaufman, from the U.S. Court of Appeals for the Second Circuit, has agreed to lead a panel of 15* distinguished Americans from diverse backgrounds and professions in this pursuit.

The purpose of this Commission, which will last for nearly three years, will be to undertake through public hearings a region-by-region exposure and analysis of organized crime, to measure its influence and impact on American society and make judicial and legislative recommendations.

Judge Kaufman has won widespread praise for his leadership of a number of important commissions on judicial and law-enforcement problems.

After I expressed my gratitude to him today in the Oval Office for taking this assignment, we were joined by the rest of the Commission members, including Senators Thurmond and Congressman Rodino, the Chairmen of the Senate and House Judiciary Committees, whom, I am especially pleased to announce, have agreed to serve on this Commission. And I want, also, to acknowledge the generous assistance of Justice Potter Stewart, who, in addition, to his other responsibilities, has agreed to play a vital role in this endeavor.

The membership of this Commission shows strong geographical balance and it includes representatives of the judiciary, the Congress, the academic community, the private sector, and most important, law enforcement

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(*20 members)

at all levels.

We've been especially careful to include, and I believe this will be one of the Commission's greatest strengths, a number of individuals who, though not widely known, have had extensive, front-line experience with organized crime and are among the acknowledged experts in this field.

I know that some will wonder why another commission is needed. They'll ask, "Aren't the Justice Department and the FBI and other law enforcement agencies damaging organized crime with their prosecutions? Don't Congressional committees have the resources to conduct investigations?" The answer to these questions is simply, yes. Recent prosecutions have done the mob considerable damage. And, yes, the Congress has, as I said before, done highly effective work with its investigations.

But prosecutions by themselves can never dig out the roots of a problem that reaches so deeply into our society. Nor is the Congress, which has many other matters on its agenda, in a position to take responsibility for the business of exposing organized crime, its latest techniques and inroads. That's why this commission is so vitally important, one of the centerpieces in our strategy for a frontal assault on the mob in America.

I believe this Commission can expose to the American people the small group of career criminals who run the rackets, push drugs, corrupt policemen and public officials and, ultimately, undermine the very basis of our democratic society itself.

I believe this Commission can mobilize the American people against organized crime by triggering the kind of public support that is vital for its final isolation and elimination.

One reason we sought to include a broad cross-section of America in the membership of this Commission stems from our firm belief that this battle can never be fully won at the federal level. Only when we work our states and communities to put out of business the racketeering that fills the coffers of organized crime, only when we fully expose and isolate those groups or individuals who work or do business with organized crime can we expect a final victory.

More than 23 years ago, as he sentenced defendants in a trial following the notorious Apalachin Conference in upstate New York a federal judge noted that the defendants before him had not stumbled into criminal activity thoughtlessly or because of underprivileged backgrounds. He referred to them as "hardened, sophisticated criminals who thought of themselves as a group above the law, men who placed loyalty to each other above loyalty to their country and its law-abiding citizens." He noted that these men "wear two faces," that "they cloaked themselves in the respectability of charitable or civic organizations, even as they work to prey on innocent people and undermine the very moral foundations of our society."

Judge Kaufman, your words were true then and, unfortunately, they are true today. I want you and the members of the Commission here to know, as you seek subpoena power from the Congress and go about the difficult tasks ahead of you,

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that you have my full support, the support of the Attorney General -- who was instrumental in the formation of this Commission, and the support of this entire administration.

And I thank all of you here. And God bless you. And I am, now, going to sign the document that is necessary.

I hate these one-word pens. (Laughter.)

(The document is signed.)

END

11:51 A.M. EDT

President Chooses 20 as Members Of Organized Crime Commission

By LESLIE MAITLAND WERNER

Special to The New York Times

WASHINGTON, July 28 — President Reagan today named a 20-member commission that he said would spend nearly three years analyzing organized crime and recommend judicial and legislative changes to help fight it.

The commission, to be headed by Judge Irving R. Kaufman of the United States Court of Appeals for the Second Circuit, will hold public hearings across the country and submit a report on March 1, 1986. It is part of an eight-point program for combating narcotics trafficking and organized crime that the President outlined last October.

In a ceremony in the steamy-hot White House Rose Garden today, President Reagan signed an executive order establishing the panel, to be formally known as the Commission on Organized Crime.

Investigations of 1950's Cited

The President compared the work of the commission to that of the racketeering investigations conducted in the 1950's by Senator Estes Kefauver and Senator John L. McClellan.

"Few weapons against organized crime have proven more effective or more important," Mr. Reagan said.

"I agree government cannot stop or abolish the human impulses that make racketeering profitable," he said. "But I also believe we have the capacity to break apart and ultimately destroy the tightly knit, regional and national networks of career criminals who live off of these activities."

According to Judge Kaufman, who participated in a press briefing with Attorney General William French Smith and the Director of the Federal Bureau of Investigation, William H. Webster, the commission will seek subpoena power from Congress.

"We've been given a broad mandate by the President, and we intend to exercise it," Judge Kaufman said. He said illegal narcotics trade alone accounted for \$79 billion a year in untaxed money.

Aides to Commission Named

Judge Kaufman, who said he did not yet know when or where the commission would hold its first hearing, noted after the briefing that he had asked Peter F. Vaira, the former United States Attorney in Philadelphia, to act as executive director of the commis-

sion. He said Alan J. Hruska, a partner in the New York law firm of Cravath, Swaine & Moore, had been asked to serve as general counsel.

The judge, who was praised by the President as "one of America's most

distinguished jurists," said he did not intend to step down from the bench.

"If it gets too demanding, I'll have to do something to lessen my load," said the judge, who is 73 years old and stepped down as chief judge for the appeals court three years ago. He added that he would have to disqualify himself from any cases involving organized crime.

Among the other 19 members of the Commission are Senator Strom Thurmond, Republican of South Carolina, the chairman of the Senate Judiciary Committee, and his counterpart in the House, Peter W. Rodino Jr., Democrat of New Jersey. Potter Stewart, a former Associate Justice of the United States Supreme Court, who was named last week to serve on the President's National Bipartisan Commission on Central America, will serve on this one as well. The panel also includes several present and former local law enforcement officials, lawyers and law professors.

Thomas DeCair, press secretary to the Attorney General, said the Commission's budget of \$500,000 for the rest of this fiscal year will come from the funds already granted to set up 12 new teams of Federal agents whose mandate is to focus on drug trafficking by organized crime.

After Mr. Reagan's speech last October announcing his program for fighting narcotics trafficking by organized crime, the Justice Department sought \$2.5 million from Congress to finance the commission. But Congress turned down that request, approving \$127.5 million of the \$130 million the Department had sought for the task forces and the commission.

Comparison to Cancer Research

At the briefing before the ceremony, Judge Kaufman said he thought the commission's mission should be likened to "cancer research," in that new answers were needed to fight the pervasive growth of organized crime throughout the country.

"We lack a comprehensive strategy for confronting this menace," the judge said, adding that even when crime leaders are tried and convicted, new ones simply replace them. He said the commission would strive for a "detailed understanding of how mobsters operate," and later vowed: "We shall not witch-hunt, neither shall we whitewash."

In response to reporters' questions, the officials said they would not judge the propriety of the President's welcoming political support from the President has received from the International Longshoremen's Association and the Teamsters, whose former president, Roy L. Williams, was convicted last year of plotting to bribe United States Senator Howard Cannon, Democrat of Nevada, and of defrauding the pension fund.

The Attorney General replied that there were "remarkable ramifications" to the "suggestion" that "we should boycott an organization" because individuals connected with it have been convicted of crimes.

"Based on what has recently happened, there might be circumstances under which we would then have to terminate all of our relationships with Congress," Mr. Smith added, drawing laughs.

Response From Congress

Later in the day three Democrats in the Senate, angered by Mr. Smith's quip, said he should apologize. In a joint statement, Senator Joseph R. Biden Jr. of Delaware and Senator Robert C. Byrd of West Virginia said that "the criminal activities of certain Teamster and I.L.A. leaders are well documented," and that the Attorney General "should disclose what information, if any, he has indicating criminal activities by the 'leaders' of Congress." Senator Sam Nunn of Georgia said he was "shocked" and that Mr. Smith "should put up or shut up."

Those appointed to the commission were identified as follows:

Phyllis T. Aranza, a lieutenant in the Houston Police Department's Homicide Division.
Jesse A. Brewer Jr., deputy chief of the Los Angeles Police Department.
Carol Corrigan, a Deputy District Attorney in Alameda County, Calif., and an Assistant Professor of Law at the University of California's Hastings College of Law.
Justin J. Diniro, executive officer of the New Jersey State Police Department and a member of the Organized Crime Committee of the International Association of Chiefs of Police.
John F. Duffy, sheriff of San Diego County, Calif.,

THE WHITE HOUSE

WASHINGTON

August 1, 1983

Dear Gene:

Thank you for the letter concerning the Teamsters Union and its new president, Jackie Presser. In that letter you detailed the allegations concerning Mr. Presser's involvement with organized crime, and questioned the appropriateness of inviting him to a state dinner.

Mr. Presser was in fact invited to a state dinner, but did not attend. The speculations by columnist Lou Cannon concerning the basis for the invitation, quoted in your letter, are Mr. Cannon's own, and I do not think it would serve any purpose for me to comment on them. I am certain you will appreciate that many factors -- including the need to maintain contact with the leadership selected by an important organization -- go into the decisions of whom to invite to White House functions.

We are, however, grateful for the benefit of your views on this matter, and will certainly give them the serious consideration warranted by their source. The depth of your concern about the evil of organized crime is shared by this Administration. In that regard I am delighted that you have agreed to accept the President's call and serve on his Commission on Organized Crime. As the President said in announcing the Commission, its purpose is "to do all in our power to break apart and cripple the organized criminal syndicates that for too long have been tolerated in America," and I know you will make an invaluable contribution to that goal.

Thank you again for your letter, your concern about the serious problem of organized crime, and above all your willingness to help us do something about it.

With best wishes,

Sincerely,

Edwin Meese III
Counsellor to the President

Mr. Eugene H. Methvin
Senior Editor
Reader's Digest
1730 Rhode Island Avenue, NW
Washington, D.C. 20036

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

August 1, 1983

ORGANIZED
CRIME

MEMORANDUM FOR RICHARD A. HAUSER

FROM: JOHN G. ROBERTS

SUBJECT: Letter from Eugene H. Methvin to
Ed Meese Concerning Jackie Presser

Immediately prior to your departure en vacances you asked that I prepare a response to the above-referenced letter. In his letter Methvin criticizes the White House for inviting Presser to a State Dinner, and encloses evidence of Presser's alleged involvement with organized crime: a search warrant affidavit alleging Presser embezzled union funds, and several newspaper articles containing similar allegations.

You will recall that Presser was in fact invited to the State Dinner, but declined the invitation. There's not much we can say in response, other than to thank Methvin for his concern and note the importance of maintaining some contact with officials such as Presser. In light of Methvin's sincere interest in organized crime, we can also applaud his recent appointment to the Organized Crime Commission.

A draft reply for Meese's signature is attached for your review. It makes no mention of the President's recent speech to the Longshoremen, which also must have riled Methvin.

Attachment

THE WHITE HOUSE

WASHINGTON

August 4, 1983

MEMORANDUM FOR EDWIN MEESE III
COUNSELLOR TO THE PRESIDENT

FROM: FRED F. FIELDING *Orig. signed by FFF*
COUNSEL TO THE PRESIDENT

SUBJECT: Correspondence from Eugene Methvin

Attached is a suggested response for your signature to the letter sent to you by Mr. Methvin concerning Jackie Presser.

Attachment

FFF:JGR:aw 8/4/83

cc: FFFielding
JGRoberts
Subj.
Chron

**WHITE HOUSE
COUNSELLOR'S OFFICE TRACKING WORKSHEET**

50002

- O - OUTGOING
- H - INTERNAL
- I - INCOMING

RAH

JUN 16 1983

Date Correspondence Received (YY/MM/DD) 83106109

Name of Correspondent: Eugene H. Methvin

CN Mail Report User Codes: (A) _____ (B) _____ (C) _____

Subject: Writer suggests that Jackie Presser should not be invited to a White House State Dinner due to his alleged association with organized crime figures.

ROUTE TO: Office/Agency (Staff Name)	ACTION		DISPOSITION		
	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
<u>CNHAMM</u>	<u>O</u>	<u>83106113</u> ^{WS}			<u>1 1</u>
<u>CUFIEL</u>	<u>D</u>	<u>83106115</u>			<u>1 1</u>
<u>WAT04</u>	<u>D</u>	<u>83106116</u>			<u>5 83106127</u> ^{WS}
					<u>1 1</u>
					<u>1 1</u>

ACTION CODES:

- A - Appropriate Action
- C - Comment/Recommendation
- D - Draft Response
- F - Furnish Fact Sheet to be used as Enclosure

- I - Info Copy Only/No Action Necessary
- R - Direct Reply w/Copy
- S - For Signature
- X - Interim Reply

DISPOSITION CODES:

- A - Answered
- B - Non-Special Referral
- C - Completed
- S - Suspended

FOR OUTGOING CORRESPONDENCE:

- Type of Response = Initials of Signer
- Code = "A"
- Completion Date = Date of Outgoing

Comments: _____

Keep this worksheet attached to the original incoming letter.
 Send all routing updates to Central Reference (Room 75, OEOB).
 Always return completed correspondence record to Central Files.
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READER'S DIGEST



SENIOR EDITOR • *Eugene H. Methvin*

June 7, 1983

145171

Dear Ed:

Back in December 1981, the President entertained Teamster President Roy Williams (who was then under indictment) and his IBT executive board at the White House. Shortly afterwards, I sent you a copy of the Senate Permanent Investigations Subcommittee report on Williams released the previous May 20 labeling Williams an "organized crime mole" and detailing a small part of the FBI evidence showing his La Cosa Nostra connections with Kansas City Mafia boss Nick Civella, Chicago mobster Joey Lombardo and Allen Dorfman. Earlier this year, after Williams' conviction for conspiring to bribe a key Senate chairman, a conspiracy that actually blocked -- for more than a year -- trucking deregulation legislation that was very important to American consumers, the Justice Department dumped in the trial record much more shocking evidence of the LCN-IBT alliance. All this information presumably should have been available to the White House before the President entertained Williams and the Teamsters. To my mind, at least, there is some appearance of impropriety or at least unwisdom in the President holding audience with a man under indictment where there is substantial public record evidence he is a key figure in the national criminal syndicate's domination of a major labor union.

Now I am grieved to see -- in Lou Cannon's Washington Post "Reagan & Co." column of May 9 -- that "as a mark of respect, Administration officials will invite newly installed Teamster President Jackie Presser to a White House state dinner." I hope you will take time to read the enclosed two items:

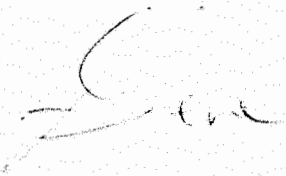
1. Affidavit for a search warrant filed by Labor Department investigators in October 1982. The warrant was granted, and the Cleveland Organized Crime Strike Force conducted a day-long search of Presser's Local 507 headquarters.

2. Cleveland Plain Dealer article dated March 16, 1983, reporting that one organized crime figure pleaded guilty to an embezzlement conspiracy in which he collected \$109,800 from Local 507 and performed no work.

Also on the same sheet is a recent Wall Street Journal article describing the Cleveland investigation and mentioning testimony by Jimmy Fratianno, the highest-ranking LCN member ever to defect and the only one ever to testify in court against other members. Fratianno has testified in court, before Congress and before a state crime commission, under oath, that Presser was an LCN ally and engaged in corrupt activities with Fratianno and other LCN figures. That is public record testimony, generally available, if you care to review it.

I hope you can give some personal attention to these matters and perhaps prevent the President from climbing into bed with some embarrassing political bedfellows. Over to you!

Cordially,

A handwritten signature in dark ink, appearing to be 'J. Meese', is written below the word 'Cordially,'.

Enclosures

Mr. Ed Meese
The White House
Washington, D. C.

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<i>NO Document Description</i>	<i>pages</i>		<i>tions</i>

1	AFFIDAVIT FOR SEARCH WARRANT	1	10/7/1982	B6 B7(E)	397
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	RE ILLEGAL LABOR ACTIVITIES (WITH ATTACHED EXHIBITS C3, C1, A)			B6 B7(C) B7(F)	

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