

Mr. SALERNO. Yes; I do, Senator. I feel very strongly that way. Before we proceed, I would like to introduce Mr. Barry Brokaw, who is the National Capital Director of the National Council on Crime and Delinquency. He might be able to help us with questions.

The CHAIRMAN. Thank you, Mr. Salerno.

Senator Nelson, do you have any questions?

Senator NELSON. No questions.

The CHAIRMAN. Senator Hatfield?

Senator HATFIELD. No questions.

The CHAIRMAN. Senator Cotton.

Senator COTTON. This antique dealer to whom you refer, he was not one of those who was forced into some illegal activity himself?

Mr. SALERNO. No, sir; he was not.

Senator COTTON. Could you say approximately what percentage of these people who are dealing with this type of loan shark are eventually forced by the loan shark to break the law themselves?

Mr. SALERNO. It would be very difficult for me to try to arrive at a percentage, sir. I do believe percentagewise it would be small, comparatively small. It would depend on what there is about the borrower that might possibly lend itself to this type of thing.

You see, I am familiar with a gentleman who had a warehouse. Now, that had apparent immediate benefit to people involved in other criminal activities. When he had difficulty meeting the payments of his loans, it was suggested to him that he could allow the use of his warehouse as a drop for stolen property—a highjacked truck would be moved into his warehouse, and the property deposited there. They would in effect offer him a payment, which was not given to him in cash, but merely as a credit on his payment.

I have seen where a hairdresser—you might not think that a hairdresser had very much to offer. That hairdresser was employed as a man who would be what we call a fingerman for a jewel robbery. He was located in a very affluent part of New York City. Most of the ladies who went into the salon for cosmetology and beauty treatment were people who had jewelry. As women do sometimes, they would discuss the maid's day off, when their husband was out of town, the value of their jewelry, and where it was kept. That hairdresser was being used as what we call a fingerman in a jewel theft, by burglars, or stickup men. He would be given a part of the proceeds, again, not in actual cash, but only as a credit against his indebtedness.

So it would depend. I think percentagewise the number would be comparatively small.

Senator COTTON. Thank you.

The CHAIRMAN. Mr. Salerno, one more question, and we will go to our next witness.

Are these loan sharks usually independent operators, or are they usually members of an organized criminal syndicate?

Mr. SALERNO. Most successful ones—and the majority of loan sharks I have known, if I can put it that way—are part of a criminal syndicate. There is just one other little thought I would like to leave with you, from the point of view of how much do they keep in the way of records and so on.

Some people have a mistaken idea that loan sharking is something conducted entirely as a cash business. Not at all. The most successful loan shark that I ever came across ran his business entirely with