

use the business to dispose of stolen property, such as a truckload of vacuum cleaners or toasters; or they may use restaurants as purchasers of stolen or tainted meat. Once in control of a business, an organized crime leader can, through fear, force others to buy his products.

In one section of Philadelphia, all the restaurant owners buy a certain brand of food product. When one owner was asked recently why he continued to purchase this particular brand, he stated succinctly; "If I bought another brand, my restaurant would be a parking lot tomorrow morning."

This statement is even more significant when one realizes that organized crime in Philadelphia does not resort to violence very often. And yet, the aura of unexercised power was sufficiently severe to deter free economic choice by this restaurant owner.

Other examples can be cited. In New England, loan sharks have taken taxi medallions as security for usurious loans. Factory owners have reported a fear of union trouble as their reason for not discouraging loan shark activities among employees in the plants. A Louisiana organized crime leader loans money every year to restaurants and tavern owners who in turn must accept jukeboxes, cigarette machines, and pinball machines from distributors controlled by the crime czar.

Investigations in New York revealed that loan sharks had taken over businesses ranging from optical stores to nightclubs to brick companies. Sometimes, the new owner loots the business and then files a bankruptcy petition. On other occasions, either the new owner or the original debtor will arrange for a successful fire, so that insurance proceeds will be available to help pay back the debt.

Licensed loan institutions can loan money at usurious rates by falsifying their records. If a customer procures a \$10,000 loan, he may have to pay back \$3,000 instantly. The official records and the payments thereon will show interest at 6 percent on \$10,000.

The above examples afford some indication of the relationship between loan sharking and other forms of criminal activity. Arson, disposal of stolen goods, sale of adulterated products, bankruptcy fraud, gambling, economic coercion and extortion are only part of the picture. Loan sharking is also one of the important ways in which organized crime services the ad hoc criminal operations of professional criminals.

Finally, the loan shark victim can easily be forced into a role of regular participant in one or another form of illegality. In Chicago, a delinquent borrower began passing bad checks to obtain repayment funds. Later, he was told to commit robbery in order to obtain money. Another borrower robbed two stores of \$21,800 to satisfy a usurious debt. The conniving bank employee accepts stolen securities as collateral on money loaned to sharks as a source of capital. The debtor who is in the trucking business finds himself "fingering" shipments for organized crime's hijacking activities. A waterfront employee needing funds to pay the loan shark turns to thefts of cargo. A debtor who was vice president of a sportswear firm turned to embezzlement as his source of funds. A trucker was forced to ship and store stolen property.

No one knows the full extent of loan sharking activities in the United States. Many law enforcement officials estimate that gross revenue from this source runs into the multibillion dollar range. Neither is there any way to allocate exact proportions to the amount of loan