

I am honored you invited me to participate in your public hearings.

The Illinois Crime Investigating Commission Act was adopted by the 1963 General Assembly. We became operational in December of that year when I was appointed its Executive Director.

Our bi-partisan Commission is composed of 4 State Senators and 4 State Representatives appointed by the majority and minority leaders of both houses. The Governor appointed 4 Public Members.

We have 2 Co-Chairmen, one from each party.

As Executive Director I have the responsibility of the day-to-day supervision of 15 investigators, 1 Legal Counsel and 1 Auditor.

Our Act specifically recognized the influence of Organized Crime in the frequent subversion of governmental, political and economic institutions within the State of Illinois.

The Act clearly defined our mandates. (1) To investigate organized crime and establish the facts and general background relating thereto, (2) to investigate individual crimes having any bearing on Organized Crime, (3) to investigate the connection of organized crime and politics and (4) the connection with legitimate business.

In that context it is our obligation to protect the public safety, public peace, public health, public morals, public welfare or public justice of the State of Illinois through the statewide investigation of organized crime.

I shall address my remarks to the thrust of your public hearings, namely the operations of Organized Crime in the loan sharking area and the impact on Small Business.

During my 4 and ½ years with the Illinois Crime Investigating Commission and about 24 years with the Federal Bureau of Narcotics much has been said about the criminal syndicate's involvement in legitimate business. This has been usually characterized as penetration or infiltration. In recent years the term of domination becomes more appropriate.

There has been little evidence of gangster involvement in large commercial and industrial complexes. But there has been monumental documentation of the Mob's huge participation in what would constitute your definition of Small Business.

In Illinois we don't use the label of loan sharking or shylocking for the despicable practice of loaning money at usurious rates of interest. In the East the term of "Vigorish" is applied to the 10 to 25% weekly interest rate.

Instead, we cloak these practices under the more appropriate title of "juice". It is a juice loan. Juice is also applied to the weekly payments which are in excess of 500% annually.

A witness testified before us that the word is synonymous with squeeze. The juice customer is squeezed of his blood, morale and soul. The pressure of meeting 500% annual interest rates and fleeing inexorable physical reprisals, when he can't pay, are often unbearable.

As you know the term "Shylock" derives from the character of the same name in William Shakespeare's "Merchant of Venice". Over the years the name was applied to any one engaged in the usurious money lending business in the American underworld. The word "Shylock" was unintentionally slurred by guttural, illiterate hoodlums. The word came out as "Shark".

Juice gangsters in the Chicago area epitomize the words of Shakespeare's Shylock. In addressing Bassanio who was seeking a loan, he said "* * * if you repay me not on such a day, in such a place, such sum or sums as are expressed in the condition, let the forfeit be nominated for an equal pound of flesh, to be cut off and taken in what part of your body pleaseth me".

The late William "Action" Jackson, a petty Chicago muscleman, failed to meet his weekly juice payments. He was strung up alive, on a meat hook, while the juice men cut off a piece of his buttocks, stabbed him with ice picks, and burned him with an acetylene torch. He died from shock.

How do these activities affect small business? The National Crime Commission assessed the economic impact of gambling at \$7 billion dollars annually. Ranked next were narcotics and loan sharking at an annual economic impact of \$350 million each.

Juice gangsters also squeeze the financial community. Small businesses are denied their rightful share of this economy. Banks, savings and loan companies, finance companies, acceptance companies, factors lose their normal share of the legal loan business to organized crime loan sharks.