

APPENDIX II

STATEMENT OF VIRGIL W. PETERSON, EXECUTIVE DIRECTOR, CHICAGO CRIME COMMISSION

Of various phases of America's staggering crime problem, none is more insidious or significant, than organized crime. And organized crime is an integral part of the total crime picture. It has exerted its unholy influence in every phase of the crime problem, and on the economic and political life of various communities in our nation. Its toll in loss of life, in violence and threats of violence, in losses to our economy and its subversive effects on law enforcement and government has reached astronomical proportions.

In the various communities in this nation criminals, hoodlums and racketeers of every stripe have organized for the purpose of operating and controlling illicit enterprises or, at times, to take over and operate legitimate business ventures through the use of illicit means. Organized crime is simply a criminal conspiracy which attempts to perpetuate its existence and its operations through making arrangements for immunity by corrupting law enforcement officers or political leaders or by imposing fear.

Organized crime is totalitarian in character. Rigid discipline is maintained within the ranks through fear. Defectors or double-crossers are dealt with summarily—through beatings, torture, extortion or death. Since 1919 there have been over 1,000 gangland type killings in the Chicago area alone. During a thirty-nine month period prior to July 1967, forty-four gangland type murders occurred in Eastern Massachusetts.

Competition is eliminated and a monopoly maintained through threats, extortion and violence or frequently through collusion with corrupt law enforcement officials, political leaders, labor union officials and segments of the legitimate business community, and always there is present the element of fear.

Efforts are made to insulate the top echelon of organized crime from the actual day to day illicit operations which are carried on by underlings. This insulation or removal from day to day operations makes it difficult to develop concrete evidence against the top leaders of organized crime that will form the basis for criminal prosecution. And in the background, usually are lawyers and accountants who give constant advice designed to make it difficult to detect, and even more difficult to successfully prosecute the big-wigs of organized crime.

It is important to note that the rank and file of organized crime are not set apart from the general criminal population. For the most part the ranks of organized crime are filled with burglars, holdup men, extortionists and murderers. Revealing was the list of guests attending the wedding of Chicago gang leader Tony Accardo's daughter a few years ago. Geographically, there were hoodlum representatives from California, Michigan, Wisconsin, Indiana and Illinois. Present were a brother of Al Capone; a former state representative who was a leader in waging a fight against all anti-crime legislation in the state legislature for many years; and a physician who founded a hospital and was subsequently convicted of a three-million dollar counterfeiting plot. The guest list was virtually a Who's Who in Chicago's powerful organized underworld. And many of the invited guests had been convicted in the past of such offenses as burglary, bank robbery, armed robbery, bombings, gambling and other serious crimes.

During the past several months a substantial number of top flight crime syndicate hoodlums have been convicted in Federal Court in Chicago. The concentration of investigative activity by the FBI in particular and by the Internal Revenue Service agents, as well as other Federal investigative agencies, has been highly productive in the development of evidence against many of the crime syndicate leaders in the Chicago area. The men have been vigorously prosecuted by the United States Attorney.

Although many of the individuals convicted have been important cogs in the gambling, loan shark, vice, and narcotic rackets—the principal sources of revenue to organized crime—their activities embrace almost every type of criminal activity.

Among those convicted was Sam Battaglia, one of the most powerful underworld bosses in the Chicago area and the owner of a nightclub, tenement building and a several-hundred acre farm on which he raises thoroughbred race horses and Hampshire hogs. Battaglia and his chief aide, Joseph Amabile, received fifteen year prison sentences for extortion from a building contractor (conspiracy to commit extortion affecting interstate commerce). Also convicted on similar extortion charges were Rocco Pranno, west side syndicate boss, and two politicians, a former alderman and a former building commissioner of suburban Northlake,