

**REPORT OF THE  
VIRGINIA STATE CRIME COMMISSION  
TO  
THE GOVERNOR  
AND  
THE GENERAL ASSEMBLY  
OF VIRGINIA  
ON  
ORGANIZED CRIME**



**SENATE DOCUMENT NO. 29**

**COMMONWEALTH OF VIRGINIA  
Department of Purchases and Supply  
Richmond  
1975**

REPORT OF THE  
VIRGINIA STATE CRIME COMMISSION  
TO  
THE GOVERNOR  
AND  
THE GENERAL ASSEMBLY  
OF VIRGINIA  
ON  
ORGANIZED CRIME

Senate Document No. 29

Commonwealth of Virginia  
Department of Purchases and Supply  
Richmond  
1975

COMMONWEALTH OF VIRGINIA



Lewis W. Hurst  
*Executive Director*

Laurence Leonard  
*Assistant Director*

VIRGINIA STATE CRIME COMMISSION  
SUITE 905, 701 EAST FRANKLIN STREET  
RICHMOND, VIRGINIA 23219

TELEPHONE  
(804) 770-4991

TO: THE HONORABLE MILLS E. GODWIN, JR.  
GOVERNOR OF VIRGINIA

AND

THE GENERAL ASSEMBLY OF VIRGINIA

Pursuant to its charge by the General Assembly to keep the public informed as to the operations of organized crime, the subcommittee of the State Crime Commission, as listed below, offers the following report on Organized Crime.

This report is also included with other information as a part of the Annual Report of the State Crime Commission.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Stanley C. Walker".

Stanley C. Walker,  
Chairman

**MEMBERS**

From the Senate of Virginia  
Stanley C. Walker, *Chairman*  
George S. Aldhizer, II  
George M. Warren, Jr.

From the House of Delegates  
Claude W. Anderson  
L. Ray Ashworth  
Arthur R. Giesen, Jr.  
John L. Melnick  
Theodore V. Morrison, Jr.  
A. L. Philpott

Attorney General of Virginia  
Andrew P. Miller  
Appointments by the Governor  
Erwin S. Solomon, *Vice Chairman*  
William N. Paxton, Jr.  
George F. Ricketts

MEMBERS OF COMMISSION

Stanley C. Walker, CHAIRMAN

Erwin S. Solomon, VICE CHAIRMAN

George S. Aldhizer, II

Claude W. Anderson

L. Ray Ashworth

Andrew P. Miller

Theodore V. Morrison, Jr.

William N. Paxton, Jr.

A. L. Philpott

George F. Ricketts

George M. Warren, Jr.

STAFF

Lewis W. Hurst, Executive Director

STUDY GROUP

Walter J. Akers	Stanley E. Gaulding
Harold Anderson	William H. Hodges
John F. Atwood	M. David Hooper
George C. Austin	Robert F. Horan, Jr.
George W. Bailey	Rex F. Hoskins
Kenneth M. Covington	Royston Jester, III
Joseph H. Campbell	John E. Kent
Jose R. Davila, Jr.	Nathan O'Neil
Richard Davis	A. Dow Owens
Frank S. Duling	W. R. Wetherington
William L. Durrer	Alfred W. Whitehurst
Frank Gard	Frank A. S. Wright

John S. Pearson

## ORGANIZED CRIME

In recent years the Crime Commission has become alert to organized crime and its methods. The Commission has offered legislation based on recommendations of its Organized Crime Detection Task Force.

As a part of a continuing effort to aid local law enforcement in the war on organized crime the Crime Commission, at the suggestion of its task force, offered a two-day training program, "Awareness". This program was held in Richmond during October. Attendance was limited to representatives of the Sheriffs' Association, police chiefs and officers from departments having intelligence capabilities. Ninety-five officers attended this program.

The training program offered the participants an opportunity to hear speakers of national repute as well as making it possible for the officers to establish personal contacts with each other. Such personal contacts will serve to facilitate communications between the various police departments.

Featured speakers included Ralph Salerno and Professor Brandt Allen. Salerno is a nationally recognized expert on organized crime and its methods of infiltration. Formerly with the New York City Police Department in the organized crime division, Salerno served as a consultant to the President's Commission on Law Enforcement and the Administration of Justice. He is presently with the Queens County District Attorney's office working in the area of organized crime.

Dr. Allen of the University of Virginia Graduate Business School is a nationally recognized expert on computer fraud. He has worked with the F. B. I. in developing programs to defeat such criminal activity.

Attorney General Andrew P. Miller addressed the group to give an overview of Virginia's approach to organized crime. Senator Stanley Walker, chairman

of the Crime Commission, was the featured speaker at the evening session of the seminar. Other speakers included Alfred King, deputy director of the Organized Crime and Racketeering Section of the U. S. Department of Justice. Lt. Rex Hoskins of the Virginia State Police Department's organized crime unit headed a list of prominent Virginia lawmen as speakers.

Salerno has developed what he calls the classic patterns of organized crime found in the United States. These are separated into two groups of illegal activities, the first are Strategic and Tactical crimes which include arson, assault, blackmail, corruption, extortion and even murder. He adds that these crimes are designed to bring about a "surrender on the part of the victim or competitor through the use of violent force or fear".

The second group of activities consists of illegal businesses and activities including cigarette smuggling, frauds, gambling, illegal alcohol, loansharking, prostitution, narcotics and other similar crimes. In such activities, it is found that a high profit exists for the syndicate. Also, to be considered is the fact that most persons who participate in such activities do not consider themselves victims of crime.

Legitimate business also falls victim to the cartel of organized crime. Salerno feels that organized crime personnel continually seek out businessmen in managerial positions who are "dead-ended in their jobs" or in financial straits since these would possibly be more susceptible to the overtures of organized crime.

Among legitimate businesses that often fall prey to the criminal group are auto agencies, factoring, juke boxes, nightclubs, trucking, vending machines and others. In addition to many of the above individually owned businesses, business corporations have also been invaded. Among these are banking, construction,

wineries, credit cards, hotels, real estate, labor, securities and others.

According to Salerno, the only area left for organized crime to seek to dominate and control is government.

Dr. Allen feels that the computer thief is a special breed. He steals large amounts and is very difficult to catch. Losses to business from embezzlements and frauds including computer thefts run into billions of dollars. In 1974 alone, computer fraud losses were in the "tens of millions of dollars and perhaps twice that amount will be undetected".

Dr. Allen gave numerous examples of how computer thieves operate and how these operations go undetected. Also, it was made clear that because of the complexities of computer networks and their relationships to other such networks, computer information is far from secure.

A need for better informed and more skilled management is cited by Dr. Allen as one of the best weapons against computer fraud. This would mean the development of more effective auditing controls.

Attorney General Andrew P. Miller addressed the group to give an overview of Virginia's approach to organized crime. The Attorney General commended the Crime Commission for calling attention to the activities of organized crime and further praised the Organized Crime Detection Task Force for its work in advising the Commission.

General Miller proposed that Virginia restore the death penalty for such crimes as killing for hire and kidnapping, thereby putting organized crime on notice that the state will not tolerate its activities. Further, the Commonwealth should profit by the experience of other states and guard against corruption in state and local governments.



Senator Stanley Walker, chairman of the Crime Commission, in his remarks as featured speaker at the evening session, praised the high integrity of the criminal justice personnel in Virginia. He feels that the state and local police of Virginia were comprised of men and women "who are dedicated and strive for the highest standards in police work".

Phase two of this project will be a series of one-day conferences on organized crime to be held in four strategic locations in the state during 1975. These meetings will be open to businessmen and local citizens as well as local police. Salerno has agreed to serve as a principal speaker at each of those meetings. The regional meetings have already generated a great deal of interest among the public.

The seminar was planned by the Organized Crime Training Seminar Subcommittee. This group is made up of local and state police officials. These officials included Colonel Frank S. Duling, Bureau of Police, Richmond; Major Richard C. Davis, Department of Police, Virginia Beach; Major George Austin, Newport News Police Department; Colonel M. David Hooper, Roanoke Police Department; and Lt. Rex Hoskins, Department of State Police; and Lewis W. Hurst, executive director of the Crime Commission. An agent of the Federal Bureau of served with this planning group. In addition, an official of the Division of Justice and Crime Prevention, Joseph Tucker, worked closely with the subcommittee.

This subcommittee and its activities are directed by the Organized Crime Detection Task Force headed by Delegate A. L. Philpott, member of the Crime Commission. Other members include Sheriff Walter J. Akers, Floyd County; Harold Anderson, Virginia Beach; Sheriff John Atwood, Prince George County; Major George Austin, Newport News Police Department; Sheriff George W. Bailey,

Albemarle County; Joseph H. Campbell, commonwealth's attorney, Norfolk; Judge Kenneth Covington, Municipal Court, Martinsville; Judge Jose R. Davila, Jr., General District Court, Richmond; Major Richard Davis, Virginia Beach Police Department; Colonel Frank S. Duling, chief of police, Richmond; Colonel William L. Durrer, then chief of police, Fairfax County; Colonel Frank Gard, chief of police, Martinsville; Stanley E. Gaulding, director, Division of Enforcement, Alcoholic Beverage Control Board, Richmond; Judge William H. Hodges, First Circuit Court, Chesapeake; Colonel M. David Hooper, superintendent of police, Roanoke; Robert F. Horan, Jr., commonwealth's attorney, Fairfax County; Lt. Rex Hoskins, Organized Crime Unit, Department of State Police, Richmond; Royston Jester, III, commonwealth's attorney, Lynchburg; Sheriff John E. Kent, Augusta County; Lt. Nathan O'Neil, Norfolk Police Department, Norfolk; A. Dow Owens, commonwealth's attorney, Pulaski; W. R. Wetherington, chief arson investigator, State Fire Marshal's Office, Richmond; Judge Alfred W. Whitehurst, Corporation Court, Norfolk; Judge Frank A. S. Wright, Circuit Court II, Richmond; Major John S. Pearson, executive officer, Department of State Police, Richmond.

This seminar was coordinated for the Virginia State Crime Commission by Carroll R. Hormachea, special consultant to the Commission. He will also coordinate the various regional seminars.

The project was financed under a grant from the Virginia Council on Criminal Justice.

It is hoped that the participating officers will work with other members of their various departments and share with them the knowledge gleaned during the "Awareness" program. Also the proceedings of the October program, which are being currently prepared, are to be distributed throughout the state.

Officers participating in this program, designated by localities, were: Alexandria - Sergeant Richard Henry Hughes, Investigator Cecil R. Hensley, Chief

John B. Holihan and Captain Norman Grimm; Arlington - Lieutenant William Stover, and Lieutenant Robert Minnick; Bristol - Captain Andrew Kristofek, and Assistant Chief Jack D. Stigall; Buena Vista - Lieutenant Oney D. Lawhorn; Charlottesville - Detective Lieutenant James M. Haden; Chesapeake - Captain R. W. Smith and Sergeant D. S. Zeagler; Chesterfield County - Lieutenant Joseph E. Pittman, Jr.; Danville - Chief T. Neal Morris and Captain Beverley C. Elliott, Jr.; Emporia - Chief Elmer L. Grizzard; Fairfax County - Investigator Richard C. Conahan, Corporal Robert G. Lockhart, Investigator John E. Bazyak and Investigator John B. Grimsley; Falls Church - Detective Sergeant Stanley K. Johnson; Franklin - Chief William G. O'Brien; Fredericksburg - Lieutenant Conrad C. Brennan; Hampton - Commander Ronald C. Doran, Chief Pat G. Minetti and Detective Lieutenant Fred C. Godsey; Harrisonburg - Chief Julius F. Ritchie; Henrico County - Captain Reuben A. Wiltshire, Colonel Wilmer J. Hedrick, and Sergeant Aubrey S. Powell; Lexington - Captain James A. Kirby; Lynchburg - Commander Dan F. McCulloch and Commander Charles M. Glass; Martinsville - Major Robert L. Stowe and Colonel Francis A. Gard, Sr.; Suffolk - Captain Gilbert F. Jackson and Sergeant Robert V. Bryant; Newport News - Captain Charles Hinman, Captain Hubert A. Memory, Major Herbert T. Williams, Assistant Chief Donnie M. Burns; Norfolk - Chief Arlyn J. Brown, Lieutenant Nathan O'Neal, Sergeant George D. Nichols, Sergeant James H. Howlett, Deputy Police Chief Ted Miller, Jr., and Captain Newbrie B. Rogerson; Petersburg - Lieutenant Elwell D. Barbour and Sergeant Bernard J. Goodyear; Portsmouth - Detective Wilbor C. Gavin, Sergeant Burdett D. Wood, Captain Kenneth C. Allen and Detective Sergeant Richard A. Tally; Radford - Captain James M. Whitt; Richmond - Colonel Frank S. Duling, Captain Joseph R. Higgins, Sergeant Dalton R. Duling, Detective Victor A. Greene, Detective Lewis R. Owens, and Detective Harry B. Carr; Roanoke - Lieutenant J. L. Viar, Sergeant H. J. Heath, and Detective

J. S. Barrett; Salem - Chief George T. Eades; Staunton - Captain Davie L. Bocock and Captain Thomas E. Fitzgerald; Virginia Beach - Major Richard C. Davis, Detective Sergeant Allen Sinclair, Detective Joseph C. McCormick and Detective William H. Blevins; Williamsburg - Chief Andrew L. Rutherford; State Police - Colonel Harold W. Burgess, Major John S. Pearson, Major Charles M. Boldin, Captain Hiram V. Boone and Lieutenant Rex F. Hoskins; Fire Marshal's Office - James S. Link, E. W. Buchanan, W. R. Wetherington, and J. S. Bennett; Alcoholic Beverage Control - Stanley E. Gaulding and George T. Dixon; Sheriffs' Association - Investigator Daniel S. Tucker, Campbell County, N. H. Sprinkle, Botetourt County, G. I. Johnson, Orange County, Billy J. Dolinger, Smyth County, John E. Kent, Augusta County, Lacy Anderson, Frederick County, and Samuel R. Royall, Jr., Nottoway County; Organized Crime Task Force Members attending - Sheriff Walter Akers, Floyd County, and Harold Anderson, Virginia Beach.