

JIM MAYER - MIKE HARD -  
261-2222 Sec'y. - BOBBY.

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## REPORT OF CRIME TASK FORCE

This report presents the preliminary conclusions and recommendations of the Crime Task Force consisting of its Chairman, R. F. Shaffer; W. P. Reilly; James P. Simmons; William G. Orr; and Richard Mallery. William Shover and Pat Murphy are ex-officio members.

### PURPOSE

The Crime Task Force was assigned the responsibility of investigating criminal activities in Arizona and then developing strategies as to how this group might help in the attack on growing crime, particularly organized crime.

### BASIS OF REPORT

This report is based upon interviews with Attorney General Bruce Babbitt and his Chief Assistant James Zagel; Maricopa County Attorney Moise Berger and his Administrative Aide Sid Mitchell; Maricopa County Sheriff Paul Blubaum and his Administrative Aide Russell Brunning; Phoenix Police Chief Lawrence Wetzel and Lt. Glenn Sparks; Arizona State University Jack LaSota, former Legal Advisor to the Phoenix Police Department; Phoenix City Manager John Wentz; and others involved in law enforcement and criminal justice.

### CONCLUSIONS

The Crime Task Force has reached the following conclusions.

// 1. Organized Crime:

Organized crime exists in Arizona. It involves intricate conspiracies against the people of this state carried on over many years and aimed at controlling whole

fields of activity in order to amass huge profits. Its organization is covert and works within complex structures outside government control.

The traditional core of organized crime activity is narcotics, gambling and prostitution. But organized crime is often extensively and deeply involved in legitimate businesses, particularly restaurants, taverns, land development, securities and labor unions, where it uses illegitimate methods: fraud, tax evasion, bribery, extortion and murder.

Organized crime in Arizona probably involves a national syndication, but much of it is locally controlled.

Ordinary police methods are not usually effective against the organization. New investigative tools, laws and procedures are needed, together with massive public support and resources, to enable local and state law enforcement agencies to act effectively against organized crime.

## 2. Ordinary Crime:

Violent crimes of murder, assault, rape and robbery, as well as the property crime of burglary, have reached a dangerous, unacceptable level in Maricopa County.

Public fear of these crimes threatens to diminish the quality of life in the Valley and strikes at the most fundamental right--the right to feel secure at home and on the streets.

However, we commend the administration and personnel of the Phoenix Police Department. Despite the rapid growth of Phoenix and one of the lowest ratios of police to population in the country (2.2 police officers per thousand versus a national average of 3.4 in metropolitan areas), the Department has performed admirably. For example, the Department initiated and conducted the investigations which led to the indictments and convictions in the Great Southwest Land case, including the indictments against Ned Warren.

## 3. Apathy:

A climate of public apathy exists in Arizona and permits crime, particularly organized crime, to grow and prosper. This same passive indifference has too often pervaded our law enforcement and criminal justice system.

#### 4. Ineffective Law Enforcement and Criminal Justice:

The law enforcement and criminal justice system in Arizona has frequently been inefficient, unresponsive and passive. As a result, organized crime has flourished because it has not been adequately investigated and rigorously prosecuted.

#### RECOMMENDATIONS

The Crime Task Force makes the following recommendations and urges that action be undertaken immediately to implement them:

##### 1. Phoenix Police Department:

We support the Phoenix Police Department's plan to organize an intelligence unit to collect evidence for grand jury indictments against persons operating land development, gambling and other rackets in Phoenix.

We believe the Department needs additional personnel, both regular police officers to combat ordinary crime and, as a first priority, highly trained legal and accounting specialists to investigate the sophisticated, complex activities of organized crime. Therefore, we urge the Phoenix City Council to act promptly and favorably on these matters.

##### 2. Maricopa County Attorney:

The Maricopa County Attorney should establish a new, separate unit devoted exclusively to investigating and prosecuting organized crime. This unit should be administered independently by a prosecutor with specialized skills in the area of organized crime who would be under the supervision of the Maricopa County Attorney, and would submit reports to the Arizona Attorney General pursuant to A.R.S. § 41-193. We urge the Maricopa County Board of Supervisors and the Maricopa County Attorney to establish this unit immediately.

The Maricopa County Board of Supervisors should dispatch its responsibility for reviewing the administration and effectiveness of the Maricopa County Attorney's Office, as well as fulfilling its traditional function of providing adequate resources.

##### 3. Arizona Attorney General:

We support the initiative of Attorney General Bruce Babbitt against organized crime. Presently pending before

the Arizona Legislature are four bills proposed by the Attorney General.

House Bill 2377 provides for the establishment of a permanently impaneled statewide grand jury which, among other things, could investigate organized crime and corrupt public officials throughout Arizona. County grand juries are limited to investigations of crimes within their own counties and they can only sit for four months. A comprehensive investigation must cross county lines if necessary and might require more than four months. The proposed legislation does not diminish the existing powers of county attorneys, nor does it require a defendant to stand trial outside the county where the offense was committed.

House Bill 2375 expands the immunity statute to prevent prosecution of a witness on any evidence resulting from his testimony. This is necessary in order to get more information and cooperation from witnesses. At present, we have what is known as a transactional immunity law--the witness is immune from prosecution only with respect to the particular criminal act about which he is testifying.

House Bill 2376 broadens the present accomplice statute, which is one of the most restrictive in the nation, to allow testimony without independent corroborating evidence. At present, testimony must be corroborated by independent evidence which, for example, makes it difficult to prove bribery of public officials because it is done on a one-to-one basis and in cash.

House Bill 2005 strengthens the conspiracy law by raising the maximum penalty from four years to the same penalty which would be given the actual participant in a narcotics violation. Under the existing law, a conspirator is most likely to serve a short term even though he may have been responsible for organizing and initiating the crime.

The principles embodied in these bills are needed weapons in the fight against organized crime in Arizona and the enactment of these principles should receive the highest priority by this group and the Arizona Legislature.

A.R.S. § 41-193 requires the Attorney General to supervise county attorneys and to obtain reports from them pertaining to the public business of their offices. This has not been done on a consistent basis in the past. The Attorney General should initiate the supervision and reports required by this statute. These reports should be available for public inspection.

4. Governor of Arizona:


We urge Governor Raul Castro to establish a special unit of investigators and prosecutors from Arizona counties which will work under the supervision of the Attorney General to stop the flow of drugs into Arizona from Mexico.

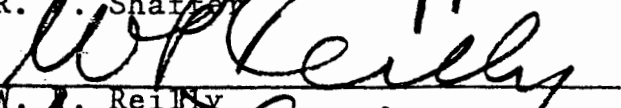
We support the principles embodied in House Bill 2260 which reorganizes the State Real Estate Commission by giving it more responsibility for reviewing and directing the activities of the State Real Estate Department and by putting both the Commission and the Department directly under the control of the Governor. As a matter of public policy, a majority of the Commission should not be members of the real estate industry. Past experience indicates that both the Commission and the Department must do a better job of controlling land fraud in Arizona.

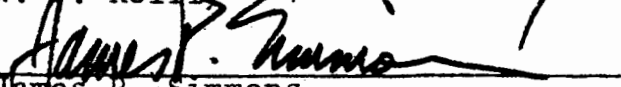
In fact, many state agencies have the businesses of organized crime under their potential review and supervision. These state agencies must become more alert, more aggressive and show more initiative than in the past. In order to accomplish this, we recommend that the Governor initiate a review of the structure and performance of state agencies and commissions in order to increase their effectiveness against organized crime.

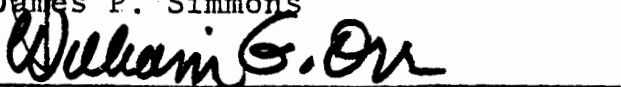
SUMMARY

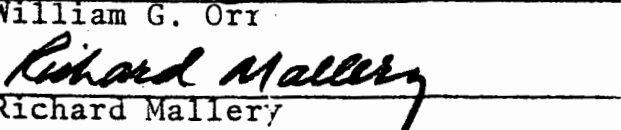
This report concludes that the growing activity of organized crime is a major problem in Arizona and fragmented, uncoordinated efforts will not succeed in arresting this growth. A coordinated program of federal, state and local regulatory and law enforcement agencies, together with massive public support, is required to substantially reduce or eradicate organized crime in Arizona.

  
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R. F. Shaffer

  
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W. J. Reilly

  
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James P. Simmons

  
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William G. Orr

  
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Richard Mallery

Phoenix, Arizona  
March 4, 1975

Phoenix 40

B-8 PHX, Nov. 19, '76  
The Arizona Republic

### 3 win terms with group aiding ASU

State senator Sam Ward, Don Blum and John ... elected ... terms on the board of directors of the Arizona State University Foundation a nonprofit organization established ...

State senator (R)

Construction exec

Phoenix 40, Retired utility exec, elected to legislature.

Re-elected for an ... years was ... Mrs. ... J. Mc ...

Corporate exec

Wife of Talley, Phx 40 and Pres., Talley Ind.

Mrs. ... and ...

Phoenix 40 and chief exec of Arizona Public Service

Judge Walter E. Craig.

... for next ... Walter ... chairman ... Carl S. ... president, Wayne ... secretary, ... associate secretary, and ...

Related to Grady Gammage

President, KOOL Radio & Televison, Phoenix 40

Other board members are Tom ... Bay Cowden, Mrs. Robert ... John Kleckner, Russ Lyons Jr., Dan ... Lewis Rustin, James P. ... and ...

Real estate

President, United Bank, Phx 40

Board chairman of First National Bank, Phoenix 40

Also ... Edmer ... Hazel ...

One of founders of Valley National Bank

Home construction exec

... lists in ... the A.S. ... has been ... more ... the 720 acres ... the university.

GENERAL INVESTMENT CO.

ross becker

12-15-76

Phyc 40

GENERAL INVESTMENT CO. was originally known as ~~Kerr~~ KERR INVESTMENT CO. It was formed on 12-~~1~~27-46. CLAUDE F. HARMON and FRANK SNELL were the incorporators and directors. Snell was a stat agent.

The name of the company became GENERAL INVESTMENT CO. with Snell as pres and Harmon as sect on 3-19-48. On the 48 statement Snell was the pres, MARK WILMER was the vp, JOSEPH T. MELCZER, JR.

was the sect, JAMES A. WALSH WAS THE tres. From this point until the last statement listed, which was 1975, no assets were shown. On the 69 statement there was a statement that said "this company acts as a trustee and therefore has no assets and liabilities.

In 1953 EDWARD JACOBSON replaced ~~Walskh~~ Walskh as tres. From 53 on all officers and directors were members of the law firm o Snell and Wilmer, 3100 Valley Center, Phx.

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CABOT, CABOT & FORBES PROPERTIES OF TUCSON

12-13-76

ross becker

CABOT, CABOT & FORBES PROPERTIES OF TUCSON was formed 1-16-73. CLAGUE A. VAN SLYKE was state agent. Slyke, of Tucson, and DANIEL G. WHEELER of Boston were the incorporators. EDWARD C. LEBEAU ~~of~~ of phx. appointed stat agent on 6-6-74.

Officers and directors listed in 73 (no accompanying financial statement). GERALD W. BLAKELY JR. Brookline mass, pres; GORDON E. EMERSON JR., exec vp, Boston; DANIEL G. WHEELER JR. seniro vp, Dover; JOHN M. HINES, vp, Wayland mass; THEODORE S. ALLEN JR., Phx vp; DENNIS J. KEALEY, vp, Waban <sub>m</sub>ass; WILLIAM S. ABBOTT, sect, Buzzards Bay <sup>Ma</sup>ass; F. COLLOREDO\*MANSFIELD, tres, S. Hamilton, <sub>m</sub>ass; CAROL ESTES, asst. sect. Phx; RUTH A. WHITE, asst sect, Middelboro, <sub>m</sub>ass.

Blakely, Wmerson, Wheeler and Hines were directors.

Same officers in 74, but no figures supplied. Same officers for 75. Assets of \$21,250. That amount listed as investment in partnership.