

CALIFORNIA DEPARTMENT OF JUSTICE  
**ORGANIZED CRIME IN CALIFORNIA**  
CRIMINAL INTELLIGENCE BUREAU

**2001 ANNUAL REPORT TO THE CALIFORNIA LEGISLATURE**



**Bill Lockyer, Attorney General**

# Organized Crime in California

Annual Report to the California Legislature

2001



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## Message from the Attorney General

The *2001 Organized Crime In California, Annual Report to California Legislature* identifies the major crime groups operating within California in 2001 and discusses their criminal activities, major investigations of 2001, and future trends.

California law enforcement was transformed by events in 2001. Prior to September 11<sup>th</sup>, law enforcement authorities locked resources with organized crime groups who were seeking power and money through illegal activities, who battled rival groups to defend territory, and sought to expand their power bases through bloody confrontations that often left innocent citizens as victims.

Since September 11<sup>th</sup>, law enforcement agencies have redirected much of their resources to counter-terrorism efforts to prevent a repeat of the terrible loss America experienced on that September day. California law enforcement agencies have made a Herculean effort to change the "usual way of doing business" to an environment in which agencies cooperate and share information in the common goal of preventing another attack.

To achieve the mutual goal of combating terrorism, the California Anti-Terrorism Information Center was created to assist in protecting Californians and California's assets from terrorist attacks. The terrorist attacks changed the focus of law enforcement agencies at all levels within California. The center has representatives from federal, state, and local agencies. Eight task forces were established in strategic locations in California to collect information and assist in investigations of possible terrorist activities.

Even though combating terrorism became a new priority, law enforcement continued to curb the activities of the other organized crime groups. These criminal groups have not gone away. A few examples of the challenges faced by law enforcement officials include information that the twenty-year truce between the Hells Angels and the Mongol outlaw motorcycle groups has crumbled and the rising tensions between these groups may erupt into a war. Environmental extremists continue targeting organizations that conduct animal testing and develop genetically altered plants. Eurasian organized crime's (EOC) ability to metamorphize itself to elude detection is a continuing concern to law enforcement in its efforts to detect and prevent EOC's criminal enterprises.

No matter the challenge, California law enforcement authorities have been able to rise to meet it. I am confident that they will continue to be able to do so.

BILL LOCKYER, Attorney GeneralA

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## Executive Summary

The *2001 Organized Crime In California, Annual Report to California Legislature* is submitted in compliance with Government Code section 15028, which requires the California Department of Justice to submit an annual report to the Legislature. The annual report describes the major criminal groups that operate in the state and provides a brief discussion of each group's criminal activities.

The eight major categories of criminal groups currently operating within California are outlaw motorcycle gangs, international terrorists, Asian organized crime, criminal extremists, Russian/Eurasian organized crime, criminal street gangs, white supremacists and traditional organized crime. International terrorism is a new group included in the annual report. After the terrorist attacks on September 11, 2001, much effort has been expended to detect and prevent acts of terrorism.

Criminal groups continue to participate in activities that have proven to be lucrative, and, in some cases, these groups are expanding into new criminal activities. Tensions between some gangs within criminal groups are escalating, and these tensions may lead to turf wars that threaten innocent citizens.

Analysis of current criminal group activities indicate that the following trends can be expected:

- The Hells Angels and the Mongols will continue to struggle for control of areas in California and the West. Each gang will extensively recruit new members and allow for shorter hang-around and prospect times to gain greater numbers of members. California will experience a significant rise in membership in both gangs. The tension between the two groups will likely escalate. The truce between the Hells Angels and the Mongols appears to have collapsed. This information is supported by a violent encounter in San Diego County that resulted in two people shot and three stabbed. This may be the beginning of violent encounters leading to a war between gangs.
- California, with its famous landmarks, attractions and broad economic base, is an attractive target for international terrorists. These are the type of high profile targets that al-Qaeda is known to prefer and that result in mass casualty, mass-media coverage and maximum psychological trauma. Law enforcement authorities in California must remain vigilant to protect Californians and California's landmarks, attractions and economic base.
- International terrorists have used California for extensive fund-raising activities and are likely to attempt to continue this activity.
- Terrorists have increasingly resorted to organized criminal activities to help finance their operations. Trafficking in controlled substances is one of the more lucrative criminal activities undertaken by terrorists.
- Asian organized crime will continue to seek activities that are high-profit and low-risk, such as credit card fraud and software counterfeiting.

- Existing peacefully with other criminal enterprises, Asian organized crime groups will continue to expand their association with other regional, national and international organized crime groups and criminal gangs.
- Environmental criminal extremists are expected to continue their vandalism in California, with activities peaking just prior to crop harvests. Additionally, corporations involved in genetic testing and research are likely to be targets of attacks by environmental extremists.
- Criminal extremists are expected to use the Internet and e-mail to communicate information on demonstrations and events.
- Criminal extremists will conduct paramilitary training, stockpile and transport weapons and explosives, as well as collect information on their adversaries and work in clandestine cells to avoid detection by law enforcement.
- Eurasian organized crime (EOC) groups continue their money laundering and bank fraud activities. Due to the increased number of direct flights between the former Soviet Union and the West Coast, smuggling of money, narcotics and other contraband is expected to increase.
- The continued decline of the Russian economy increases the possibility of Eurasian organized crime participating in the trafficking of illegal weapon sales, including weapons of mass destruction.
- African American and Hispanic gangs will probably continue their territorial feuds that erupt into turf wars. Gang members in California prisons may also participate in the feud.
- Hispanic gangs may become involved in white collar crimes, such as check forgery and counterfeiting of documents (identification cards), that will attract more members due to high profits and low risks attached to that criminal activity. This, in turn, will attract more members.
- White street gangs will continue to associate with white supremacy groups and outlaw motorcycle gangs.
- White supremacist groups will use the Internet to encourage crimes against their adversaries. Additionally, white supremacist groups may escalate their weapons use to include explosives.
- The Southern California Crime Family (La Cosa Nostra) will continue to be formally recognized, but it is weak and will not regain strength and power unless a strong, new boss initiates a major recruitment. East Coast traditional organized crime figures will continue to operate legitimate businesses in California as a stable base for their illegal activities. They will continue to use their hidden ownership of legitimate businesses to launder money, skim profits, evade taxes and conduct other illegal activities. In the void created by the weak Southern California Crime Family, LCN will continue to form alliances with other criminal groups in California to conduct its business.

- As increasing numbers of Indian tribes rush to build their own lucrative Indian gaming establishments, government oversight by law enforcement agencies will need to remain vigilant to prevent infiltration by the LCN.





## Outlaw Motorcycle Gangs

### INTRODUCTION

Outlaw motorcycle gangs (OMG) continue to pose a serious threat in California. OMG are notorious for their use of violence, intimidation, extortion, drug trafficking and other criminal activities to attain financial gain. Their use of fortified clubhouses, weapons and explosives, and counterintelligence efforts indicate OMG maintain an elaborate criminal organization. OMG range in their level of criminal sophistication from groups of “local thugs” to well-organized criminal networks. The larger OMG are well-structured and highly organized. Each motorcycle gang has its own set of rules and regulations governing membership. A member is expected to follow these bylaws and constitutions, or penalties are imposed on those who violate the rules. Due to heightened tension among OMG, organizations will continue to recruit new members and start new chapters or puppet clubs to expand, not only in California, but throughout the country. Larger numbers allow the gang to establish strength when fighting for territorial dominance. The lucrative assets of the international drug trade have been the premise for the increase in OMG violence. In addition to drug trafficking, OMG profit through other criminal enterprises such as weapons trafficking, burglaries, contract killings, extortion, money laundering and prostitution. In 2002, California can expect to remain at risk from the violence surrounding the escalating OMG tension.

### BACKGROUND

Individual OMG appear to be very close-knit groups whose membership is generally selective. Membership requires introduction to gang members, a “prospect” period of several months and a final vote of acceptance. No one may attend gang meetings other than full members, and gang business is not discussed with non-members. A “code of silence” is strictly enforced among members of the gang.

All outlaw motorcycle gangs can be identified from their official uniform referred to as their “colors” or “patch.” “Colors” refer to the gang’s official emblem, which is worn on the back of their jackets. They include the gang name on the top rocker; the gang emblem in the center, with the letters “MC”; and the location of the gang on the bottom rocker. A gang’s “colors” are considered sacred and can only be worn by full members. A person going through an initiation period may only wear the bottom rocker indicating the territory of control in which the gang operates and the letters “MC.” Non-members who perpetrate the use of a gang’s “colors” could receive a severe beating, and some have even been killed for this act of disrespect.

In California, there are approximately 47 OMG in existence, with an estimated 1,500 members. The Hells Angels and Mongols are the top two organizations, with the largest number of members in the state. There are 18 Hells Angels’ chapters in California, with an estimated 275 members. Eighteen confirmed chapters are in Shasta, Sonoma, Sacramento, San Jose, Merced, Monterey, Fresno, San Fernando Valley, San Bernardino, Daly City, Oakland, Richmond, San Francisco, Vallejo, Ventura, Orange County, and San Diego. Unlike the Hells Angels, the Mongols



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OMG is essentially concentrated in the Southern California region. According to the Mongols web site, there are 53 chapters throughout the United States, 45 of which are located in California.

Due to the frequent change in members and the disbanding of chapters, it is difficult to verify the number of clubs that actually exist. There are approximately 20 chapters known to law enforcement in California with membership numbers ranging from 200 to 350. Both gangs consider themselves to be “one-percenters (1%),” a term coined from a statement made many years ago by motorcycle enthusiasts. The statement claimed that only one percent of those who ride motorcycles are involved in criminal activities. The Hells Angels and the Mongols have proudly adopted the term and don the 1% emblem on their clothing.

The Hells Angels was formed in Fontana, California, in 1948. Since then, they have grown into the largest outlaw motorcycle gang in the world. They have member chapters located in the United States, Canada, Germany, Sweden and numerous other countries. They have evolved into one of the most prolific OMG in the United States. Historically, the Hells Angels have profited from numerous lucrative criminal activities. They have been involved in drug trafficking, prostitution, stolen vehicles, fraud, weapons trade and money laundering -- as well as holding legitimate business interests. The organization has used its profits to maintain a legal defense fund in order to defend itself as an organization and its members from prosecution. These funds are also generated through fund-raising events conducted by the Hells Angels in conjunction with other affiliated outlaw motorcycle gangs.

The Mongols formed in the early 1970s, with its first chapter in the San Fernando Valley. They established themselves as both a national and an international organization by establishing chapters in Oklahoma, Georgia, Colorado and Mexico. Like the Hells Angels, the Mongols are also known to be involved in manufacturing and distributing narcotics. Some club members have been charged with various offenses ranging from firearm violations to murder.

Tensions between the two gangs rose during the late 1970s when the Hells Angels established their bottom rocker as “California.” They made it a rule that no other club was to have “California” as their bottom rocker. When the Mongols decided to use the “California” rocker, a hostile environment was created between the two clubs. Violence erupted and turf wars began. On Labor Day weekend in 1977, two Mongols were gunned down by Hells Angels members near Escondido, California. What followed were a series of violent retaliatory events.

By April 1978, both clubs began to “fly their colors,” which indicated that some kind of truce had taken place. The Hells Angels and the Mongols are the only two OMG allowed to use “California” as their bottom rocker. Besides minor individual incidents, the two rival gangs have held the truce for more than 20 years. Although the two gangs publically declared a truce, sporadic violence was continuous. Intelligence gathered from events of the last two years indicates the “cold” war between the two gangs has escalated to an all-out battle to control and monopolize the criminal biker underworld.



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### **Criminal Activities**

OMG involve themselves in various criminal activities for further advancement of the gang's assets. Some of the criminal activities associated with OMG include assault, robbery, murder, kidnaping, arson, loan sharking, vehicle theft, bombing, drug and weapons trafficking, rape and prostitution. Drug trafficking is believed to be the number-one income producer for OMG, especially the Hells Angels. Today, the Hells Angels are considered to be one of the largest drug distribution organizations in the United States. The Hells Angels have been known to traffic methamphetamine, amphetamine, cocaine, marijuana, hashish, LSD, heroin, PCP, ecstasy, methaqualone, seconal, steroids, STP, MDA, mescaline and other drugs. Members of other OMG are required to obtain approval from the local Hells Angels' charters in order to distribute drugs in the Hells Angels- controlled territory, and they are usually required to pay a "street tax."

Members of OMG continue to be involved in the importation and distribution of cocaine, the production and distribution of methamphetamine, the cultivation and exportation of high-grade marijuana and the illegal distribution of prescription drugs. In February 2001, George Christie, Jr., president of the Ventura chapter of the Hells Angels, was arrested and charged with running a criminal gang that stole drugs from an Air Force clinic and sold them to high school students. A total of 28 defendants were charged on 132 criminal counts. Members are accused of peddling Vicodin and Valium on or near school campuses in Ojai and Ventura.

The top two biker gangs in California have been in competition to monopolize and control the criminal biker underworld. The Hells Angels and the Mongols are continuously recruiting in order to increase the number of members. Some of their recruitment tactics are a little less than conventional. In March 2001, the Fresno Hells Angels approached the Exiles Motorcycle Club, a military biker club in Hanford, California, and advised them that their club no longer existed. While some members of the Exiles joined the Hells Angels, others decided to elect new leadership instead of disbanding. When members of the Fresno Hells Angels found out about this, they went back to the Exiles' clubhouse and severely beat two Exiles members. In July 2001, a dozen Fresno Hells Angels members were arrested on charges of beating and robbing members of the Exiles club who refused to disband.

Historically, the Hells Angels have created an organization comprised of middle-aged men. The members tend to stay in their club for longer periods than members of other OMG. Because of this, many chapters are experiencing the need to recruit younger "untested" members to continue their business and to maintain the strength of their clubs. Newer members are being recruited from other existing OMG and from white street gangs. Law enforcement is encountering the increasing presence of younger men in the various chapters. Some of the newer members have been used to technologically upgrade the ways in which the club operates both their legitimate, as well as their illegitimate, businesses. The wave of newer generation members are more aggressive and impatient, which could greatly enhance the violence potential for an eventual "biker war."



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An analysis of the Mongols' infrastructure indicates their members are younger and more "thug-like" than the more established Hells Angels. The Mongols are identified as an extremely violent outlaw motorcycle gang. They are considered one of Southern California's most violent and criminally active motorcycle gangs. They have been known to recruit inmates still incarcerated in prison who receive their patches immediately after their

release. In a recent Bureau of Alcohol, Tobacco and Firearms undercover investigation, members of the Mongols were charged with murder, drug and firearm violations. The investigation resulted in the execution of 58 search warrants and the arrest of 29 members. The Los Angeles County Sheriff's Department seized kilogram quantities of cocaine, stolen motorcycles and dozens of illegal firearms.

### ANALYSIS AND TRENDS

- In order to control factions of California, it is highly likely that both the Hells Angels and the Mongols will extensively recruit new members and make allowances for shorter "hang-around" and "prospect" times to gain strength in numbers. The two gangs have been positioning themselves to control certain areas of the West. California will encounter a significant expansion from both the Hells Angels and the Mongols.
- California will continue to see an increase in the use of surrogate, or "puppet," clubs. The larger clubs may implement the use of their support clubs to carry out their activities. These smaller clubs are becoming more violent in order to make a name for themselves and prove their worth to the appropriate club.
- Tension will escalate between the Hells Angels and the Mongols. Although the relationship between the two gangs has been in a fragile state for many years, recent events show the truce has collapsed. The collapse began in 2001, when Hells Angels and Mongols members were involved in a brawl in San Diego County involving guns and knives. Not only did this event result in two people shot and three stabbed, but it was the first volley in what may potentially escalate into a violent war.
- Because of the "war" between the Hells Angels and the Mongols, it is expected there will be an uproot of new chapters of both gangs in California.



## International Terrorism

### INTRODUCTION

“Our war on terror begins with al-Qaeda, but it does not end there. It will not end until every terrorist group of global reach has been found, stopped or defeated.”

*- President Bush, address to the Joint Session of the Congress, September 20, 2001*

The events of September 11, 2001, represent the most devastating terror attacks in modern history. While the attacks did not occur in California, the increased activity of law enforcement has placed a microscope on all terror organizations, regardless of their affiliation with the September 11 attacks. Historically, attacks by members of international terrorist groups have occurred on California soil, and the state is not a stranger to targeting eyes of other international terrorist organizations. Terror cells are operating across the United States, — including California — gaining the logistical, operations and financial support needed to carry out their attacks. The following section summarizes the patterns seen in the terrorist organization of al-Qaeda, Hamas, and Mujahedin-e Khalq Organization (MEK) to educate and inform of the current and future threats posed by these groups.

The California Anti-Terrorism Information Center provides local, state and federal law enforcement with timely and valuable intelligence resources to assess, prevent, and respond to terrorist threats. Through increased coordination and information-sharing among federal, state and local agencies, law enforcement is establishing a solid foundation to identify the complex structure, logistical support and potential targets of international terrorist organizations. This multi-agency cooperation is critical in achieving the ultimate success in the identification and prevention of terrorist activities.

### BACKGROUND

#### *Al-Qaeda*

##### *Introduction*

Al-Qaeda (The Base) is a globally active terrorist network developed by Osama bin Laden in the early 1980s to support the war effort in Afghanistan against the Soviets. Their victory in Afghanistan led to the rise of the jihad (Holy War) movement. Al-Qaeda helped finance, recruit, transport and train primarily Sunni Islamic extremists to pursue its extreme objectives of reestablishing a “Muslim state,” free of corrupt Muslim governments and Western influences through sophisticated terrorist operations throughout the world. Al-Qaeda’s operational network carries out reconnaissance and surveillance of symbolic Western political and economic targets and conducts assassinations, bombings ambushes, and other attacks. Al-Qaeda is primarily a Middle Eastern group based out of Asia, but maintains a worldwide, umbrella network supporting several Islamic terrorist organizations. The organization provides associate groups with military expertise, religious/political indoctrination and terrorist guerrilla training. The World Trade Center



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and the Pentagon bombings on September 11, 2001, have demonstrated that al-Qaeda continues to maintain a complex network of independent terrorist cells throughout the United States, including California. During 2001, al-Qaeda operatives have been drawn to California to organize, plan and execute acts of terrorism in the United States and abroad. California's diverse population and extensive infrastructure will continue to attract al-Qaeda operatives who pose a threat to the safety of citizens of this state.

### Background

In 1984, Palestinian/Jordanian Sheikh Dr. Abdullah Azzam, a loyal supporter of the Jordanian Muslim Brotherhood, and Osama bin Laden, an inherently wealthy Saudi, set up the Maktab al Khidmat lil Mujahidan al-Arab (MAK or Afghan Service Bureau) in Peshawar, Pakistan, to mobilize Afghan and Arab volunteers to fight the Soviet soldiers in Afghanistan. MAK housed, trained and financed the anti-Soviet jihad. The organization disseminated propaganda, raised funds and recruited new members through a network of offices maintained in 35 countries throughout the world, including 30 offices in major cities across the United States. At the end of the anti-Soviet Afghan jihad in 1989, MAK's socio-economic, political and military infrastructure provided a solid foundation to support al-Qaeda's worldwide terrorist network. Trained mujahidin (warriors of God) fighters returned home from the internationally supported jihad in Afghanistan, with extensive jihad experience and the desire to precipitate radical, social and political change. Other mujahidin fighters returned to Afghanistan to support bin Laden's elite al-Qaeda terrorist network. MAK and other Islamic charities acted as humanitarian covers for al-Qaeda to provide physical and financial support to other regional conflicts in which Islamic guerrillas were involved — including such regions as Chechnya, Kashmir, Tajikistan, Uzbekistan, Somalia, Malaysia, Indonesia, Georgia, Yemen, Algeria and Egypt.

Since 1989, Osama bin Laden and al-Qaeda began to refocus their attention on the United States and its allies. Al-Qaeda's primary goal is to establish a pan-Islamic Caliphate throughout the world by gaining the support of other Islamic extremists to overthrow "non-Islamic" regimes and expel Westerners from already established Islamic regimes. Bin Laden demanded the elimination of Western influence, particularly the United States, from Islamic countries to support the reestablishment of a "Muslim state." Al-Qaeda has been determined to drive U.S. armed forces out of the Saudi Arabian peninsula and Somalia by violent direct and covert terrorist attacks. Al-Qaeda's goals are based on radical interpretations of the Koran, the holy book of Islam, which includes the use of violence to oppose non-Islamic governments. Bin Laden has publically voiced his hatred for Americans and openly supported attacks against them.

In an attempt to create a coalition of Muslims to forge against the "infidels" (those not governed under the groups' strict Islamic interpretation), members of al-Qaeda issue fatwahs (an Islamic decree) to indicate that such attacks are justified under the groups' interpretation of Islam and necessary to attain a "Muslim state." Since 1992, al-Qaeda has disseminated various fatwahs to other members and associates of al-Qaeda who directed attacks aimed at the United States. On February 23, 1998, Osama bin Laden endorsed a fatwah that declared war against Americans under his newly formed alliance that he refers to as the "International Islamic Front for Jihad on the Jews and Crusaders," which is comprised of several al-Qaeda associate terrorist groups. The fatwah, published in Al-Quds al-Arabi, announced that it was "the duty of all Muslims to comply with God's order by killing Americans and their allies, both civilian and military, anywhere in the world where they can be found."



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### Membership/Strength

Al-Qaeda may have several thousand members and associates. Western intelligence sources have estimated that approximately 110,000 recruits graduated from al-Qaeda training camps in Afghanistan between 1989 and 2001. Al-Qaeda screened out roughly 3,000 of the most committed, trustworthy and skilled operatives to become full al-Qaeda members. In addition, al-Qaeda established relationships with several Sunni Islamic terrorist groups and assisted them both directly and indirectly to carry out attacks at home and abroad. Some of the Islamic extremist terrorist organizations that operate under al-Qaeda's umbrella network include al-Gama's al-Islamiyya, the Al-Jihad, Egyptian Islamic Jihad, the Islamic Movement of Uzbekistan, the Harakat ul-Mujahidin, the Abu Sayyaf Group, Jemaah Islamiyah, Hezbollah and a number of jihad groups in other countries, including Sudan, Egypt, Saudi Arabia, Yemen, Somali, Eritrea, Djibouti, Afghanistan, Pakistan, Bosnia, Croatia, Albania, Algeria, Tunisia, Lebanon, the Philippines, Tajikistan, Azerbaijan, the Kashmir region of India and the Chechen region of Russia. Al-Qaeda also maintains active cells and associates to facilitate its activities in several countries including Kenya, Tanzania, Indonesia, Malaysia, Australia, Germany, France, Italy, the United Kingdom, Canada and the United States.

### Training and Operations

Al-Qaeda training camps in Afghanistan and Sudan have provided al-Qaeda operatives with strategic, logistical and psychological training required to carry out complex terrorist operations. Al-Qaeda training camps covered several methods of military, guerrilla and urban warfare tactics. The training camps provided al-Qaeda recruits training in a wide range of criminal activities, including counterfeiting documents, covert communications, weapons, explosives, kidnappings, torture, assassinations, ciphering codes, espionage, surveillance and intelligence gathering, and techniques to withstand law enforcement interrogation during detention and incarceration. Al-Qaeda also trained recruits for martyrdom operations, in which the indoctrinated homicide bomber is trained to inflict maximum damage on the enemy target by fearlessly striking it while killing himself as well.

Unlike the standard hierarchal structure of traditional organized crime groups, al-Qaeda terrorist cells operate autonomously from location to location. The fragmented structure helps guard against penetration by informers. Typically, each cell for an al-Qaeda terrorist attack includes a strategist who is linked to the higher tiers of leadership and who controls the finances (such as Mohammad Atta in the September 11, 2001, al-Qaeda terrorist attacks).

Areas of operation for al-Qaeda operatives in California show a high degree of mobility and adaptability to chosen destinations. Several operatives married American citizens and attended universities throughout the country. Their adaptability is also displayed in their vast array of employment. Operatives have found employment as security guards, computer network support specialists, computer engineers and taxi drivers. Al-Qaeda operatives also show a propensity to use various aliases to assist their involvement in criminal activity.

Al-Qaeda has continually expanded its operations through the distribution of propaganda, fund-raising and recruitment of individuals who share in its contempt toward Israeli and United States governments. Al-Qaeda targets symbolic Western political and economic icons that could result in mass casualty, mass media coverage and maximum psychological trauma. During 2001, no attacks were carried out by al-Qaeda in California;



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however, terrorist surveillance and unconfirmed threats have been imposed on several of California's globally recognized targets including Disneyland (Anaheim); Coronado Bridge and U.S. Navy facilities (San Diego); Golden Gate Bridge, San Francisco-Oakland Bay Bridge, and San Francisco International Airport (San Francisco); and Los Angeles International Airport (Los Angeles). An attack on these targets would cause great amounts of distress among civilians, a high number of casualties and harm to the state's economy.

### External Aid

Osama bin Laden is believed, by federal authorities, to be the principal source of funding for al-Qaeda. Bin Laden inherited tens of millions of dollars from his father, Muhammad bin Laden, a wealthy Saudi of Yemeni origin and founder of the Bin Laden Group, a construction firm heavily involved with Saudi government contracts. Al-Qaeda also maintains several front businesses, worldwide business investments and covertly diverted funds from Muslim charities. Al-Qaeda continues to operate through the "hawala," or unregulated banking system based on the use of promissory notes for the exchange of cash and gold.

### Al-Qaeda 2001 Activity in California

Al-Qaeda has demonstrated its high degree of sophistication in its operations to carry out complex, large-scale terrorist attacks through an international network of terrorist cells. No al-Qaeda terrorist attacks have been carried out in California; however, al-Qaeda continues to pose a serious threat to the citizens of this state. There have been several individuals with connections to al-Qaeda either in California or arrested en route to California. Most al-Qaeda operatives who have been in California have undergone terrorist training before arriving in this state. Intelligence information indicates this state has been utilized for covert operations and fund-raising activities. The following activities in California include al-Qaeda operatives who have traveled through or resided in California, including those with ties to the September 11 attacks, plotted attacks against critical California infrastructure or raised significant funds for the organization.

On September 11, 2001, Americans experienced the most horrific suicide bombing in the history of international terrorist incidents. Nineteen al-Qaeda operatives hijacked four fully-fueled commercial planes en route to Los Angeles and San Francisco from Boston, New Jersey, and Washington, D.C. Two hijacked planes crashed into the World Trade Center buildings in New York City; one hijacked plane crashed into the Pentagon in Washington, D.C.; and a fourth hijacked plane crashed into a grass field in Shanksville, Pennsylvania, while heading to either the Capitol Building or the White House. The attacks killed more than 3,000 people.

The World Trade Center and Pentagon attacks demonstrated that trained al-Qaeda operatives have been transplanted in cells throughout the United States, including California. Three of the hijackers who crashed American Airlines Flight 77 into the Pentagon, Hani Hanjour, Khalid Al-Midhar and Nawaq Alhazmi, have had a presence (visited, lived, and/or worked) in California, particularly in San Diego. Material witnesses in San Diego also have been taken into custody for their suspected association and logistical support for the San Diego-linked September 11 hijackers. Information obtained from law enforcement authorities shows that several al-Qaeda operatives in the United States have been





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drawn to California to organize, plan and execute acts of terrorism in this country and abroad. Their previous operations in this state are an indication of the present and pending danger to California's security.

In May 2001, Wadih El-Hage, a United States citizen, was convicted of conspiracy and perjury in the East Africa embassy bombings case. El-Hage was a key figure in the planning, organization and preparation of al-Qaeda attacks against United States and United Nations armed forces in Mogadishu, Somalia, on October 3-4, 1993, and the bombings of the United States embassies in Nairobi, Kenya, and Dar es Salaam, Tanzania, on August 7, 1998. Prosecutors believed El-Hage was a top member of Osama bin Laden's terrorist network. El-Hage worked for a variety of bin Laden's front companies. He was a valuable employee to bin Laden, according to prosecution witnesses, because his American citizenship gave him license to travel freely. El-Hage was arrested on September 20, 1998, and has been in custody since. On May 29, 2001, Wadih El-Hage, along with the three other defendants, was found guilty of three counts of conspiracy to murder United States nationals and destroy United States property abroad. He also was found guilty of 18 counts of perjury for lying before 1997 and 1998 federal grand juries investigating al-Qaeda, bin Laden and the embassy bombings. El-Hage was indicted in May 2001, and was convicted on all counts and sentenced to life imprisonment without parole on October 18, 2001. El-Hage was known to frequent California, and briefly possessed a Northern California address, but no terrorist activity was carried out within the state.

In December 1999, California had its first direct encounter with a possible terrorist attack within the state's borders by an al-Qaeda operative, Ahmed Ressaym. Ressaym was associated with the foreign terrorist organization known as the Armed Islamic Group (GIA), which maintains close ties to al-Qaeda. According to law enforcement authorities, Ahmed Ressaym was arrested by U.S. Customs Service in Port Angeles, Washington, on December 14, 1999, while he attempted to enter the country with explosives and fusing systems components in the trunk of his rented vehicle. Ressaym had planned an attack on the Los Angeles International Airport during the millennium celebrations and to recruit other Algerian individuals to assist him. Ressaym was found guilty on nine federal counts for plotting to bomb sites in the United States during millennium celebrations in April 2001. He is currently serving a 27-year prison sentence.

In September 2000, an American citizen born in California, Raed Hijazi, was charged with possessing weapons and explosives, being a member of al-Qaeda and plotting to bomb American and Israeli sites in Jordan during the millennium celebrations. He grew up in Jordan and Saudi Arabia and converted to Islam. In 1999, Hijazi engaged in extensive explosive and mortar training in Afghanistan. He was also involved in recruiting new members for al-Qaeda and purchased materials, such as sulfuric and nitric acid, for explosives to be used in the Jordan plot. Hijazi was sentenced to death by a Jordanian military court in September 2000. His sentence was overturned in appeal in late 2002, and a retrial is currently underway.



## **HAMAS**

### **Introduction**

HAMAS is a radical Islamic fundamentalist group that was formed in late 1987 as the Palestinian branch of the Muslim Brotherhood. HAMAS was founded upon principles of Islamic nationalism that uses political and violent campaigns, including terrorism attacks, to pursue the creation of an Islamic Palestinian state in place of Israel. HAMAS became active during the “intifada,” the revolt by the Palestinian Arabs who were living in the Israeli-occupied territories. HAMAS was officially designated by the United States as a foreign terrorist organization on October 8, 1999. During 2001, HAMAS actively raised funds in California to support terrorist activities in the Middle East; however, the organization has not carried out any terrorist activity within the United States.

### **Background**

HAMAS’ ideology is popular among Palestinians because it calls for the “total destruction of Israel” and the reclamation of all of Israel’s land in support of a Palestinian state. In contrast is the more moderate view taken by Palestinian Authority Chairman Yasser Arafat and his Palestinian Organization (PLO). Arafat and the PLO dropped the longstanding claim to all of Israel’s land and agreed to seek only the West Bank, Gaza Strip and Jerusalem through negotiations. This recognition of Israel’s right to exist was a key compromise that was rejected by HAMAS and other militant groups. The violent and aggressive approach HAMAS uses to further its political agenda has become very attractive to the energetic youth and poor Palestinians who have lost faith in the PLO. In addition, HAMAS has developed a large Palestinian following through humanitarian relief by creating mosques, schools, charities and political and relief publications. HAMAS has also been known to coordinate efforts with other foreign terrorist groups, including Hizballah, Al-Aqsa Martyrs Brigade, Islamic Jihad and the Popular Front for the Liberation of Palestine, to attain pro-Palestinian support.

### **Membership**

HAMAS’ strength, estimated by authorities to be between 750 and 1,200 members and associates, is primarily based in Israel’s Gaza Strip and a few areas of the West Bank; however, they have thousands of supporters and sympathizers throughout the world. A large portion of its financial support is provided by Iran, Jordan, Sudan, and other Gulf countries. Additional monies are generated from a network of charitable associations created under the guise of humanitarian relief but, instead, are often used to fund field operatives and recruitment efforts.

### **HAMAS 2001 Activity in California**

HAMAS activists, particularly the militant branch of HAMAS, Izz el-Din al-Qassam Brigade, have conducted several violent terrorist attacks against Israeli military and civilian targets. HAMAS operations have included kidnaping, commando raids, assassinations and, most commonly, large-scale suicide bombings. A suicide bomber, coined a “homicide bomber” by President George W. Bush’s administration, is defined as an individual who carries a human-borne improvised explosive device (IED) on their person to detonate in a strategic location with the intention to take the lives of bystanders, as well as their own. HAMAS has increased its operation activity in 2001 during the



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“intifada” by executing homicide bombing attacks in Israel at crowded malls, synagogues, commercial centers and transportation centers.

A HAMAS homicide bomber is glorified long after their death. On the day before the attack, the bomber usually writes a will for his family and prepares a martyrdom video to encourage others to follow. A still photograph is taken and placed on propaganda posters and martyr “playing cards” to honor the homicide bomber throughout the West Bank and Gaza Strip. Many HAMAS Islamic fundamentalists, obviously including the perpetrator of the homicide attack, do not consider the act to be a suicide. He/she is, rather, perceived as a “shahid,” a martyr who fell in the process of filling a religious command.

Although HAMAS is strongly anti-Western and outspoken about the United States’ involvement in the Middle East peace process, its only known presence in California has been the collection of money via charitable associations. On December 4, 2001, the Federal Bureau of Investigation and the U.S. Department of Treasury moved to seize the assets of the Holy Land Foundation for Relief and Development (HLFRD), beginning with their offices in San Diego, California; Bridgeview, Illinois; Patterson, New Jersey; and Richardson, Texas. The HLFRD was established in California as a nonprofit charity organization in 1992 from the remains of an earlier charity known as the Occupied Land Fund. The action was part of the United States policy designed to interdict financial support in the war of terrorism. The HLFRD was raising donations under the auspices of a charitable trust group, with tax-exempt status, and allegedly funneling the money to individuals directly connected to HAMAS. Leading members of the HLFRD have resided in California and made regular trips to mosques throughout the country seeking donations that were suspected to be sent to HAMAS members and associates.

### **Mujahedin-e Khalq Organization (MEK)**

#### **Introduction**

The Mujahedin-e Khalq (MEK) was formed in the 1960s to oppose the Western influence on the former Shah of Iran. The MEK has been directly linked to anti-Western terrorist activity abroad but has not carried out any terrorist operations in the United States. During the 1970s, the MEK targeted and killed several United States military personnel and civilians working on defense projects in Tehran. In 1979, the MEK backed the takeover of the U.S. Embassy in Tehran. In recent years, the MEK has supported the internal security services for the government of Iraq and has conducted several bombings, assassinations and terrorist assaults toward Iranian military, law enforcement, political figures and government facilities near the Iraq/Iran border.

#### **Background**

In 1979, the MEK joined an alliance with the Liberation Movement of Iran led by the late Ayotollah Khomeini in the overthrow of the former shah. MEK, headquartered in Iraq, is divided into three branches: the political branch, known as the National Council of Resistance (NCR); the paramilitary branch, known as the National Liberation Army (NLA); and the Committee for Human Rights in Iran (CHR), which distributes propaganda material, organizes demonstrations, raises funds and conducts surveillance and acts of intimidation against Iranian government sympathizers and their agents.



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The NLF conducts intermittent military operations against targets in and around Iran. MEK has developed into the largest and most active armed Iranian dissident group.

### Membership

MEK is currently supported by the Iraqi regime of Saddam Hussein and consists of thousands of fighters located on bases throughout Iraq. The MEK also maintains a strong overseas support structure.

### Mujahedin-e Khalq Organization (MEK) 2001 Activity in California

The MEK uses front organizations to solicit contributions to finance terrorist operations. Recently, a MEK terrorist financing plot was uncovered in Los Angeles, California. During February 2001, law enforcement authorities in Southern California ended a three-year investigation with the arrest of seven CHR members for illegal fund raising. These members had targeted foreign travelers at the Los Angeles International Airport and led them to believe CHR used the donations for humanitarian efforts. The funds solicited in Los Angeles were suspected of directly financing MEK terrorist operations abroad.

## ANALYSIS AND TRENDS

- With its large population, famous landmarks, attractions and broad economic base ranging from agriculture to high technology, California will continue to be an inviting target for terrorists.
- Members of international terrorist organizations in the United States have been known to obtain several aliases by using fraudulent or stolen identification, such as drivers' licenses, vehicle registration, passports and immigration cards to facilitate travel.
- International terrorist organizations spend several months to several years to plan terrorist operations. Prior to an attack, covert operatives are sent to target sites to conduct surveillance by taking photographs and video footage of the targeted location. Operatives may try to obtain maps and blueprints of vulnerable targets, including government facilities, military institutions, airports and critical infrastructure sites.
- Information shows a need for members with United States passports. The United States passport is the most coveted document because it enables operatives to travel throughout the world with ease. This trend may indicate a future aggressive recruitment among sympathizers who possess valid United States passports.
- Since California has been a lucrative fund-raising target for terrorist organizations, such as HAMAS, MEK and Hizballah, legitimate "charitable" front organizations will continue to solicit funds to support foreign terrorist groups. Al-Qaeda operatives, whether living or just passing through California, have actively organized fund-raising events through mosques in California.



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- Islamic terrorist organizations have been known to coordinate efforts to carry out terrorist attacks. Al-Qaeda operatives in California have membership in or association to other known terrorist organizations.
- Al-Qaeda has been known to target symbolic Western political and economic icons that could result in mass casualty, mass-media coverage and maximum psychological trauma.
- Terrorist organizations have increasingly resorted to organized criminal activities to help finance their operations, and these illicit activities include, but are not limited to, trafficking in controlled substances.



## Asian Organized Crime Groups

### INTRODUCTION

There are several Asian organized crime groups that are currently active in California, primarily in San Francisco, Los Angeles, Orange and San Diego counties. The most prominent Asian organized crime groups in California continue to be the Wah Ching, Jackson Street Boys and Korean organized crime groups. Asian organized crime groups utilize extensive networks of national and international associates to carry out sophisticated criminal endeavors. In California, Asian organized crime groups have carried out traditional organized crime racketeering activities such as extortion, murder, loan-sharking, money laundering, illegal gambling, drug trafficking and prostitution. Asian organized crime groups also engage in low risk and very profitable criminal activities such as currency and software counterfeiting, credit card and check fraud and computer chip theft. In addition, Asian organized crime groups continue to operate illegal rackets through legitimate businesses, including real estate investments, jewelry stores, restaurants, nightclubs, travel agencies and the entertainment industry.

### BACKGROUND

Asian organized crime groups maintain fluid and mobile criminal networks. They are strictly motivated by financial gain and are not territorial in nature. During 2001, Asian organized crime groups expanded their criminal operations by collaborating with other organized crime associates and street gang members at regional, national and international levels. They often employ Asian street gang members as foot soldiers or enforcers to carry out more violent criminal activities such as murder, debt collection and extortion, thus not attracting attention to the organized crime group. Asian organized gang members have cooperated with other Asian and non-Asian international organized crime groups from different ethnic and racial backgrounds to carry out cross-border operations such as drug trafficking, auto-theft rings and alien smuggling.

The organizational structure of Asian organized crime gangs is built with several layers to protect the leaders of the group. For instance, the Wah Ching gang is led by “Dai-los” or big brothers. Each “Dai-los” has contact with individuals directly below them, known as “associates” or “lieutenants.” A lieutenant is responsible for “crew chiefs,” who recruit young gang members, or “foot soldiers” to carry out street-level criminal activities. It is very common for a foot soldier to not have direct access or contact with a lieutenant. There are prominent barriers between each level of Asian organized crime groups to deter informants from penetrating the organization.



## Asian Organized Crime

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The following Asian organized crime groups are currently active in California:

### ***Wah Ching***

The Wah Ching is one of the oldest and largest Asian crime groups in California. In the 1960s, the Wah Ching originated as a street gang in San Francisco. Since then, the Wah Ching has evolved into a sophisticated organized crime group with extensive regional, national and international connections. During the peak of the Wah Ching's criminal endeavors throughout the 1970s and 1980s, the organization controlled most of San Francisco's Chinatown and the majority of Los Angeles' Chinese communities. Today, the Wah Ching centralizes most of its criminal activities in San Francisco, as well as in the San Gabriel Valley and Los Angeles. The Wah Ching also developed strong associations with Asian organized crime groups and gang members in major cities across North America, including Seattle, Vancouver, Toronto, Boston and New York, along with close ties to the Sun Yee On and the 14K Triads in Hong Kong.

The Wah Ching remains active in San Francisco. Law enforcement authorities estimate there are between 80 to 100 members operating in the San Francisco area. Their criminal activities include murder, extortion, prostitution, robbery, narcotic distribution, credit card fraud and loan sharking. The Wah Ching has also been extensively involved in illegal gambling and its associative collateral criminal activities at several San Francisco area card clubs.

Law Enforcement authorities in the Los Angeles area estimate that there are approximately 9 to 11 crews, or "sides," in the San Gabriel Valley and Los Angeles area. Each crew consists of approximately 20 to 50 members and as many as 250 associates. These groups are involved in the same types of criminal activities as the San Francisco groups.

In California, the Wah Ching has been in direct conflict with another Asian organized crime group that controls the majority of Chinatown, known as the Jackson Street Boys, as well as two Asian gangs in Southern California, known as Red Door and the Four Seasons. Over the past two years, law enforcement informants were able to penetrate the Wah Ching and uncover a series of plots that were carried out in 2000 and 2001. For instance, in February 2001, four Wah Ching Dia-los declared war against the two Asian gangs after several Wah Ching members were stabbed in a territorial confrontation. During a retaliatory attack on March 16, 2001, a Wah Ching member was shot and killed by members of his own gang when he was mistakenly identified as a rival member. On January 23, 2002, the Los Angeles federal court indicted 11 members of the Wah Ching gang for a series of crimes that occurred over the past two years, including murder in aid of racketeering, conspiracy to commit assault with a dangerous weapon, carrying a violent weapon during a crime, conspiracy to distribute marijuana and distribution of ecstasy.

### ***Jackson Street Boys***

The Jackson Street Boys continue to be one of the most prominent Asian organized crime groups in the San Francisco Bay Area. They control most of the criminal activity in San Francisco's Chinatown. The Jackson Street Boys began



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as a street gang and evolved into an organized crime group whose leadership is comprised of former Wo Hop To members. The Wo Hop To is a Hong Kong-based triad. The Jackson Street Boys generally recruit their members from different Asian street gangs in the Chinatown and Tenderloin areas of San Francisco. The name of the organization was derived from Jackson Street in San Francisco's Chinatown, traditionally known for illegal activities conducted by various street gangs, triads and underground societies.

In San Francisco, law enforcement authorities estimate the Jackson Street Boys have more the 300 members and associates. They also have spread across California and the West Coast and maintain a loose network of affiliates in the Los Angeles Metropolitan area, as well as abroad. The Jackson Street Boys will only cooperate with other Asian organized crime groups when there is an opportunity for financial gain. For instance, they have been known to carry out illegal smuggling operations with Hong Kong-based triads, such as the 14K Triad. Otherwise, they tend to carry out most criminal operations internally. The group is more prone to violence than most Asian organized crime groups because of their influential criminal street gang roots. Members have currently been criminally active in extortion, home-invasion, armed robberies, prostitution, narcotic distribution and gangland murder. The group is also extensively involved in illegal gambling at San Francisco Bay Area card clubs and other criminal activities associated with gambling, such as loan sharking.

On January 27, 2001, two members of the Jackson Street Boys were held responsible for an extensive extortion campaign in Chinatown. The gang members demanded thousands of dollars from local businesses through the use of threats and intimidation. Also, in July 2001, another gang member was convicted of murdering a 21-year-old victim on February 24, 2001, outside of a Post Street nightclub in San Francisco.

### **Korean Organized Crime**

Korean organized crime groups are primarily active in Los Angeles' "Koreatown." These groups are criminally active in illegal counterfeiting compact discs, video and audio tapes, and computer software. They also are believed to be active in the illegal methamphetamine market. Korean organized crime groups are also involved in the purchase and operation of massage parlors and the collateral criminal activity, such as illegal gambling and prostitution.

It is believed by some law enforcement authorities that organized crime groups in Korea invest money in California through their members and associates residing in California. They invest in many different activities, including legitimate businesses. A large percentage of the money is laundered and then taken back to Korea.

### **ANALYSIS and TRENDS**

- Asian organized crime groups will continue to seek activities high in profit and low in the risk of detection. They may operate in many small cells for the purpose of remaining mobile and difficult to catch. They will continue to





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peacefully co-exist with each other while perpetrating criminal enterprises for the purpose of higher profits. They will increase their activities in credit card fraud and software counterfeiting.

- Asian organized crime groups will continue to shield senior members from the attentions of rival gangs or law enforcement by using criminal youths and members of Asian street gangs to carry out high-risk or violent criminal activities such as extortion, murder, drug trafficking and assault.
- Asian organized crime groups will continue to expand their association with other regional, national and international organized crime groups and criminal gangs.



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## Criminal Extremists

### INTRODUCTION

During 2001, criminal extremists groups in California continued to hold demonstrations and publicity stunts, as well as physical assaults, vandalism, arson, harassment, theft, property destruction and release of animals to further their agenda. Criminal extremists groups, such as the Animal Liberation Front (ALF), the Earth Liberation Front (ELF) and anti-government extremists, have actively pursued their beliefs concerning anti-government, biotechnology and animal rights issues. In California, criminal extremists groups have targeted animal and agriculture research facilities, a variety of businesses, government facilities and law enforcement personnel. The ALF and the ELF claim their members committed 137 eco-terror actions last year, including 10 in California, that caused more than \$700,000 in damage. Criminal extremists have a propensity for violence and are considered a viable threat to the citizens of this state.

### BACKGROUND

#### *Animal Liberation Front (ALF)*

ALF is a clandestine animal rights organization consisting of independent cells that operate throughout North America and Europe. The organization does not maintain a hierarchical structure as in most organized crime organizations. Members commit arson and vandalism in an effort to stop medical research conducted on animals and the production of animals for food and clothing. They have caused millions in damage to universities, restaurants, department stores, research laboratories and agribusinesses. In California, ALF members have claimed credit for a series of acts that damaged buildings and crops since April 1987, when they claimed responsibility for the \$4.5 million arson of the Animal Diagnostic Center at the University of California, Davis.

During 2001, ALF claimed responsibility for the following activities in California:

On January 23, 2001, two animal rights activists from Orange County, California, and Ocean, New Jersey, were found guilty for a foiled plot to blow up dairy trucks in Capitola, California. Law enforcement authorities found the two individuals assembling one-gallon Molotov cocktails just past midnight in a parking lot near Capitola City Hall. Both individuals were previously arrested for participating in animal rights demonstrations and were associated with ALF. Their sentencing hearing was scheduled for January 29, 2002.

The ALF has broken into dairy, meat packaging and animal research companies to vandalize vital laboratory and production equipment and steal live animals (known as animal rescuing to animal activists). For example, on March 17, 2001, the ALF claimed responsibility for taking 600 baby chicks at the Sunny-CAL Eggs facility in Beaumont, California. On April 28, 2001, the ALF conducted simultaneous lab raids in California and New York. In Castroville, California, the ALF raided a small research facility and “rescued” 28 rabbits. While in Eastport, New Jersey, ALF activists raided the Cornell University Duck Laboratory and “rescued” 247 ducks. The ALF claimed the acts were contributing to animal rescue.



On the evening of November 11, 2001, animal rights activists broke into the Sierra Biomedical Laboratory in La Jolla, California, and vandalized the facility. Laboratory equipment was destroyed and files were damaged causing more than \$50,000 in property damages. Investigators said the act could have been caused by a disgruntled employee, but ALF claimed responsibility.

**Earth Liberation Front (ELF)**

Some ALF members are suspected by law enforcement authorities of being members of the Earth Liberation Front (ELF), another clandestine criminal extremist group that consists of independent cells operating throughout North America and Europe. ELF members advocate the use of arson and vandalism against businesses and research facilities they believe pose a threat to the environment. Their tactics are similar to those used by the ALF, and this similarity has led law enforcement authorities to reinforce the belief that there may be a crossover between some members of these groups. Biotechnology, primarily involving genetically-engineered crops, continues to be a main target for environmental extremists. In 2001, environmental criminal extremists have caused more than \$700,000 in property damage in California.

During 2001, environmental criminal extremists claimed responsibility for the following activities in California:

On February 20, 2001, the ELF claimed responsibility for an arson at a research cotton gin at the Delta and Pine Land Company in Visalia, California. The ELF cut through a padlock to break into the warehouse and then placed four five-gallon buckets filled half with gasoline and half with diesel in strategic locations to burn down the facility. The action was in opposition to the genetic engineering of plants to produce sterile seeds. The communique issued by the ELF expressed concern for what it called "Terminator Technology" and claimed, "Engineering a suicide sequence into the plant world is the most dangerous new technology since the nuclear power and needs to be stopped." Damages were estimated at \$700,000.

On April 5, 2001, activists trespassing on Humboldt County land owned by Pacific Lumber Company were arrested for blocking the company's access road to the area. Two protesters were arrested after an elaborate blockade had been set up for 128 days. The company claimed that the protesters had threatened their wildlife biologists in an effort to prevent logging on 3,000 acres in the Mattole River watershed.

On May 16, 2001, anti-genetic engineering activists entered a research facility in Brentwood, California, and destroyed strawberry, tomato and onion plants. Specifically, a one-acre field of strawberries was uprooted and the plants placed in a bleach-filled plastic bag to prevent replanting. One-quarter acre of fruiting tomato plants in a greenhouse also was destroyed, as well as one-half acre of mature onion plants.

On July 25, 2001, ELF attempted to sabotage a newly-built gondola at Heavenly Ski Resort in South Lake Tahoe, California. Law enforcement authorities were called to investigate after employees found a 16-inch stick wired to a steel cable in an attempt to dislodge the cable. Also, during a routine safety check, it was discovered that safety sensors



which were tied to the gondola cable were broken. ELF is suspected to be responsible for the attempt to destroy the \$20 million gondola because the letters ELF had been formed with wires at the base of one of the support towers.

On October 15, 2001, a barn containing 250 tons of hay was destroyed by fire at a U.S. Bureau of Land Management's wild horse and burro facility near Litchfield, California. An unsuccessful attempt was made to free about 160 wild horses that the U.S. Bureau of Land Management adopts out to ranchers. ELF claimed responsibility for the \$85,000 in damage and stated that the firebombing was done "in opposition to the Bureau of Land Management's continued war against the Earth." No ELF or ALF members have been arrested for the incident.

### **Anti-Government Criminal Extremists**

The right-winged, anti-government movement consists of criminal extremists groups, such as militias, patriots, constitutionalists, sovereign citizens, freeman, tax protesters and "common-law" adherents. The anti-government movement in California, which is based on a paramilitary group philosophy, began forming in the mid-1990s. This movement is believed to have formed because anti-government criminal extremists groups concluded that armed paramilitary militias are necessary to defend themselves from government conspiracies and the "New World Order," a term used by conspiracy theorists to refer to a global conspiracy designed to implement worldwide socialism. Gun laws that were imposed throughout the United States in the 1990s, such as the Brady Handgun Violence Prevention Act, which requires a five-day waiting period before the transfer of any firearm, and the 1994 Violent Crime Control and Law Enforcement Act, which limits the sale of various assault-style weapons, prompted a series of conspiracies shared among extremist groups. The anti-government extremists feared that these legislative initiatives represent a government conspiracy to disarm American citizens and ultimately abolish the Second Amendment. In addition, the federal government's role in the armed confrontations with criminal extremists in 1992, with the Weaver family in Ruby Ridge, Idaho, and in 1993 at the Branch Dividian Compound in Waco, Texas, further incited conspiratorial beliefs that the government is attempting to restrict the populace with constitutional guarantees.

Many of today's anti-government extremist groups do not adhere to local, state or federal laws, but are intent on establishing their own form of "government" through the use of their own "courts and grand juries." Militia members and anti-government extremists have challenged federal and state laws and questioned the authority of government officials to impose taxes, govern, and maintain order. Some extremist groups have fabricated their own types of identification, insurance, money and documents to separate themselves from the current form of government. Anti-government criminal extremists have also conducted paramilitary training in public forests and on private property, stockpiled illegal weapons and explosives, threatened and assaulted government employees and filed for frivolous lawsuits and liens.

During 2001, anti-government extremists in California have been arrested or indicted for conspiracy to use a weapon of mass destruction, possession of assault weapons, mail and wire fraud, real estate fraud, grand theft, extortion, money laundering, tax evasion and filing bogus liens. However, California anti-government criminal extremist groups have continued to be on a steady decline in 2001. Since the beginning of the movement, more than 100 groups evolved in



California, but not all of them were able to sustain continuity. Some of the lesser committed groups have been disbanded due to arrests or lack of interest in the group's activities.

Anti-government criminal extremists committed the following criminal activities in 2001:

On January 19, 2001, the former leader of the San Joaquin Militia pled guilty to withholding knowledge of a conspiracy to use a weapon of mass destruction in connection with a plot to destroy a propane storage facility near Elk Grove, California in 1999, as well as conspiring to kill a U.S. district judge. Three members of the San Joaquin Militia were charged with plotting to destroy the propane facility. The facility is reported to be the largest above ground propane facility in the nation, storing 24 million gallons of liquid propane. It is alleged that one of the suspects believed the explosion would lead to a citizen uprising and result in the overthrow of the U.S. Government. Two militia members are still awaiting trial.

On February 22, 2001, in Roseville, California, two self-declared "sovereign citizens" received lengthy prison terms for selling trusts to clients to help them evade income taxes. The anti-government criminal extremists allegedly helped people evade at least \$13.8 million in federal income taxes. At their sentencing, the "sovereign citizens" told the judge that the Internal Revenue Service has no authority over them.

In March 2001, an anti-government extremist from Sacramento, California, plead guilty to using a fraudulent check labeled "comptroller warrant," to pay the Internal Revenue Service (IRS) debts of more than \$600,000. The anti-government criminal extremist group "Montana Freeman" popularized the bogus check scheme in the 1990s. The defendant was ultimately charged with attempting to pass the fraudulent checks worth more than \$7.9 million to the IRS as well as various banks and other similar institutions.

## **ANALYSIS and TRENDS**

- Environmental criminal extremists are expected to continue their vandalism throughout California. Their vandalism activities may intensify in the latter part of 2002, before the crops are harvested. In response to costly vandalism at universities and federal, state or local government agencies in California, a new law was added to the Food and Agricultural Code, article 6, commencing with section 52100, chapter 1 of division 18, which makes anyone who willfully destroys research crops at public institutions liable for twice the value of the crops damaged. This law became effective on January 1, 2001.
- As evidenced by some of the anti-biotechnology sentiment associated with criminal extremists in California, corporations in this state that are involved in genetic testing and research may be targets of more attacks. Some of the previous ALF victims could be targeted again in 2002, and other potential targets may include universities with animal (or agriculture) research facilities, department stores selling leather and fur clothing and fast food restaurants.



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- The Internet is widely used by criminal extremists to further their agenda, as well as organize demonstrations, protests and events. In 2002, it is expected that the bulk of communication between criminal extremists will be done on the Internet and through e-mails.
- Of the anti-government criminal extremists groups that have remained active, some members are hardcore criminal extremists who will probably commit crimes based on their anti-government beliefs. Some members will continue to conduct paramilitary training, stockpile and transport weapons and explosives, collect information on their adversaries and work in clandestine cells to prevent law enforcement detection.



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## Russian/Eurasian Organized Crime

### INTRODUCTION

Russian organized crime (ROC) groups continue to be a serious concern among law enforcement authorities in California. Law enforcement and the media commonly describe criminal organizations from the 15 republics of the former Soviet Union as “Russian Organized Crime.” The term “Russian” is generically used to refer to a variety of Eurasian crime groups. While some of the criminal groups originated in Russia, others are from Central Asian (Uzbekistan, Kazakhstan), Caucasus (Georgian, Azerbaijan, Chechen, and Dagestan), and the Ukraine regions. This is why one might refer to organized crime groups from the former Soviet Union as Eurasian organized crime (EOC). EOC is believed to be the fastest-growing criminal sector in the world, with thousands of separate factions operating in 58 countries. According to the National Institute for Justice, there are approximately 15 EOC groups operating in the United States and eight or nine maintain strong links to Russia. EOC groups strive to achieve power and wealth and have established patterns of criminal activity throughout major cities across the United States including San Francisco, Los Angeles, San Diego, Sacramento and Fresno. EOC groups do not operate independently but, rather, cooperate with members across the United States, as well as abroad. In California, Russian/Eurasian organized crime members have been connected to cases of homicide, extortion, drug trafficking, vehicle theft, prostitution, money laundering and several different methods of fraud including immigration, healthcare, insurance, fuel tax, credit card and merchandise.

### BACKGROUND

According to the U.S. Immigration and Naturalization Service, during the 1970s and 1980s, approximately 200,000 former Soviet Union citizens immigrated to the United States to escape religious and political persecution. Additionally, it is suspected that the KGB emptied their prisons of hardcore criminals and exported them to this country much like Cuban dictator Fidel Castro did during “the Mariel boat-lift.” Many former Soviet Union emigres who came to the United States settled in an area of New York known as Brighton Beach. Brighton Beach is currently home to up to 30,000 Russian/Eurasian emigres, and another estimated 50,000 live in the immediate New York metropolitan area. Brighton Beach is considered the hub for EOC in the United States.

The flow of former Soviet Union refugees increased dramatically following the 1989 adoption of a United States Congressional Amendment, which allowed up to 50,000 Russian/Eurasian refugees to enter the United States per year. By 1991, Russia also granted its citizens permission to travel and emigrate freely. Among the immigrants who traveled to the United States were several Russian criminals and organized crime figures, including Vyatcheslav Ivankov, who was identified as an influential member of the “Thieves in Law,” a powerful Russian organized crime group predating communism in 1917. Law enforcement authorities suspect that Ivankov came to the United States in 1992, to organize networks of Russian drug trafficking rings and front companies to launder illegal proceeds throughout the country, including California. Ivankov was arrested in Brooklyn, New York, in 1995 for trying to extort \$3.5 million from a Wall



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Street investment firm. Ivankov visited areas in Los Angeles and San Francisco to oversee criminal operations. Many believe Ivankov remains in control and wields extensive power in EOC.

As Russian/Eurasian organized crime continues to expand in California, EOC figures will continue to form working relationships with other traditional and non-traditional organized crime groups, including La Cosa Nostra, the Sicilian Mafia, the Hells Angels, Colombian drug cartels and smaller factions of white-collar criminals. They have formed networks that operate in situations of mutual interest and often shift alliances to meet particular needs. Unlike traditional organized crime groups, EOC members are not highly centralized and do not operate under a strict hierarchal structure. EOC groups are floating structures of individuals who occupy positions based on their experience, knowledge and personal characteristics. This enables them to be highly functional and successful. For example, an auto theft group might work together for a while and then dissolve and form a crime cell involving credit card theft with different individuals. EOC groups are often referred to as “liquid” because of their flexibility in adapting to lucrative criminal schemes.

EOC continues to be the fastest growing crime syndicate in California. Law enforcement officials estimate there are 600 to 800 Russian organized crime members and 450 Armenian organized crime members in the Los Angeles area. Los Angeles consists of the second largest population of Russian immigrants in the United States. During 2001, crimes committed by EOC groups continued to increase, especially crimes involving transnational cooperation. The following examples demonstrate the wide range of EOC criminal operations and activities in California that occurred last year.

### Extortion/Kidnaping

The use of violence is a defining characteristic of EOC. It is used to maintain control of a criminal enterprise, intimidate competitors and send a message in cases of extortion. The largest group that falls prey to EOC members is the former Soviet Union immigrant community. They are easy targets for EOC members because of their extreme fear of the Russian Mafiya. The immigrants usually pay the extortion fee rather than go to law enforcement because the safety of relatives still residing in the former Soviet Union cannot be guaranteed.

On October 15, 2001, five Armenian organized crime members were arrested for a kidnaping and extortion plot against a former Armenian businessman who, after seeking political asylum in the United States, was compelled to assist the ring to commit a series of crimes. The EOC members conspired with associates in Moscow to kidnap a relative of the Armenian businessman until he paid them a large sum of money. When the victim arrived in the Los Angeles area, he was told by members of the ring that he would come across the same troubles he faced in Armenia unless he helped the group in their criminal endeavors. After being ordered to cash a fraudulent check in a Spanish bank account under his name, the victim fled to the Los Angeles area. This prompted the crime ring to kidnap a family member in Moscow. During the extortion plot, the victim was allegedly subjected to threats and, on one occasion, was beaten.

### Insurance Fraud

EOC figures are becoming increasingly more involved in criminal conspiracies and highly organized insurance fraud in California. Insurance fraud, specifically staged auto accidents, has proven to yield high profits with relatively low risks





for the EOC figures involved. Accident staging rings consist of a law office, one or more doctors, office administrators, “cappers” and the individuals that participate in the staged accidents. “Cappers” are persons who are used by the lawyers or medical professionals who are looking to increase the number of insurance claims processed in their office. The claimants usually get between \$200 and \$1,000 per staged auto collision while the lawyers, medical professionals, and office administrators reap the large criminal proceeds of the fraudulent claims.

According to fraud investigators, the “cappers” plan the details of each collision, such as how many individuals will be in the car; who is the passenger and who is the driver. Scripts or information sheets are given to the participants of the phony accidents and details are provided, such as diagrams of the accident, how, when and where it is to occur. While the “cappers” are responsible for recruiting individuals to participate in the phony accidents, everything is usually highly controlled by one individual closely associated with a law office and/or medical office. Usually, this person works for the law or medical office and acts as a buffer between the capper and the attorney or doctor. This is done to protect the attorney or doctor from prosecution and losing the much needed license to process the paperwork with the insurance companies.

There are a variety of ways the staged collisions take place. One type of accident is referred to as a “paper accident.” This may involve a borrowed vehicle, the suspect’s own vehicle, or even a stolen vehicle. Two vehicles are crashed into each other or vehicles are chosen that have existing damage. One insured driver will claim liability for causing the accident and hitting the other’s vehicle. Once the damage is done, the “capper” will organize who the drivers and occupants will be for each car. The suspects then file claims against the vehicle owner’s insurance company and collect the money.

Another type of accident is the alleged hit-and-run accident. An insured vehicle is used, and the “capper,” again, designates who the driver and passengers are and briefs them on the details of the hit-and-run. They park along a public street and call the police. In some cases, they will drive to a police station and report the alleged hit-and-run for the purpose of obtaining a police report to authenticate the phony accident.

The final type of accident is referred to as a “swoop-and-squat” accident. This type of accident involves an unsuspecting driver and two or more suspects. One vehicle is designated to be the receiver of the impact of the collision or the “squat” vehicle, and the other usually just contains a single driver. They find a victim and the “squat” vehicle gets in front of the victim’s car. Then the “swoop” vehicle driven by the other suspect maneuvers his vehicle in front of the receiver or “squat” vehicle giving that car a reason to slam on his brakes, which causes the unsuspecting victim to crash in the back of the vehicle. Immediately, the drivers involved in the collision exchange insurance information, and an attorney is contacted by the suspects to file a fraudulent claim. In all the different types of cases, the “capper” typically sells the accident to either an attorney’s office, medical clinic or to some other individual involved in filing fraudulent insurance claims.



Medi-Cal Fraud

EOC enterprises continue to engage in criminal schemes to defraud healthcare payment programs. EOC members were black-market entrepreneurs before the fall of the Iron Curtain and have found California's healthcare systems, insurance and government payment programs to be easy marks for fraud. Eurasian healthcare providers advertise in religious and community publications, or radio and television spots. The providers offer consumer goods and free medical exams to make themselves known to the immigrant community. Members of the community are processed through the clinics, and insurance companies are billed for services and products that were never provided or were not medically justified. Law enforcement authorities are noticing an increase in the use of adult daycare centers, statewide, used in this type of fraud.

On November 30, 2001, two EOC members pled guilty for defrauding the Medi-Cal Dental Program. The defendants stole the identities of seven dentists and thousands of Medi-Cal patients. The scheme used "cappers" and "runners" to lure poor, minority Medi-Cal patients from Los Angeles, San Bernardino, Riverside, Ventura, Kern and Tulare counties to the defendants' Moreno Valley dental clinic. The beneficiary cards and other personal identification were taken from the victims and used to defraud the Medi-Cal program. At the same time, the defendants obtained dentists' identities by placing job ads in local newspapers seeking licensed dentists and requiring applicants to provide copies of both their dental licenses, as well as other personal documentation. The defendants used the dentists' information to apply for Medi-Cal provider status. Using their Medi-Cal provider status and the beneficiary cards, the defendants began submitting thousands of bogus claims to the Medi-Cal program falsely purporting they had treated the patients. In fact, neither the dentists nor the patients had any idea that their identities had been stolen and were being used as part of a massive conspiracy. Their complex scheme also included the use of fictitious storefronts, falsified bank accounts and money laundering.

Credit Card Fraud

According to a *New York Times* article, tens of thousands of stolen credit card numbers are being offered for sale each week on the Internet. There are "cyber bazaars" for members only, operated largely by residents of the former Soviet Union involved in credit card and identity theft.

The cost of one credit card is 40 cents to \$5, depending on the information provided. The card numbers are typically offered in bulk. The card numbers are often purchased from computer hackers breaking into online merchant systems. Sometimes, the businesses are extorted into paying for fear the customer credit card numbers would be placed on a web site that would destroy the business financially.

Throughout the state, law enforcement authorities are seeing many credit card fraud cases involving Eurasian criminal cells. Several cards are stolen through the mail system and oftentimes run through businesses in which EOC members own or have contacts. For example, a gas station in Fresno, California was being used to skim credit card information from the magnetic strips on the back of the cards during April 2001. A device was attached to skim the information from the card to another card with a magnetic strip, such as a hotel key card. An employee of the gas station was tied to an Armenian organized criminal group involved in credit card theft, extortion, counterfeit and Medi-Cal fraud.



Immigration Fraud

EOC members continue to be involved in the lucrative “business” of immigration fraud. Loopholes in the immigration system continue to be taken advantage of by EOC groups. According to United States Immigration officials in California, EOC networks are involved in organized alien smuggling through fraudulent visa petitions. Law enforcement personnel have learned that EOC networks establish fictitious businesses in California to sponsor other EOC members as employees of their business to obtain a working visa. In addition to providing fraudulent access to illegal immigrants, EOC groups also use the fictitious businesses as a front to carry out other illegal operations such as narcotic trafficking, prostitution, insurance fraud and money laundering.

In May 2001, 18 defendants were charged in a 22-count federal grand jury indictment for operating an international smuggling ring that imported illegal aliens from the Ukraine into the United States and sold several female aliens into prostitution. The Ukrainian smuggling ring operated a scheme in which members of the conspiracy arranged for the Ukrainians to travel to Mexico from where they were smuggled into the United States and brought to Los Angeles. The illegal immigrants were brought into the United States, via boat, to the international port of entry at San Ysidro and to several unfenced portions of the United States-Mexico border.

Prostitution

Prostitution and white slavery of Russian and Eastern European women is a significant problem for California law enforcement. The EOC members import women and children from eastern Europe and Russia with falsified visa applications, obtaining false California driver’s licenses and other identification using counterfeit documents. These women are forced into prostitution and provided to escort services, strip clubs and massage parlors. Some willingly work in the sex industry for money to escape severe living conditions in the former Soviet Union, while others are forced into it through indentured servitude. Some women are threatened and beaten into submission. The EOC groups that bring them into the United States confiscate their visas and force them to work as prostitutes to pay off the debt of their travel.

A couple living in San Diego was accused of running an international prostitution ring from Moscow to the United States. The couple was identified as Alexander Rashkovski and Nataliya Vladmirovna Kozlova. Two women from the former Soviet Union were stopped at the San Ysidro border crossing in 1999. They claimed Rashkovski has Russian organized crime ties and connections to corrupt Russian law enforcement officials. The women claimed he brought them 6,000 miles from Moscow to San Diego in order to work as prostitutes and had planned to charge clients \$200 per hour for sexual services. The women would have to work off their smuggling costs and would receive less than half of the fees charged. The women claimed that, if they backed out of the deal, they were told they would be beaten or killed. At the trial during March 2001, Rashkovski claimed that he just met the women in Mexico and agreed to drive them to San Diego to visit the zoo. Another woman who had been arrested for prostitution in Long Beach, California, identified Rashkovski and Kozlova as the traffickers who smuggled her into the United States to work off her husband’s debt to Russian organized crime. She also claimed that she was beaten by Rashkovski. Rashkovski and his wife were convicted of nine smuggling counts. After the trial, they were released on bond to await their sentencing. Kozlova fled shortly after and remains at-large. Rashkovski’s bond was revoked after he violated the terms of his release.



Narcotics

EOC groups in the United States and the former Soviet Union have participated in drug trafficking operations with several major organized crime groups such as La Cosa Nostra, Colombian cocaine cartels and the Sicilian Mafia. In the past, the EOC figures' main role in the drug trade was to assist in laundering drug proceeds, but it appears they are becoming more involved in the distribution as well. EOC groups have demonstrated an unprecedented ability to expand internationally and to unite their efforts with willing international participants.

EOC groups have been involved in the trafficking of drugs, such as heroin, cocaine, ecstasy and marijuana, in California. California officials are trying to determine if there is a connection between Russian organized crime and Tijuana's Arellano-Felix drug cartel. In March 2001, an inoperable fishing vessel with a Spanish-speaking Russian and Ukrainian crew was seized south of San Diego by the U.S. Coast Guard.

Thirteen tons of cocaine were discovered aboard the vessel. The shipment was believed to be loaded in Colombia and bound for a delivery in Mexico so that the shipment could continue its journey to the United States via automobile. Two Russian and 10 Ukrainian subjects were charged with drug smuggling and jailed at the federal prison in downtown San Diego.

**ANALYSIS AND TRENDS**

- EOC groups will continue to engage with other criminal groups in almost every criminal activity as long as there is a profit potential.
- EOC members and associates have a reputation for being experts in money laundering and bank fraud. This is expected to increase due to the number of offshore accounts used and Internet use for these types of crimes.
- Law enforcement anticipates an increase in smuggling money, narcotics and other contraband due to an increase in the number of direct international flight routes between the former Soviet Union and the West Coast.
- West Coast EOC groups cooperate and communicate with their East Coast counterparts. California law enforcement authorities expect similar crimes, such as prostitution and drug trafficking, specifically ecstasy trafficking, occurring on the East Coast to increase in California.
- Eurasian criminal networks will continue to concentrate in Medi-Cal fraud, insurance fraud and securities fraud since those crimes have proven to be very lucrative.
- EOC groups' potential for an escalation in violence will rise as the drive for making money among these criminals increases and causes conflicts with both domestic and transnational criminal organizations.
- The continued decline of the former Soviet Union economy increases the possibility of organized crime participating in the trafficking of illegal weapon sales. This may include weapons of mass destruction.



## **Criminal Street Gangs**

### **INTRODUCTION**

The California Department of Justice estimates that there are approximately 300,000 criminal street gang members in California among four major ethnic categories, including African American, Asian, Hispanic and white gangs. Criminal street gangs often operate in a less sophisticated and structured manner than most organized crime syndicates. However, they still remain a significant concern to law enforcement and are no less dangerous to society.

Over the past two years, some criminal gang members have migrated from the inner city to suburban communities to create small criminal enterprises in untapped territories. In both the inner city and suburban communities, California street gangs continue to carry out violent criminal activities, as well as an increasing involvement in profitable white-collar crimes. Asian street gang members continue to operate high-profit/low-risk white-collar crimes such as counterfeiting credit cards, currency, computer chips and computer software. Hispanic gangs have also gravitated towards white-collar criminal activity, including check forgery, counterfeiting documents and identification cards, and credit card fraud. However, all California criminal street gangs proceed to carry out violent criminal activities in support of their goals. During 2001, California criminal street gangs have committed several violent crimes, including kidnaping, residential and business robberies, trafficking of weapons and illegal narcotics, drive-by shootings, assault and battery, rape and murder.

The recent expansion of criminal street gangs in California has led to violent up-risings and attacks between rival gangs. California street gangs with similar, as well as different, ethnic backgrounds have engaged in vicious turf wars that have led to several convictions and gang-related homicides throughout the state. Drive-by shootings have become the preferred method of attack for retaliation against rival gang intrusions because of the violent impact it can place upon a rival. In 2001, the California Department of Justice, Criminal Intelligence Bureau, determined that gang-related violence and homicides have increased in California with no foreseeable deceleration. Gang-related homicides rose from 402 victims in 2000, to 647 victims in 2001. This number indicates a 27.9 percent increase.

Prison gangs, such as the Aryan Brotherhood, Nazi Low Riders, Mexican Mafia and Nuestra Familia continue to influence many of the white and Hispanic gangs inside California's prisons. In spite of being incarcerated, these prison gangs are able to maintain control of many street gangs and direct their street gang activities. In addition, several California street gangs maintain strong ties with major organized crime syndicates such as the Hells Angels, Mongols, Wo Hop To, Jackson Street Boys, Aryan Nation and National Alliance. Criminal street gang members are sometimes recognized as "foot soldiers" to the larger organized crime syndicates and are contracted out to engage in violent profitable criminal operations.



## BACKGROUND

### *African American Street Gangs*

African American gangs continue to be a grave concern for law enforcement authorities throughout California. African American gangs have been criminally active in California for several decades, evolving from loose-knit groups to violent street gangs. In the late 1960s, California's two most violent African American gangs, the Bloods and Crips, originated in Los Angeles. Several African American youths began bonding together to protect themselves from rival groups, as well as to create havoc and terrorize Southern California communities. In the 1970s, both gangs divided into several smaller groups and spread throughout Los Angeles County. The California Department of Justice believes the state's African American gang population may be as many as 100,000, with the majority belonging to various factions of Bloods and Crips. Federal law enforcement agencies have detected Blood and Crip gang members in 33 states and 133 cities across the nation.

In Northern California, particularly in the San Francisco Bay Area, African American gangs tend not to be affiliated with the Southern California Bloods or Crips. However, Northern California African American gang activity poses a similar threat in cities such as East Palo Alto, San Francisco, Richmond, Oakland, Hayward and San Jose. One of the most violent Northern California African American gangs is the Project Trojans (PJT), which consists of approximately 300 members and associates. In 2001, some of the PJT associates were engaged in a gang war with another Northern California gang, the Crescent Park Villains, over cocaine and turf. Both gangs have been known to be armed with high-powered handguns and wear body armor to carry out violent assaults, shootings and homicides.

African American gangs have always been very territorial and motivated to protect their neighborhood from rival gangs. They have established several forms of unique trademarks to differentiate their groups, including colors, monikers, hand signs, and, most commonly, "graffiti." For example, the color "blue" has been claimed by the Crips and "red" was adopted by the Bloods. However, some of the more experienced gang members are beginning to disguise their "colors," or gang affiliation, by wearing nondescript black or white clothes to avoid identification with law enforcement authorities and rival gang confrontations. Some African American gangs are becoming more dependant on other gang identification trademarks, such as graffiti, to signify their territorial boundaries.

The size of each African American gang varies between 10 and 1,000 members from 15- to 38-years-old. African American gangs will continue to engage in violent criminal activities throughout the state. They make no effort to distinguish between rival gang victims and innocent bystanders when committing a violent crime. African American gangs have committed numerous gang-related crimes in California, including murder, drive-by shootings, narcotics distribution and transportation, bank and jewelry store robberies, burglaries, grand-theft, extortion and several other crimes to provide their members with monetary gain. They also have increased the use of violent assault weapons, including AK-47 assault rifles and Mac-10s with multiple round magazine clips. African American gangs do not fear violent confrontations and may use deadly force, even if it requires shooting at a police officer.



## Criminal Street Gangs

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The following African American gang-related incidents occurred in California during 2001:

On November 30, 2001, a member of a Southern California Crips gang was ordered to stand trial for the May 28, 2000, murder of then Los Angeles Police Chief Bernard Parks' granddaughter. On the day of the incident, the victim was with a friend, an alleged gang member, when they stopped at a local restaurant to get something to eat. As the victim was leaving the parking lot, the suspect, a member of a gang that rivals the victim's passenger, approached her vehicle firing several shots at the passenger. The shots missed their intended target and instead struck and killed the victim.

On September 20, 2001, the leader of an African American street gang in the Bay Area was found guilty for the April 8, 1999, robbery and homicide of a rival drug dealer. On the day of the incident, the suspect and victim were arguing over the victim's refusal to purchase drugs or pay taxes to the suspect for the right to sell the drugs. The suspect ordered his associates to surround the victim before one of them shot and killed him.

On September 7, 2001, two dozen suspected gang members, including the leader of a notorious Southern California street gang, were arrested in Lynwood and Compton, California, for allegedly running a sophisticated cocaine distribution network. Most of the gang members were charged with conspiracy to distribute narcotics for the Santana Block Crips. Officers seized at least 10 firearms, including an AK-47 assault rifle, an undisclosed amount of drugs and cash and several low-rider vehicles with murals of gang life depicted on the sides. The Santana Block Crips were under investigation for two years for operating a business-like cocaine distribution ring, receiving cartel drugs from Mexico and distributing them throughout the country. The group maintained its own money laundering unit. Over the two-year investigation, authorities seized more than 70 pounds of cocaine, 40 pounds of marijuana, 27 illegal firearms, approximately \$250,000 and seven customized automobiles totaling more than \$500,000 in value.

On March 2, 2001, an associate of a Southern California Crip gang, the Marvin Street Gangster Crips, was arrested for murder with the special circumstance of torture, murder in the commission of kidnaping, kidnaping for car jacking, robbery and rape. On February 22, 2001, a 23-year-old Glendale woman was abducted as she was leaving her work at a non-profit organization in Culver City, California. The gang associate took the victim to a local bank to withdraw money from an ATM, where images of the victim and murderer were caught on tape. The victim's body was later discovered at the Culver City Park. Authorities said she had been raped, beaten, and strangled. Ten days after the murder, Culver City Police detectives developed information that the Marvin Street Gangster Crip was staying at a location in Michigan, where he was later arrested and transported back to Culver City.

### Asia Gangs

Criminal street gangs, comprised mainly of Southeast Asian members, continue to engage in violent criminal activities throughout California and the United States. The California Department of Justice estimates that there are more than 15,000 Asian street gang members in California today. Prior to 1975, Asian street gangs only consisted of the Asian youth living in "Chinatowns" in the larger cities across the United States, such as San Francisco. However, several



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Asian street gangs began forming as new Asian immigrant communities arose in the United States. Today, the majority of Asian street gang members in California are affiliated with Vietnamese, Laotian, Cambodian and some Hmong gangs.

Southeast Asian gang members continue to be fluid and mobile, traveling throughout California and the United States to commit a variety of violent crimes. Vietnamese gang members do not stay loyal to one specific territory or neighborhood, but consist of members from all over the state. The Santa Ana Boyz have members in San Diego, Los Angeles, Westminster, Garden Grove, Anaheim, Riverside and Pomona. However, Laotian and Cambodian Gangs continue to occupy a claimed territory, or specific community, to carry out criminal operations. Some Vietnamese street gang members also have been recruited as foot soldiers by Asian organized crime groups such as the Wah Ching, Wo Hop To Triad, and Jackson Street Boys in San Francisco. Asian organized crime members will contract violent activities out to Asian street gangs to avoid attention being drawn to the organization.

Most crimes that are committed by Asian gangs have the tendency to be marked with extreme violence. One of the most brutal crimes that Asian gangs have committed over the past decade is armed home-invasions. Typically, gang members will enter a home, tie up the inhabitants, and violently beat, torture, or even kill them until the gang members are satisfied with their stolen goods. Many crimes committed by Asian street gangs go unreported for fear of retaliation by the gang members. In California, Asian street gang members have committed murder, rape, assault with deadly weapons, burglaries, grand-theft, drug trafficking and extortion. In addition, they have been convicted for less violent white-collar crimes of counterfeiting currency, computer software and traveler's and payroll checks. Although most of Asian street gang-related crimes are perpetrated for monetary gain, an increasing number of them are retaliatory in nature and involve the use of weapons and extreme violence.

In 2001, membership and activity by Asian street gangs have continued to increase in California. Several gangs including the Asian Boys, Mongolian Boys Society, Natoma Boys, Tiny Rascal Gangsters and Black Dragon, are operating throughout the state.

The following activities are a sampling of the violent crimes that have been committed by Asian street gangs in 2001:

On December 30, 2001, two Asian youths waited outside a local cyber café/Internet café in Orange County, California, for a computer to become available. Within a few minutes, two Asian gang members who had been inside exited the cyber café and approached the two Asian youths. A verbal altercation ensued, at which time one of the gang members produced a screwdriver and stabbed the victim in the head. They fled the scene shouting gang monikers. The victim later died from his injuries.

In July 2001, the last two members of an Asian gang were arrested for a November 2000 San Jose homicide. On July 14, 2001, the fifth of six gang members was arrested in Springfield, Illinois, while working in a restaurant. On July 23, 2001, the last suspect surrendered to San Jose law enforcement authorities. Six Asian gang members were charged with a homicide that occurred on November 29, 2000. For several weeks prior to the incident, the suspects had allegedly been harassing the victim, culminating with the stabbing of the victim at a light-rail station.





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On October 7, 2000, a member of the Asian Boyz gang, nicknamed “Outlaw,” stabbed and killed a member of a rival group, the Tiny Rascal Gang, at a large entertainment complex in Santa Ana, California. The murder went unsolved for seven months. In May 2001, Orange County detectives launched a raid in the San Gabriel Valley and rounded up seven members of the Westside Asian Boyz. Four members of the Asian Boyz were charged with first-degree murder. Another potential Asian Boyz suspect, who allegedly instigated the brawl, was shot to death in Alhambra in May 2001. In addition, the only Asian Boyz member who made bail was shot to death in Monterey Park in the midst of the preliminary hearing. The others are currently awaiting their trial in March 2002.

### Hispanic Gangs

Hispanic gangs continue to pose a serious threat to law enforcement in California. Hispanic gangs constitute one of the largest gang populations in California, with nearly 170,000 members and 1,800 gangs. They continue to recruit members at a young age and migrate from highly populated inner-city neighborhoods into many rural parts of California. Northern California neighborhoods experienced recurring turf battles between rival Northern and Southern Hispanic gangs. The cause for the rivalry is due to Southern Hispanic gangs migrating into the Northern part of the state in an attempt to expand their criminal activities and membership. Conflicts also occur between Hispanic gangs from Northern and Southern California inside the state’s penal institutions. Hispanic gang members have been involved in a range of violent and white-collar criminal activities including murder, murder-for-hire, assault, battery, rape, robbery, burglary, grand theft, vehicle theft, receiving stolen property, drive-by shootings, home-invasion robbery, weapons trafficking, witness intimidation, extortion and drug trafficking.

Some of the Hispanic gangs that operate on the streets of California are controlled by Hispanic gangs inside California’s prisons. Many of the gangs in Northern California are controlled by the Nuestra Familia prison gang. The gangs in Southern California are controlled by the Mexican Mafia prison gang. Members of the Northern and Southern California Hispanic street gangs who pay their tax to the Nuestra Familia or Mexican Mafia often find protection from these prison gangs if, and when, they are sent to prison.

The Mexican Mafia prison gang, also known as La Eme, was founded during the late 1950s by a group of inmates from East Los Angeles in an attempt to control criminal activities of many Southern Hispanic street gang members. The Mexican Mafia has extended throughout the prison system and into the streets of Southern and Central California, extorting “taxes” on profits from neighborhood gangs who operate criminal activities within their region. When gangs refuse to pay a tax, their members are often put on a murder “hit list” by the Mexican Mafia. The Mexican Mafia maintains a very active working relationship with the Aryan Brotherhood and several Latino street gangs. The La Nuestra Familia is the chief rival of the gang, and violent turf wars between the two gangs continue to exist as Southern California gangs migrate North.

The Nuestra Familia originated in Soledad Prison in California during the mid 1960s to protect younger, rural Mexican American inmates from other prison gangs, including the Mexican Mafia. The cultural and social differences between urban and rural Mexican Americans developed into a deep hatred between the Mexican Mafia and the Nuestra Familia.



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Members of Nuestra Familia are required to have a life-long “blood in, blood out” membership with the gang. The Nuestra Familia prison gang continues to control some of the criminal activity and “taxation” of profits generated by Northern Hispanic street gang members. The Nuestra Familia is still attempting to unite Northern California Hispanic street gangs in order to strengthen their stand against Southern Hispanic gang members.

Some of the San Diego-based Hispanic street gangs in Southern California have established connections with the Tijuana-based Arellano-Felix drug cartel and receive large sums of money for their activities in drug trafficking, protection and violent attacks against rival narcotic traffickers on behalf of the cartel. Some of these criminal street gang members live in the Tijuana area, work side by side with the cartel, and travel back and forth from Tijuana to Southern California carrying out these criminal activities.

During 2001, California Hispanic gangs have engaged in the following criminal activity:

On August 22, 2001, a member of a Fresno Hispanic gang was sentenced to 34 years-to-life in prison for the 1999 murder of a female youth. On March 10, 1999, the suspect and a friend were at a local recreation park when they noticed a group of Asian gang members at one of the picnic tables. Derogatory names were exchanged between members of the two gangs, culminating in the suspect drawing a gun and firing several shots. One of the bullets struck and killed the victim who was bicycling through the park.

On August 3, 2001, a member of an Inglewood Hispanic gang was sentenced to serve two life terms in prison without the possibility of parole in connection with the murder of a police officer and an 18-year-old passerby. On November 29, 1998, two Hispanic gang members participated in a drive-by shooting involving a rival gang on the border of Culver City, which left a Los Angeles police officer and an innocent victim dead. Shortly after the drive-by, the accused Hispanic gang member who fired the gun was killed by police.

On July 19, 2001, a member of the notorious 18th Street Hispanic gang was sentenced to life in prison without the possibility of parole for the 1998 killing of a Los Angeles police officer. The gang member was convicted of killing the police officer on Carlin Street in the Crenshaw area. Two officers were sitting in their patrol car with the lights on and motor running, waiting for backup to break up a noisy wedding party attended by gang members. The defendant shot the police officer from the rear of the patrol car for fear that the officer was there to arrest him for violating probation. According to the prosecutor, the suspect was seeking revenge for previously being arrested in front of his girlfriend, causing him to feel he had been disrespected.

On March 9, 2001, a civil injunction was imposed in Southern California against the Pacoima Project Boys, a local Hispanic gang. The civil injunction prevents 12 members of the gang from specific activities, such as associating with other gang members within a specified area; possessing guns, illegal narcotics and alcohol; and intimidating crime witnesses. According to law enforcement authorities, the Pacoima Project Boys originated in the early 1980s and currently has more than 200 members responsible for murders, robberies and illegal narcotic sales.



On February 15, 2001, a Mexican Mafia leader was convicted of murdering three men and ordering hits on three others in the first death penalty case tried in a Los Angeles federal court in half a century. The gang leader was convicted on 24 of 25 criminal counts, including racketeering, murder, assault with a dangerous weapon, and drug trafficking. Prosecutors described the defendant as the highest ranking member of the Mexican Mafia in the Los Angeles area, who took direct orders from the gang's "godfather," serving time at Pelican Bay State Prison in Northern California. The prosecutor's case focused on nearly 400 wire-tapped phone calls made by the leader with close supporters discussing gang strategy, enemies and punishments.

### **White Gangs**

During 2001, white street gang members continued to impact society by committing racially-motivated crimes. The estimated membership of active white gang members in California remains consistent at approximately 5,000 members. The motivation of white gang members is fueled by the white supremacy philosophy which encourages the commission of violent hate crimes including murder, rape, drive-by shootings, assault, battery, robbery, and vandalism. White street gangs in California often engage in violent criminal activities to promote racist propaganda that bolster "white pride." The central focus of the white supremacist ideology is to rid the country of what they perceive as inferior races. These inferior races include all minorities which they refer to as "mud races" or "mud people." Many white gang members have been known to associate with more organized white supremacist organizations, such as the Aryan Nations, National Alliance, Ku Klux Klan and the World Church of the Creator.

White gangs demonstrate the same white supremacist philosophies as some of the nationally recognized white supremacist groups. However, the lobbying of political white supremacist ideology has not been the driving motivation behind several white gangs. In 2001, criminally-oriented white gangs have continued to engage in more mainstream gang activity, such as drug manufacturing and trafficking, burglary, robbery, witness intimidation, assault, drive-by shootings and murder. This shifting focus of white gang activity from white supremacy to predatory-type crimes has been a natural result of the imprisonment of much of the leadership of these gangs. As the leaders become imprisoned on various charges over the past several years, they bring with them to the street the influences of hardened prison gang members upon their release from the penal system.

Since the 1960s, the most influential white gang has been the Aryan Brotherhood (AB). The AB is one of the most notorious, racist prison gangs and has evolved to be the pinnacle of the white gang power structure. In the 1960s, white prison inmates with similar racist views in San Quentin Prison created the AB in an effort to protect themselves from emerging Hispanic and African American prison gangs. The AB has since spread to other prisons throughout the United States. The Aryan Brotherhood demonstrates intense hatred of Blacks, Jews, homosexuals and other minority groups. Members can be identified by similar tattoos consisting of a swastika and the Nazi SS lightning bolt. They have been known to engage in a wide range of criminal activity, including murder, assault, extortion, drug operations, prostitution and violence in prisons. The AB also maintains ties to the Aryan Nations, a white supremacy group that advocates racial violence across the United States. The group's status as the most influential white prison gang makes the AB the



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status group for young, skinhead prisoners who often belong to white street gangs throughout the state such as the Nazi Low Riders, the Peckerwoods or Public Enemy Number One.

Similar to the AB, the Nazi Low Riders was established as a California prison gang; however, it also maintains a strong active network of California white street gang members outside of prison walls. Since the late 1970s, the Nazi Low Riders maintained a strong alliance with the AB. As the California Department of Corrections restricts the activities of members of the AB, the Nazi Low Riders continue to promote the AB's white supremacist philosophy both inside and beyond penitentiary walls. Today, the Nazi Low Riders is the fastest growing white street gang in California, spreading from Southern to Central and Northern California, as well as across state lines. The increasing expansion of the Nazi Low Riders has been attributed to their involvement in the production and trade of methamphetamine throughout the state as well as their reputation for being a well connected, ruthless white supremacy organization.

During 2001, white street gangs in California have participated in several white supremacy rallies, marches, demonstrations and concerts throughout the state. In addition, white street gangs have committed and encouraged several violent racially motivated crimes.

The following incidents exemplify the violent predatory-style crimes committed by white street gangs:

On August 22, 2001, local and federal law enforcement officers concluded a nationwide methamphetamine ring investigation that found direct links to white supremacists and biker gangs. Approximately 200 sheriff's investigators and federal agents raided 22 homes and businesses in the Antelope Valley and two San Fernando homes, arresting 23 people. The 18-month probe led to closing down 16 methamphetamine labs, confiscation of 45 pounds of methamphetamine valued at \$2 million, seizure of \$500,000 in cash and the arrest of 269 suspects. The ring distributed drugs to customers in California, New York, Idaho, Arizona, Colorado and Texas. Approximately 30 percent of the 269 suspects arrested belonged to members of the Nazi Low Riders, Peckerwoods and Vagos motorcycle gang.

On March 30, 2001, two members of the Nazi Low Riders were arrested after Los Angeles County Sheriff's deputies seized 73 firearms in a raid. The high-powered weapons included assault rifles, two of which were fully automatic; three inert hand grenades with the components to activate them; body armor; a silencer and a sheriff's uniform and handgun. Deputies also found racist paraphernalia containing swastikas and Nazi flags.

On March 22, 2001, a white supremacist gang member was sentenced to 230 years in state prison for shooting at a police officer during a vehicle pursuit in May 2000. The suspect was in a stolen vehicle driven by his girlfriend when Orange County law enforcement authorities attempted to stop them. A high speed pursuit at nearly 100 miles an hour ended when the suspect collided with a police vehicle and crashed into a local restaurant. The suspect continued shooting at authorities until he was wounded in the shoulder. On November 1, 2001, the female driver was sentenced to life in prison for the attempted murder of a police officer.

On March 17, 2001, a member of the Nazi Low Riders was arrested for attempted murder and hate crimes in the attack of a 36-year-old African American male in Merced, California. The victim was walking to a nightclub when the



gang member blatantly attacked and stabbed him 23 times in his back, chest, neck and head. The victim managed to escape the attacker without any life-threatening wounds. The attacker was restrained by on-lookers as he continued to pursue the victim. The gang member also had a prior conviction for armed robbery.

## **ANALYSIS and TRENDS**

- It is likely that African American and Hispanic gangs will continue their feuds over territory, resulting in common turf wars. This could result in innocent citizens being assaulted or murdered, cause an increase in violent crimes and possibly create tension between African American and Hispanic individuals currently incarcerated in the California state prison system.
- Asian gangs will continue committing crimes throughout California and the United States, including home-invasion robberies, auto thefts, drive-by shootings and credit card, currency, and computer software counterfeiting.
- It is likely that Hispanic gangs will continue to gravitate toward, and become more involved, in white-collar crimes. Law enforcement authorities can expect to see a significant amount of white-collar criminal activity involving Hispanic gangs in California. This activity, which includes check forgery and counterfeiting of documents and identification cards, may attract more gang members due to huge profits and lighter penalties in comparison to violent and narcotics-related offenses.
- Membership in California Hispanic gangs will continue to grow, particularly because of the substantial amount of money that can be made from gang-related narcotic activities, and some members will continue to migrate from large metropolitan cities to the more rural cities in pursuit of those activities.
- Hispanic gang members will continue to behave violently, have disrespect for human life and kill innocent bystanders because of their turf battles with other gangs and the indiscriminate retaliations against each other.
- The power base of white gangs will continue to shift to the prison-based gangs. Gangs such as the Aryan Brotherhood (AB) and those criminal street gangs affiliated with the AB will continue to wield the most influence on white gangs and their activity, both on the street and in prison.
- White street gangs will continue to associate with white supremacy groups such as the Aryan Nations, National Alliance, Ku Klux Klan, the World Church of the Creator and other organized crime syndicates, including outlaw motorcycle gangs.



## White Supremacist Groups

### INTRODUCTION

During 2001, members and adherents of white supremacist groups including the Ku Klux Klan (KKK), Aryan Nations, National Alliance, and the World Church of the Creator (WCOTC) continued to conduct racially- motivated criminal activity in California. White supremacist groups are historically and currently structured upon a variety of extreme theological and political ideologies to maintain an Aryan race. Despite the diminishing and/or aging leadership of white supremacist groups nationally, new forms of recruitment and augmentation of young skinhead groups have expanded the white supremacist movement. Over the past year, violent crimes, including robbery, assault, rape and murder, have been traced to members of white supremacist groups in California.

### BACKGROUND

#### *Ku Klux Klan (KKK)*

The Ku Klux Klan has historically been one of America's most prominent and infamous hate groups; yet, today, the KKK is a fragmented collection of several independent groups and individuals throughout the United States. The Ku Klux Klan has typically targeted African Americans, Jews, homosexuals and Catholics. However, over the years, the KKK has been weakened by internal conflict, arrests and continuous government and law enforcement infiltration. Young white supremacists tend to view the KKK as an older faction with less centralized power. Some of today's Ku Klux Klan factions have veered from an openly racist or militant approach and have supported a political ground towards "civil rights for whites."

In 2001, according to the Southern Poverty Law Center, 109 Ku Klux Klan factions existed throughout the United States. The Imperial Klans of America (IKA), Knights of the Ku Klux Klan faction, is the largest remaining Klan in the United States, as well as the most prominent KKK faction in California. The IKA, based in Powderly, Kentucky, has approximately 20 chapters spread throughout 15 states. To gain public attention, in 2001, the IKA held several meetings at public libraries and in front of synagogues throughout Southern California.

#### *Aryan Nations (AN)*

The Aryan Nations, a racist, anti-Semitic, white supremacist hate group, is the political arm of the "White Identity Church of Jesus Christ-Christian." Until now, Aryan Nations used to be the country's leading promoter of "Christian Identity," a theological hate movement that teaches Anglo-Saxons are the true biblical "Chosen People" and the direct descendants of the Israelites. Members believe that Anglo-Saxons are superior to all Blacks, Jews and other non-white races.



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After the leader of the Aryan Nations was found civilly liable for the 1998 attack on a woman and her son by Aryan Nations members near their compound in Coeur D'Alene, Idaho, the organization went bankrupt and the leader was forced to sell the property. A former California resident continues to invest a significant amount of money towards propaganda for the organization that has been distributed to more than 9,000 citizens in Idaho. In September 2001, Aryan Nations was split into two factions, one in Idaho, and the other in Pennsylvania. The Idaho faction continues to be run by the same leader, and the new Pennsylvania faction is run by a devoted militant member with an extensive criminal record, including aggravated robbery and attempted murder in the shooting of a Dayton, Ohio, police officer.

Aryan Nations chapters continue to be active in California. Police, however, have placed a significant amount of pressure on the organization after a member committed a racially-motivated murder in Southern California. On March 26, 2001, a suspected former member of the Aryan Nations was sentenced to life in prison, plus 110 years, for killing a Filipino-American postal worker and wounding five people at a Jewish community center in Granada Hills, California, in August 1999.

### *National Alliance*

The National Alliance, based in Hillsboro, West Virginia, claims to be the nation's largest and most active neo-Nazi, white supremacist hate group. The organization's goal is to ignite a world race war and create a society free of Blacks, Jews and all other minorities. The National Alliance has experienced a significant growth in the United States over the past decade and continues to claim more than 1,500 members in 35 cells across 30 states. The growth is attributed to innovative methods of recruitment, including propaganda on the Internet, attracting middle class racists and purchasing a white power music company to assist in the recruitment of young skinheads. In addition, the National Alliance's powerful leadership, structure and reputation is becoming more prominent as other neo-Nazi organizations are becoming weak and fragmented. Members of the National Alliance have been held responsible for several violent, racially-motivated crimes in California, including robbery, assault and attempted murder.

The National Alliance remains criminally active in California. Members have been known to actively distribute literature in suburban neighborhoods and college campuses throughout California to recruit new members. In November 2001, the National Alliance distributed a report citing "18 reasons to stop funding Israel," which was meant to coincide with protests at the Israeli Embassy in Washington, D.C., and Israeli Consulates throughout the United States. Several skinhead and white supremacist organizations, including the World Church of the Creator, attend National Alliance events in California.

### *World Church of the Creator (WCOTC)*

The World Church of the Creator is one of America's most violent hate groups. The WCOTC targets Jews, Christians, African Americans, and other minorities. This hate group is masked as a religious movement with the ultimate objective to promote the survival, expansion and world domination of the white race. The WCOTC has made extensive use of



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the Internet, including a linked “Creator Webring” of over 30 subsidiary sites, to share their fundamental racist ideology and recruit WCOTC prospects at a national and international level. According to the Anti-Defamation League, the WCOTC, based in Peoria, Illinois, has approximately 65 contact points across 22 states, and 10 international contacts, including active members in Canada, Sweden and South Africa. The WCOTC relies heavily on recruiting and maintaining good relations with violent offenders in prison to spread their beliefs. The current leader continues to promote the organization by publically speaking to various media sources about the WCOTC’s extreme and controversial ideology. The members of the WCOTC have been held responsible for several violent crimes in California, including assault, arson, and murder.

The WCOTC continues to commit racially motivated crimes in California. The organization maintains several chapters in Northern and Southern California. On January 3, 2001, a jury found a WCOTC member guilty of attempted murder for assaults on two people mistaken as members of an anti-skinhead group in Sacramento, California. The WCOTC has also attracted several adherents during rallies and public activities, including members of the National Alliance. The WCOTC continues to hold meetings at public libraries to gain more media attention.

### ANALYSIS and TRENDS

- Law enforcement authorities throughout California are maintaining a focused effort to deter and prevent hate crimes from occurring. The California Attorney General’s *Hate Crimes Database* provides information necessary for the arrests and convictions of members of these groups for hate-related crimes.
- White supremacists in pursuit of their racial agenda are continuing to prey on minorities. California can expect to see some white supremacists utilizing the Internet to encourage the commitment of hate crimes against their adversaries.
- In previous years, the California Department of Justice reported a growing trend toward the use of weaponry being employed by white supremacist group members and individuals. That trend is continuing and may escalate to include explosives.





## Traditional Organized Crime

### INTRODUCTION

La Cosa Nostra (LCN), more commonly referred to as the “Mafia,” remains the largest and oldest faction of traditional organized crime (TOC) in the United States. La Cosa Nostra, literally translated into English as “this thing of ours,” is a nationwide enterprise of organized criminals governed by both a strong internal hierarchal structure and a central motivation to generate profit. The Mafia considers itself to be an “honorable society,” in which each “made” member follows a code of silence, or “Omerta,” upon entering the family. Traditional organized crime families are known to carry out their daily operations through violence or the threat of violence, corruption and extortion. Today, traditional organized crime families are involved in a broad spectrum of illegal activities, including, murder, drug trafficking, gambling, labor racketeering, infiltration of legitimate businesses, loan sharking, pornography, prostitution, tax fraud and financial market manipulations. There are approximately 2,000 “made” LCN members belonging to 24 families throughout major cities in the United States. Most traditional organized crime members are concentrated around the northeast; however, there are affiliates in Florida; selected cities across the Midwest and mid-Atlantic regions; and the West, including California and Nevada. Currently, the only active family in California is the Southern California Crime Family operating out of Southern California and Nevada. The Southern California Crime Family consists of 15 to 20 “made” members, but does not maintain “exclusive” hold over their territory. In many large cities across the United States, criminal organizations pay “business taxes” to LCN in order to engage in criminal operations. The Southern California Crime Family does not have the stability and leadership to execute the power needed to control such an elusive criminal market. The consequence of having a small family and weak leadership has resulted in LCN members and associates from several different eastern families migrating to California in hopes of expanding into many criminal opportunities available in the state. Over the past decade, the foremost area being considered for infiltration is the Indian casinos that have recently opened in California.

### BACKGROUND

Since the late 1920s, California has had the perennial reputation of being an exposed territory for just about anyone in organized crime from the East Coast. California’s major cities, including San Francisco, San Jose, Los Angeles and San Diego, offer a wide variety of financial markets that attract organized crime enterprises including, but not limited to, the successful entertainment industry; large port operations; and Indian, Reno, and Las Vegas casinos. East Coast organized crime families from New York, Buffalo, Boston, Cleveland, Philadelphia, Kansas City, New Jersey and Chicago have all maintained associates in California. Today, the majority of TOC members in California are emerging from New York families and are cooperating together in criminal endeavors. In addition, TOC families in California maintain close ties with Asian organized crime groups, Eurasian/Russian organized crime groups, outlaw motorcycle gangs and various domestic criminal organizations.

The San Francisco LCN family was built out of a prosperous crime family who emerged from bootlegging during the prohibition era. The San Francisco LCN operated the famous Fisherman’s Wharf with legitimate business partners



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and were engaged in criminal activities such as bootlegging, prostitution, loan sharking, gambling and drug trafficking. The San Jose LCN family, founded in 1942, made most of its profits on similar criminal activities. However, as the ethnic diversity grew in the city, as well as throughout California, it made it very difficult for TOC members to compete with other criminal organizations present. Today, both LCN organizations are considered to be inactive due to constant surveillance, investigations and convictions by law enforcement. Although the TOC families are dormant, several members from East Coast families still around to operate rackets in the Bay Area.

Southern California has always been an attractive location for TOC families because of the profitable entertainment industry and close proximity to Las Vegas. In the 1930s, East Coast TOC families began sending associates to conquer profitable opportunities in Los Angeles and Las Vegas. East Coast and California TOC families used legitimate business executives to gain access to Las Vegas casino counting rooms to pilfer money from table games and slots before it could be legally accounted for. However, in the mid 1980s, TOC influence in Las Vegas slowly waned as law enforcement authorities uncovered several racketeering, murder and skimming plots. TOC remains in Las Vegas, and is visible in controlling loan-sharking, escort services and other rackets. Currently, the Southern California Crime family is very small, due to the aging of members and aggressive surveillance, investigations and convictions by law enforcement.

Although the Southern California Crime Family continues to be scrutinized by law enforcement authorities, organized crime figures from East Coast LCN families pose the greatest threat. Those East Coast crime figures continue their attempts to make inroads into legitimate businesses and illegal activities in California. In Los Angeles, these businesses include legitimate bars, nightclubs, restaurants and movie and record productions that attract wealthy business people, celebrities, organized crime figures, drug traffickers and prostitutes. Often, a wealthy business person or celebrity is used as a “front owner” for one of these businesses that afford opportunities to launder money, skim profits, evade taxes, hide ownership or commit other illegal acts. Law enforcement authorities in San Diego, Palm Springs and San Jose also keep a close eye on the types of businesses run, or frequented by, organized crime figures in their cities.

### **Illegal Gambling Activities**

Indian tribal gambling has proven to be a lucrative industry on Indian reservations throughout California. Indian casinos have grown immensely in the past year. Over the years, Indian gambling has become a very profitable area for traditional organized crime groups to infiltrate. The volume of money, particularly cash, that is generated from gambling makes the infiltration of Indian casinos an attractive target. In the past ten years, law enforcement thwarted two attempts by the Chicago, Pittsburgh and Ohio LCN families to open gambling operations on Indian lands in California. Money laundering and skimming were the goals when the two casinos in San Diego were infiltrated.

New and expanding Indian casinos are closely monitored by local, state and federal agencies in hopes of deterring infiltration by organized crime groups. Indian casino service providers and suppliers who may be in danger of being infiltrated by the Mafia are also monitored by law enforcement. Law enforcement agencies are concerned that members of East Coast LCN families may come to California to provide their services to the unsuspecting casinos.



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### ANALYSIS and TRENDS

- The Southern California Crime Family is at a weak point in history. The family has never been strong or large in number and has been on the decline for many years. Although the Southern California Crime Family will be formally recognized for years to come, it will not gain strength or power unless there is a major recruitment effort by a leader who is more powerful than the current boss.
- Traditional organized crime figures from the East Coast will continue to operate legitimate businesses in California that will provide a stable place from which to plan and operate their illegal scams and criminal activities. These members and associates will continue to be involved in the hidden ownership of legitimate businesses in order to launder money, skim profits, evade taxes, conduct illegal gambling and commit other forms of illegal activities. East Coast families will continue to work together to carry out these operations.
- Without a considerable increase in numbers in the Southern California Crime Family, there will be a continuing alliance between the LCN and other criminal groups. Alliances have been formed with the Hells Angels outlaw motorcycle gang and Asian and Eurasian organized crime groups in California.
- With numerous Indian gaming establishments operating in California, there may be additional attempts by the LCN to infiltrate these establishments. Commitment and diligence on behalf of the Indian gaming industry by federal, state and local law enforcement agencies, as well as the California Department of Justice's Division of Gambling Control, will prevent legal gambling from becoming the LCN's next business opportunity.
- Many Indian tribes are in a rush to build their casinos due to competition among tribes for customers and their cash in the rush, there may be some oversight by the tribes that will allow the opportunity for organized crime to infiltrate these highly lucrative facilities.



## Criminal Intelligence Bureau Intelligence Operations Program

### Introduction

Before September 11, 2001, the Intelligence Operations Program (IOP) consisted of two units, the Organized Crime Unit and the Gangs/Criminal Extremists Unit. The units were staffed with criminal intelligence specialists, research analysts and support personnel. The units' primary responsibilities were to identify criminal activities and develop counter-strategies in combating gangs, terrorists, criminal extremists and organized criminal groups operating in California.

**Organized Crime Unit** - The Organized Crime Unit (OCU) was responsible for the collection, evaluation, collation, analysis and dissemination of criminal intelligence information relating to traditional organized crime groups, illegal gaming, high-technology crimes, outlaw motorcycle gangs and nontraditional organized crime groups such as Eurasian organized crime. The unit's criminal intelligence specialists performed short- and long-range analyses relating to organized crime groups, provided written documentation pertaining to potential problem areas and recommended courses of action.

Unit staff also participated in regional intelligence meetings to disseminate and collect criminal intelligence data. Staff provided training to local law enforcement and were an integral part of the Attorney General's Annual Organized Crime, Gang, and Criminal Intelligence Training Conference held each August.

The OCU is the Central Coordinating Agency for the Law Enforcement Intelligence Unit (LEIU), an international association of nearly 250 law enforcement agencies in the United States, Canada, Australia and Great Britain. LEIU maintains a database on national and international criminals and provides immediate access to that information.

The OCU also acts as the state liaison for the International Police Organization (INTERPOL), which provides California law enforcement agencies with an expeditious communications channel for the exchange of criminal data with foreign countries.

**Gangs/Criminal Extremists Unit** - Gangs/Criminal Extremists Unit (GCEU) staff were responsible for collecting, evaluating, collating, analyzing and disseminating criminal intelligence information relating to street and prison gangs, Asian organized crime groups and criminal extremists. Staff provided recommendations on targets for investigation, preparation of threat assessments, intelligence reports and exchanged criminal information in the intelligence community.

GCEU staff also provided training and analytical support to investigators and prosecutors responsible for targeting these criminal groups. The analytical support aids in the identification, arrest and conviction of gang members, criminal extremists and Asian organized crime figures.



### **Post September 11, 2001 Structure**

After September 11, 2001, IOP unit resources were reassigned to the California Anti-Terrorism Information Center (CATIC). CATIC consists of the Group Analysis Unit, the Situation Unit, Intelligence Support Unit, the Allied Agency Group and Field Operations (eight regional task forces). These new units are described below:

**Group Analysis Unit** -The Group Analysis Unit (GAU) is staffed with criminal intelligence analysts who are responsible for identifying the extent to which groups involved in terrorism are impacting California. GAU staff assess international and domestic terrorist and criminal extremist groups. The staff collects information pertaining to these groups and their members, analyze the information, and identify methods of operation, trends, patterns and violence potential. The information is disseminated to law enforcement authorities through tactical and strategic bulletins, special reports and intelligence briefings.

**Situation Unit** - The Situation Unit is staffed with criminal intelligence analysts who have multiple responsibilities to ensure a coordinated response to suspected terrorist activities. The analysts are responsible for coordinating with CATIC's regional task forces and allied agency personnel to obtain information as needed, and responding to law enforcement inquiries regarding suspected terrorist activities. Unit staff disseminate law enforcement advisories, intelligence bulletins, assessments and reports.

The responsibility to act as the state liaison for the International Police Organization (INTERPOL) is now assigned to the Situation Unit. INTERPOL provides California law enforcement agencies with an expeditious communications channel for the exchange of criminal data with foreign countries.

**Intelligence Support Unit** -The Intelligence Support Unit (ISU) is staffed with program technicians who update and maintain the Automated Criminal Intelligence Index (ACII), an electronic, statewide intelligence database that contains data that is instantly retrievable when a query is submitted. ACII is able to accommodate remote access, allowing agencies to inquire or store data in the system. ISU staff is responsible for establishing remote access for local agencies and provides training to the agency's staff.

**The Allied Agency Group** - The allied agency representatives (federal, state and local agencies) provide the Situation Unit with access to the representative agency's databases. The allied agency staff also act as liaison with their home agencies to ensure real-time exchange of information with Situation Unit staff.

**Field Operations/Task Forces** - Prior to September 2001, the regional offices' special agent staff initiated or assisted in a variety of criminal investigations such as homicide, profiling, sexual predators, major fraud, police corruption and public official misconduct. After September 11, 2001, many of the special agents in the regional offices were reassigned to task forces strategically located in the state to aid in the investigation of terrorism-related individuals and activities. Currently, there are eight task forces assisting in the integration of state, federal and local law enforcement agencies to



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promote timely collection and distribution of terrorist related intelligence. Task forces are comprised of state, federal, and local law enforcement agencies that work together to investigate a variety of reported information that may be related to terrorism.

The CATIC's regional task forces are located in the following cities and are responsible for the identified counties.

**San Diego** - San Diego and Imperial Counties

**Inland Empire** - Riverside and San Bernardino Counties

**Orange** - Orange County

**Los Angeles** - Los Angeles, Santa Barbara, San Luis Obispo, and Ventura Counties

**Fresno** - Fresno, Inyo, Kern, Kings, Madera, Mariposa, Merced, Mono, and Tulare Counties

**Sacramento** - Alpine, Amador, Butte, Calaveras, Colusa, El Dorado, Glenn, Nevada, Placer, Sacramento, San Joaquin, Sierra, Stanislaus, Sutter, Tuolumne, Yuba, and Yolo Counties

**San Francisco** - Alameda, Contra Costa, Lake, Marin, Mendocino, Monterey, Napa, San Benito, San Francisco, San Mateo, Santa Cruz, Santa Clara, Solano, and Sonoma Counties

**Redding** - Del Norte, Humboldt, Lassen, Modoc, Plumas, Shasta, Siskiyou, Tehama, and Trinity Counties

### **Publications, Bulletins, Training**

Some products and services provided by IOP in 2001 include the following:

***Annual Report on Organized Crime to the California Legislature*** - One of the responsibilities of the staff of IOP is to prepare and deliver a report assessing organized crime in California to the California State Legislature. The report is available to the general public, government entities, and libraries.

***Terrorism Advisories*** - From September 11, 2001, through December 31, 2001, CATIC issued 46 law enforcement advisories related to terrorism.

***Intelligence Operations Bulletins and Assessments*** - There were seven intelligence bulletins and five statewide assessments issued in the last four months of 2001. The bulletins and assessments inform law enforcement authorities



of potential investigative leads, current crime trends, areas in the state where certain activities are occurring and officer-safety awareness.

The bulletins were disseminated to more than 1,800 law enforcement authorities in California and other states that use the information to coordinate investigations, enhance crime prevention programs, and increase awareness among officers of criminal activities.

***California Attorney General's Annual Organized Crime, Gang, and Criminal Intelligence Training Conference*** - California Attorney General's Annual Organized Crime, Gang, and Criminal Intelligence Training Conference is held every year in August to provide law enforcement agencies with current information on organized crime, gangs, and criminal extremists groups. The conference also provides training in the legitimate application of the criminal intelligence process. The conference provides valuable opportunities for investigators from diverse agencies across the state and nation to establish contacts to aid in future investigations. In 2001, the 15<sup>th</sup> annual training conference was presented. Experts in designated fields instructed in more than 20 workshops to approximately 700 law enforcement attendees representing 296 law enforcement agencies from California, other states, foreign countries and the federal government.

### **Provided Response to Requests for Information**

Intelligence Operations Program staff provided a variety of services to law enforcement agencies responsible for investigating and prosecuting organized crime group members. In 2001, staff responded to more than 1,800 requests for assistance on approximately 19,000 subjects regarding one or more of the following services:

- Identification of criminal suspects
- Validation of gang membership
- Location of fugitives
- Coordination of investigations
- Correlation of prosecution elements for trial
- Development of special reports, publications, bulletins and advisories
- Delivery of training and briefings
- Analysis of statewide, strategic trends involving targeted criminal groups