

OFFICE OF ATTORNEY GENERAL
Commonwealth of Pennsylvania



REPORT
TO
JUDICIARY COMMITTEE
HOUSE OF REPRESENTATIVES

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ATTORNEY GENERAL

Mr. Chairman, Members of the Committee:

Thank you for this opportunity to provide you with an overview of scope of the Office of Attorney General's duties and responsibilities. We are, compared to other state agencies, relatively small: 747 employees and a \$54 million total budget for the current fiscal year. But our duties are far more wide-ranging than many larger agencies: We arrest drug dealers and monitor charitable bequests, conduct wiretaps and conduct consumer education programs, prosecute polluters and defend against tort claims, investigate contract killers and review state contracts, help district attorneys handle death penalty appeals and go into the appellate courts to defend the constitutionality of the laws you enact.

While our work in the fight against crime and drugs receives most of the public attention, our other activities are critically important to the protection of our citizens -- and to the Commonwealth's coffers: Last fiscal year we brought in \$23,103,000 in revenues for the Commonwealth, 43 percent of our budget, and saved an estimated \$56 million more through the successful defense of tort cases alone.

HISTORY

You had asked that my presentation touch on the history of the office, and that is a good place to begin: Pennsylvania has had attorneys general since 1643, when the first one was appointed by the King of Sweden. But Pennsylvania has had an independent Attorney General only since 1981, when the Office of Attorney General came into being. I am only the second elected Attorney General in Pennsylvania history and this year, the office I head is just 10 years old.

The first step in creating the elective office was the passage of a constitutional amendment in 1978. In 1980, the Legislature implemented the change by passing the Commonwealth Attorneys Act, creating, and defining the duties of, the new office.

The act dissolved the old Department of Justice, over which previous Attorneys General had presided, and created the new Office of Attorney General. While some responsibilities of the old Department of Justice were shifted to the Governor's office, the new Office of Attorney General retained many others, such as the responsibility for defending the Commonwealth against all major lawsuits.

And, particularly in the area of criminal law, the new Office of Attorney General was assigned broad new authority. Most notably, the Attorney General was empowered for the first time to investigate and prosecute organized criminal activity statewide.

The people and Legislature created this office with a strong expectation that we would be independent, that we would represent the people, that we would be aggressive in the pursuit of organized crime and public corruption. There also was a clear expectation that the Attorney General would be professional and non-partisan in providing legal representation to the agencies under the Governor, and in defending the statutes you pass and the constitution itself.

My goal, as Attorney General, is to meet those expectations. It is a great challenge, but one made much easier by a strong, highly professional and highly experienced staff, including the senior officials who I have here with me today.

Permit me to proceed through our organization chart (attached), section by section.

EXECUTIVE OFFICE

Walter Cohen, whom many of you know, is my first deputy attorney general, my clear second in command, advisor and friend. The next level represents the three operating components of my executive office: legislative, press/communications and policy and planning. Most of you know Deputy Attorney General Fran Cleaver, Deputy Attorney General Kathleen McGrath and Annette Madigan, who so ably staff the legislative section.

Working with this committee and others, we have achieved passage of numerous bills since I took office, including an entire package of 18 tough new drug laws, an historic reform of the Criminal History Records Information Act that is allowing Pennsylvania police to enter the computer age, legislation that is enabling us to crack down on charity scams and a statute that now protects consumers financially when health clubs fail.

I thank you and your staff for the interest and concern you have shown for the legislative issues we have raised.

The Press Office, in addition to handling major announcements, helps maximize the deterrent value of our more routine prosecutions by making sure they get maximum coverage, and supports our education efforts regarding consumer rights and drug abuse.

The Office of Policy and Planning helps me make sure we keep the entire office on track toward the goals I've set, and ensures that constituent groups have access.

OFFICE OF MANAGEMENT SERVICES

The rest of the office is organized into four major divisions -- Public Protection, Civil Law, Criminal Law and Drug Law -- and the Office of Management Services, which makes it possible for all the rest of us to do our jobs.

Management Services has 58 employees, and the titles of its sections are self-explanatory as to their functions: comptroller, personnel, office services, law library and data processing. I will take time to describe only the Affirmative Action Unit. I have a very serious commitment to minority hiring, and it's reflected in our statistics, which consistently exceed national averages: More than 11 percent of our employees are minorities, including 14 percent of our investigators. And nearly 42 percent of my staff is female, including a quarter of our attorneys. Of the 62 narcotics agents we hired last September, 17 are minorities and nine are women.

To me, minority hiring is not just a matter of being fair to minority applicants, though that's more than enough justification by itself. I believe I need minorities on my staff if I am to effectively serve all the people of Pennsylvania. We cannot, for instance, help Philadelphia's inner-city residents combat drug traffickers in their communities unless we have black, Hispanic and Asian undercover officers to go into those communities and make the drug buys. We do have those agents now, and they are making a difference.

PUBLIC PROTECTION DIVISION

My Public Protection Division targets deceptive business practices, price-fixing and other anti-competitive activity, improper use of charitable donations and civil rights violations. This division, with 24 attorneys, 25 investigators and 36 support staff, is the one division in my office most likely to have direct contact with the average Pennsylvanian, particularly through the Bureau of Consumer Protection.

Although the Office of Consumer Advocate is organizationally attached to this division, it acts independently of my office and is not covered in this presentation.

Bureau of Consumer Protection

This bureau investigates and mediates consumer complaints and takes legal action against companies that engage in unfair business practices and where a suit by the Attorney General is in the public interest.

The bureau has seven permanent regional offices: Allentown, Ebensburg, Erie, Harrisburg, Philadelphia, Pittsburgh and Scranton. It operates a toll-free Consumer Protection Hot Line and distributes consumer information, including the free Consumer Protection Kits that are popular with many legislators.

At my direction, the bureau has started monthly outreach programs in nearly 40 counties during the past two years, enhancing both the bureau's accessibility and visibility. In 1990, the bureau conducted over 250 such outreach sessions.

And consumers know we're here. Last year alone the bureau's 12 lawyers, 23 agents and 24 support personnel received and investigated more than 26,000 consumer complaints, handled nearly 35,000 Hot Line calls and made 268 public appearances.

You should know that although the bureau is not empowered to act as legal representative for an individual consumer, we are able to investigate and do attempt to mediate individual complaints. And some of the legal actions we bring on behalf of the Commonwealth are based on illegal, deceptive practices uncovered during our investigation of a single complaint.

During 1990, the bureau filed 135 legal actions, producing court-ordered penalties of nearly \$260,000. In all, the bureau's activities last year resulted in consumer restitution and savings that exceeded \$3.8 million.

The bureau played a key role in developing legislation that cracked down on abuses in the health club and time-share industries. Current areas of investigative focus include energy industry pricing practices and scams related to the growing "900" telephone number business.

The bureau cooperates with local, state and federal agencies for effective consumer protection. For example, through the bureau we recently worked with the state Department of Military Affairs to develop a brochure spelling out special consumer rights for Pennsylvanians on duty in the Persian Gulf and their families here at home.

Antitrust Section

This section, with a staff of five attorneys and five support personnel, has been hampered by the fact that Pennsylvania is the only state in the nation without its own antitrust law. Despite that handicap, the section has used our limited standing under federal antitrust statutes to vigorously fight price-fixing and other anti-competitive activity.

During the past two fiscal years the section has obtained for the Commonwealth and its citizens more than \$13.8 million in settlements, including \$3.7 million from Getty Oil Co. as the state's share of a oil-overcharge case settlement. Recent settlements from price-fixing cases include \$502,000 from Panasonic Corp., \$329,000 from 13 beer distributors in Blair County and \$158,000 from nine Bucks County fuel oil dealers.

Pending cases include restraint of trade charges against a Lancaster County mobile home park dealer; a suit alleging that several defendants conspired to rig bids on used State Police cars being sold at Department of General Services auctions, and a multi-state suit against the maker and marketer of Clozaril, a new medication for the treatment of schizophrenia.

I'm gratified that the House last week voted in favor of House Bill 191, the antitrust bill sponsored by Rep. John Broujos. I need an antitrust law to keep organized crime from dominating an industry in the way it took over the trash industry in New Jersey. I need it to safeguard consumers. And I need it to protect Pennsylvania companies, Pennsylvania jobs, and Pennsylvania's economy from unfair, anticompetitive tactics by corporate raiders and takeover artists. The primary beneficiary of a state antitrust act will be the business community, particularly small businesses.

Charitable Trusts and Organizations Section

The Charitable Trusts and Organizations Section, with five attorneys, two investigators and four support personnel, is responsible for ensuring that funds intended for charitable purposes are, in fact, expended for those purposes. This has become increasingly difficult as a growing number of con artists have moved into the lucrative charitable solicitation field.

Since I took office in 1989, the section has filed legal actions against more than 40 professional fund-raisers and charities. During that time the section has obtained more than \$627,000 in penalties, costs and reimbursement for legitimate charities.

The section played a leading role in a multi-state suit against Watson & Hughey, a professional fund-raiser, resulting in a \$2.1-million national settlement. Of that total, \$157,000 will go directly to Pennsylvania charities.

The section worked with the Pennsylvania Department of State and the Legislature to develop the recently enacted Charitable Solicitations Act, which gives my office new investigative powers to uncover and prosecute deceptive solicitation practices.

The Charitable Trusts and Organizations Section also reviews charitable court proceedings such as the accountings of trusts and estates which benefit charities. Excessive or improper administrative expenditures are challenged to preserve the funds for the charitable purposes for which they were intended. Through such cases, the section last year saved about \$2 million for charities.

This section strives to increase public confidence that the dollars they donate to charity will be used for charitable purposes.

Civil Rights Enforcement Section

I created this section when I took office in January 1989 and put an attorney in charge with instructions that he work full time on the eradication of civil rights violations in Pennsylvania.

The section, which has reviewed more than 60 formal complaints over the past two years, works closely with the Pennsylvania Human Relations Commission and federal civil rights agencies.

In early 1989, a cooperative state and local investigation initiated by the section resulted in the conviction of a Maryland man for harassment of a black female student at Penn State, and helped bring to an end a series of racially motivated incidents.

Most recently, the section settled a case of discrimination against a handicapped woman who was unable to make arrangements for a flight on a major airline. As part of the settlement, the airline gave the woman a written apology and a \$500 voucher for her next flight.

CIVIL LAW DIVISION

The Civil Law Division, with 89 lawyers and 82 support staff, enables me to meet my responsibility to provide the Commonwealth with first-rate, cost-effective legal services. The division represents state agencies and officials in major litigation in federal and state courts. It collects delinquent taxes and other debts owed the Commonwealth. It reviews and approves all state bond issues, contracts and regulations for form and legality. And it drafts the official legal opinions that I provide, on request, to the Governor and the heads of executive agencies.

Litigation Section

This section, with 33 attorneys, defends the Commonwealth and its officials in constitutional challenges to the laws that you pass and in challenges to the policies that agencies adopt to implement those laws.

To mention just a sampling of the current caseload, it is the lawyers from this section who have been in Commonwealth Court this week, working to keep the judicial-discipline reform measure on the ballot; it's this section that is responsible for our defense of the 1989 amendments to the Abortion Control Act, a case which is likely to take us before the US Supreme Court; this same section is defending the Steel Products Procurement Act, which opponents are trying to get before the US Supreme Court; and it's this section that represents the Education Department in litigation over school funding.

And it is the attorneys in my Litigation Section who will handle the inevitable challenges to whatever Congressional and state redistricting proposal you agree upon.

Among the functions performed by this section is defending state employees, such as State Police, against claims of individual misconduct. The expertise we have developed in defending the State Police, in particular, made it possible for us to accept responsibility for the defense of municipal police against claims arising from the operations of state-sponsored Municipal Narcotics Task Forces.

The section also pursues affirmative litigation on the Commonwealth's behalf, as in the area of asbestos litigation where we are seeking to recover more than \$500 million in damages.

The Litigation Section's workload has grown dramatically in just the last decade. In 1980, it had 350 cases. Today, it has 2,100. One thing almost all those cases have in common is that our lawyers are routinely squaring off against the best -- and most expensive -- legal talent in the state. I'm proud to tell you that my staff has proven itself entirely capable of fulfilling that great responsibility.

Tax Litigation Section

Most of the Tax Litigation Section's caseload involves disputed corporate taxes or sales tax. Many of these cases involve large dollar amounts, particularly when an entire tax is challenged. In the axle-tax case, for example, we are in the state Supreme Court opposing a half-billion dollar refund claim. In all, the 10 lawyers in the section currently are carrying a caseload of 1,100, with \$2.5 billion at stake.

Financial Enforcement Section

This section serves as the debt-collector for all other Commonwealth agencies. In addition to tax debts, the section collects past-due bills for everything from state hospital emergency-room visits to forest-fire damage.

The section works particularly closely with the Revenue Department, whose cases account for 70 percent of the 30,000 open files. Last fiscal year, this section collected over \$21 million, of which \$15 million was delinquent taxes.

There is even more that could be done in this area to generate additional revenue for the Commonwealth. In my budget presentation I have asked for funding for one more lawyer to pursue tax claims in bankruptcy court in Philadelphia. We project that funding that one lawyer position, at a total cost of \$43,000, would result in up to \$500,000 in additional revenues.

In addition to pursuing its own cases civilly, the Financial Enforcement Section also provides support to the Criminal Law Division's highly successful program of prosecuting criminal violations of the state's tax laws.

Review and Advice Section

By statute, the Attorney General must review, for form and legality, every state bond issue, every state contract and every proposed regulation. For the 1989-90 fiscal year, that meant reviewing 40 bond issues, 24,000 contracts and 280 proposed regulations. Section attorneys -- and there are just three of them -- make every effort to help the agency resolve any problems found with a proposed bond issue, contract or regulation.

The section's other major responsibility is the drafting of official Attorney General's opinions. By law, only the Governor and the heads of executive agencies can seek formal opinions. When such requests are made they almost always involve complex and difficult questions.

Once issued, a formal opinion is binding upon the official to whom it is issued and protects that official from any liability. Attorney General opinions are reported in the legal literature, and from time to time bound volumes of opinions are published and distributed to law libraries.

Torts Litigation Section

In 1978, the state Supreme Court struck down sovereign immunity as unconstitutional, thereby exposing the Commonwealth for the first time to financial liability for the negligence of its employees.

That opened the floodgates to litigation, some of it entirely justified, some a thinly disguised effort to draw in the Commonwealth as a defendant with deep pockets.

We currently get sued 20 times a week, and defending all those cases is the job of the Torts Litigation Section. The section has a staff of 35 lawyers and offices in Harrisburg, Philadelphia, Pittsburgh, Norristown, Allentown and Scranton.

They are currently defending more than 3,500 cases, with PennDOT the defendant in 80 percent of them. The Commonwealth faces an exposure of more than \$275 million in those cases.

Our torts litigators go into court against the very best private tort attorneys in the state, and our people have a superb record: Last year, we won 372 of the 391 cases that went to judgment -- a phenomenal 95 percent.

This is another area where, with a modest investment, the Commonwealth could save a large sum of money. Right now the caseload is so heavy that our lawyers are forced to settle many smaller cases they would prefer to try if they had the time.

Our budget proposal seeks more lawyers and support personnel and an upgraded data processing capability for the section. The initiative would cost \$894,000, but would result in a projected liability savings of \$1.8 million per year.

CRIMINAL LAW DIVISION

The Criminal Law Division, with a staff of 162, is responsible for the investigation and prosecution of criminal activities ranging from organized crime and public corruption to sales tax violations. These prosecutions often begin as referrals from outside sources, including district attorneys and state agencies such as the Revenue Department, Inspector General and State Police. The division also cooperates in investigations that result in prosecutions by other agencies.

Prosecutions Section

Organized crime and public corruption are the primary focus of the Prosecutions Section, but its responsibility is much broader. With the exception of drug, environmental crimes and Medicaid fraud cases, this section handles all cases prosecuted by my office. It has a staff of 15 attorneys and eight support personnel.

Some of the section's most widely publicized cases have been developed through statewide investigating grand juries. Since 1980, these grand juries -- with their subpoena and witness-immunity powers -- have produced a continual flow of presentments recommending charges in a variety of cases.

For example, the sixth statewide grand jury, seated in Philadelphia from November 1987 to July 1989, issued 22 presentments recommending charges against three corporations and 161 individuals. The defendants included Cambria County Judge Joseph O'Kicki, who was convicted in 1989 on corruption charges and faces a second trial on additional charges.

It's important to note that the O'Kicki case was developed through a cooperative investigation with State Police. The Office of Attorney General has a long history of cooperation with State Police on major criminal investigations. Another recent example is the case against Robert Iannelli, who is awaiting trial on charges that he ran a \$7.6 million sports betting operation in western Pennsylvania.

One source of cases for the Prosecutions Section is referrals from district attorneys, who refer cases which they lack the resources to prosecute or which would pose either a real or apparent conflict of interest. Last year my office accepted 44 such referrals from D.A.'s.

The section also prosecutes cases referred by other state agencies. Of this type, the most numerous are criminal sales tax cases referred by the Department of Revenue.

My office and the Revenue Department's Criminal Tax Investigation Division have a close working relationship which during the past two years has resulted in the filing of charges against more than 50 defendants in cases involving upwards of \$2.7 million.

In January, five employees of Nate Ben's Reliable Inc., a Philadelphia furniture and appliance store, were sentenced to jail after pleading guilty to charges of cheating the state out of more than \$1 million in sales tax revenue.

It was the largest sales tax theft case ever prosecuted in Pennsylvania and was developed with the help of the seventh statewide grand jury, which currently is seated in Harrisburg.

A special unit within the Prosecutions Section -- the Organized Crime Unit -- works closely with local, state and federal prosecutors and investigators who specialize in organized crime cases. The unit places a strong emphasis on cooperation and intelligence-sharing.

The unit scored a major victory against organized crime with the conviction last year of Roy Stocker on racketeering charges. We charged that Stocker ran an organization that did \$52 million worth of illicit drug business in Northeast Philadelphia and Bucks County and that had ties to the Scarfo organized crime family. Five other defendants in that case were convicted on related charges and two suspects are awaiting trial.

Another special unit, the Child Abuse Prosecution Assistance Unit, helps district attorneys with child abuse cases and conducts statewide training programs. The unit made nine arrests in child pornography and child sex cases last year and is prosecuting a couple charged with endangering the welfare of children while operating a child foster care agency in northeastern Pennsylvania.

Bureau of Criminal Investigation

The Prosecutions Section's corresponding investigative unit, listed at the bottom of the column on the chart, is the Bureau of Criminal Investigation, with 55 special agents. Like the Prosecutions Section, BCI's responsibilities cover all those criminal investigations that don't fall within the more specialized jurisdiction of the office's other investigative units.

Bureau agents investigate organized crime and public corruption statewide and probe matters referred by other state agencies, including complaints of crimes by state employees. In addition, bureau agents are assigned to the Environmental Crimes Section, which I'll discuss later.

I'm particularly proud of BCI's success in a series of storefront sting operations conducted in cooperation with local and State Police. Six such stings to date have resulted in the recovery of nearly \$3 million in stolen merchandise and the arrest of more than 250 suspects, many of whom were stealing to support drug habits.

These operations provide first-hand evidence of the dimensions of the drug-driven crime problem we face today in this country. The stings also fit in with my overall plan to make the Office of Attorney General a pro-active branch of government.

Appeals and Legal Services Section

The Appeals and Legal Services Section, with just five attorneys and three support staff, handles an ever-widening range of responsibilities from overseeing grand jury legal and administrative matters to arguing complex criminal law constitutional issues in the state and federal appellate courts.

The section's workload will grow now that the U.S. Supreme Court has upheld the constitutionality of Pennsylvania's death penalty law in the case of Blystone v. Pennsylvania, which I argued in October 1989.

An increasing number of Pennsylvania death penalty cases are reaching the point where defendants are filing federal habeas corpus proceedings. These are complex, time-consuming matters which require familiarity with what is often a voluminous record as well as a keen awareness of the nuances of the death penalty law.

The section also regularly assists local district attorneys in the preparation of appeals and periodically publishes Prosecutors Update, a newsletter that keeps district attorneys apprised of recent appellate cases affecting the practice of criminal law.

Environmental Crimes Section

The Environmental Crimes Section, with a staff of four attorneys, 14 special agents and five support personnel, has the crucial task of investigating and prosecuting criminal violations of the state's environmental laws.

To make sure we can do that job not only in large urban areas, but in the less heavily populated counties as well, I've added regional Environmental Crimes Section offices in Meadville, Williamsport and Scranton. Previously, all of the section's investigations were run from offices in Harrisburg, Philadelphia and Pittsburgh.

Just since January 1989, prosecutions by this section have resulted in convictions of 46 individuals and 14 corporations. Judges have sent 11 of those defendants to jail and imposed fines of nearly \$1 million.

The most noteworthy of those cases centered on illegal disposal of chemical wastes by NGK Metals of Berks County, resulting in environmental damage to a tributary of the Schuylkill River. Under a unique plea agreement, NGK not only paid \$280,000 in fines to the state, but also contributed \$20,000 to the Schuylkill River Greenway Association, a non-profit environmental group.

The Environmental Crimes Section operates in cooperation with the Department of Environmental Resources, from which it receives additional staff and funding. I am concerned, Mr. Chairman, that the major cutbacks taking place at DER may slow the pace of our investigations.

This is especially so because under current law, we are prohibited from opening an environmental crimes investigation unless and until the case is referred to us by DER. I have proposed legislation to grant the Office of Attorney General original jurisdiction in environmental crimes matters. This legislation was introduced in 1989 as House Bill 1175 under the sponsorship of Rep. Lois Hagarty. I'm hopeful that the legislation soon will be re-introduced and I will be asking this committee to support the bill.

Medicaid Fraud Control Section

The mission of the Medicaid Fraud Control Section is to combat fraud and abuse by providers who participate in the Medicaid program, which is administered by the state Department of Public Welfare.

Because Medicaid cases often are complex, involving thousands of Medicaid claims which must be examined and compared with original records, major emphasis is placed on training investigators and prosecutors in financial and accounting methods. The section also works with DPW data processing to devise programs which detect suspect billing patterns.

Typical cases prosecuted by this section involve dentists and doctors who bill Medicaid for more expensive services than they've actually rendered; pharmacists who provide patients with generic drugs but bill Medicaid for more costly brand-name drugs; ambulance services that bill Medicaid for non-existent patient transports, and nursing home operators who charge personal expenses to Medicaid by filing false cost reports.

The section's investigations sometimes are carried out in cooperation with the Bureau of Narcotics Investigation since, not surprisingly, doctors who are willing to sell drugs illegally have little compunction about ripping off the Medicaid system in the process.

The Medicaid Fraud Control Section has a staff of six attorneys, 35 investigators and 10 support personnel. Their salaries are 75 percent federally funded. During 1989 and 1990 the section made 59 arrests, won 49 convictions and obtained \$939,000 in court-ordered reimbursements and repayments to DPW. These statistics compare very favorably with those of surrounding states.

DRUG LAW DIVISION

The fight against drugs was my highest priority when I was the district attorney of Lackawanna County; I said it was my highest priority when I campaigned for Attorney General; it has been my highest priority as Attorney General, and it will remain my highest priority until this scourge is eliminated.

Consistent with my commitment to the drug issue, one of my first steps as Attorney General was to create a separate, new, Drug Law Division. Two existing units, the Bureau of Narcotics Investigation and Drug Control, and the Drug Prosecution Section, were removed from the Criminal Law Division and established as a separate division.

At my suggestion, the Legislature now funds the division with separate line-item appropriations so that we can clearly show how much of the taxpayers' money is being committed to the fight.

Thanks largely to the support this Legislature has shown to the drug issue, the Drug Law Division has grown significantly since its creation. When I took office, the Bureau of Narcotics Investigation and the Drug Prosecution Section together had a total staff of 142 lawyers, agents and support personnel, and a budget of \$8.4 million, including state General Fund monies, federal funds and forfeitures.

Today, the Drug Law Division has a staff of 249, and operates on a total budget of \$21.4 million (which represents 40 percent of our total Office of Attorney General Budget).

That investment is producing results, both at the state level and in greatly improved support for local drug investigations through the state-funded Municipal Narcotics Task Force Program.

Bureau Of Narcotics Investigation and Drug Control

The Bureau of Narcotics Investigation and Drug Control traces its history to the passage of Act 64 of 1972, the Drug Device and Cosmetic Act, which is the Commonwealth's drug law.

The Act gave the Secretary of Health the authority to create this bureau, with law enforcement powers, to investigate violations of Act 64 and make arrests. The Bureau subsequently was transferred to the Department of Justice and became a part of my office under the Commonwealth Attorneys Act.

Most bureau personnel are assigned to our nine regional Attorney General's Narcotics Strike Force offices around the state. We also support 85 State Police officers who are on special assignment with the Strike Forces. Our regional Strike Force offices are Region I, Allentown; Region II, Reading; Region III, Harrisburg; Region IV, State College; Region V, Greensburg; Region VI, Zelienople; Region VII, Erie; Region VIII, Wilkes-Barre; and, new since I took office, Region IX, Philadelphia.

The regional Strike Forces offices are different than the Municipal Narcotics Task Forces. In the Task Force Program, personnel from the Strike Forces -- my agents, state police or both -- are working with the local police departments. So Strike Forces bring the two state agencies together; Task Forces bring state and local agencies together.

Both the Bureau of Narcotics Investigation itself and the Task Force Program have grown markedly in the last two years.

BNI has added 81 new agents, for a total of 181. Sixty-two of those agents began work across the state just last November, marking the largest infusion of new manpower into the drug fight at the state level since the bureau was created almost two decades ago. Those new agents -- new to us; every one was highly experienced -- are already beginning to make cases, and make a difference. Again, I thank this Legislature for providing the funding that made possible this tremendous, critical increase in our drug-fighting effort.

The Task Force program, similarly, owes its success to legislative support. The Legislative Budget and Finance Committee late last year released a detailed report on our drug-fighting efforts which was, I'm pleased to say, highly complimentary toward our Task Force Program, recommending its continuation and an increase in funding.

We have gone from 10 task forces when I took office to almost 50 today. From 53 Task Force arrests in 1987 to 1,334 in 1990; from nine task force search warrants in 1987 to 576 in 1990. The conviction rate in task force cases is averaging 88 percent, compared to the statewide average conviction rate of 71 percent for drug crimes charged by all police forces.

And in 1989 (final 1990 figures are not yet available) task forces generated \$690,000 in local forfeitures -- up \$212,000 from the year before. That money stayed at home, going directly to local district attorneys to help them fund the drug fight in their own counties.

I expect every one of those numbers to go even higher as the program grows and as the newly created task forces begin to produce results. As of the end of January, 1991, we were paying out \$285,000 a month to local governments to support task force programs, up from just \$70,000 a month a year earlier.

That money is spent directly reimbursing local police departments for overtime hours that their officers worked on task force drug investigations, or for costs they incurred conducting investigations -- buy money, informant payments, case expenses and equipment.

We now have 47 task forces involving more than 1,700 police officers from more than 360 municipalities. They are, through the Task Force Program, providing intensified drug-law enforcement in 44 counties comprising more than three-quarters of the state's population. It is our goal, as reflected in our budget request, to further expand the program so that we can extend this protection to virtually all of our citizens.

The progress we have made is perhaps nowhere better reflected than in Philadelphia. When I took office, the Bureau of Narcotics Investigation had no presence in the city; our nearest agents were based in Reading. Today, we have a state-of-the-art Strike Force headquarters in Philadelphia, staffed by 28 agents and three prosecutors from my office, and 17 Pennsylvania State Police troopers.

Additionally, we have created with the Philadelphia Police Department a Philadelphia Narcotics Task Force. Sixteen Philadelphia police officers have moved in with us at our Philadelphia Strike Force office. They're working there, and on the street, side by side with our agents and State Police troopers.

Governor Casey, Mayor Goode, Philadelphia Police Commissioner Willie Williams, Col. Walp and I formally signed the task force agreement on January 31 of this year. The city police contingent completed their move into our office March 11, just two weeks ago. Adding in our own support personnel and Pennsylvania National Guard personnel who are working with us, the task force has a total staff of some 70 people -- a long way from the zero with which we started.

In addition, investigators from the various federal agencies and the New Jersey State Police also make regular use of our Philadelphia facility. Our Strike Force office already has become a command center for the war on drugs in Philadelphia.

You asked in your invitation that I touch on our working relationship with other law-enforcement agencies. The essence of the task force program is cooperation with other agencies. Each task force has assigned to it, full-time, at least one BNI agent or State Police trooper. While our agents oversee operations, ensuring that I can be fully accountable to you for the funding we provide, task force operational decisions are made at the local level, by boards of police chiefs elected from among the task force members themselves.

Our close involvement in the task forces also means that there is an unrestricted flow of intelligence information not only among task force members, but between the task forces and the regional Strike Forces.

At the Strike Force level I must tell you, in all honesty, that when I took office the relationship between our agents and State Police often was more one of competition than cooperation. I found that intolerable and have devoted a considerable amount of my own time and energy to correcting the situation.

I determined that what was needed was a formal working agreement with the State Police, containing within it language specifically directing that our agencies cooperate. I wanted a strong signal from the top. I am pleased to be able to report to you that both Commissioner Sharpe and his then deputy, Commissioner Walp, agreed. We hammered out a detailed working agreement, and on Dec. 10 Governor Casey joined us in signing it.

Among other things, it directs that whenever possible, investigations will be conducted jointly -- cooperatively. And it contains a dispute-resolution procedure that insists disagreements be addressed, not permitted to fester. If nobody else can resolve a disagreement it will go straight to Col. Walp and I, and the two of us will sort it out.

There is a strong spirit of cooperation now at the very top of our organizations, and that is being transmitted down to the rank-and-file.

We also have an excellent cooperative working relationship with the various federal law enforcement agencies, not only in drug law but in all areas. We have agents assigned to the US Attorney's model Violent Traffickers Project in Philadelphia; we have deputy attorneys general who have been cross-designated as assistant United States Attorneys to prosecute drug and other cases in the federal courts.

Just last week FBI, DEA and IRS agents accompanied State Police and my narcotics agents as they executed a state search warrant against a major drug suspect, and one of my prosecutors was on hand to assist with any legal issues that arose. That kind of multi-agency cooperative effort is becoming increasingly common.

The Bureau of Narcotics Investigation has been, I think, a catalyst for cooperation.

Drug Prosecution Section

As its name implies, this section is made up of lawyers who specialize in drug cases. Of the 19 lawyers in the section, nine are assigned to our nine regional Strike Force offices. Their primary role is not to try cases, but rather to provide on-the-spot legal advice and guidance to the agents and troopers in the Strike Forces. It is a critically important responsibility.

At my direction, the Strike Forces have been placing increasing emphasis on developing complex investigations using sophisticated investigative techniques, including investigating grand juries; immunities; wiretapping, including cellular-phone taps, "roving" wiretaps and clone pagers; other electronic and video surveillance; long-term undercover operations; "reverse stings," and, frequently, the execution of search warrants, sometimes at multiple locations concurrently or in quick succession.

To successfully carry out these complex investigations, investigators must have continuous, expert, legal advice. One legal mistake can result in evidence being suppressed, wasting months of investigative work and permitting the drug traffickers to escape justice.

As you know, our state Supreme Court has held that our state constitution does not offer the "good faith" exception found in the federal constitution. Thus under state law, if drugs are seized using a search warrant which was obtained in good faith but which contained a technical flaw, those drugs cannot be used as evidence.

Our regional attorneys are there every day in the Strike Force offices, and available 24 hours a day, to help our Strike Force agents and troopers make sure our search and arrest warrants, wiretap applications and reports and other legal documents are legally sound.

Most of the cases arising out of Strike Force investigations are prosecuted by the 67 district attorneys. By law, local drug trafficking cases are the prosecutorial responsibility of the district attorney, not the Attorney General.

The regional attorneys are, however, available to assist District Attorneys in local prosecutions when circumstances warrant. In fact, four of the nine currently are cross-designated as assistant district attorneys in various counties.

When Drug Prosecution Section attorneys do take our own cases to trial, they do so under the Commonwealth Attorneys Act. The Act grants the Attorney General independent jurisdiction to prosecute organized criminal activity based on a presentment from a Statewide Investigating Grand Jury.

Another extremely important function of the Drug Prosecution Section is the litigating of forfeiture cases. Three of the section's attorneys work on forfeiture cases on a full-time basis. They work closely with 10 BNI agents who also specialize in forfeitures.

Asset forfeiture is a specialized area of the law, one that cannot be used to maximum advantage without considerable expertise. Our forfeiture attorneys and investigators have the expertise to trace hidden assets, expose straw buyers, analyze bank records and develop financial profiles, and then successfully litigate the cases in civil forfeiture proceedings.

Their expertise is reflected in the sharp increase in real estate forfeiture cases, which invariably require their specialized investigative skills: In 1988, the year before I took office, there were just three real estate seizures, involving properties with an estimated fair market value of \$163,000. In my two years in office we have been involved in the seizure of 24 properties, valued at over \$2 million. That includes three bars that were centers of criminal activity.

Our asset forfeiture specialists -- agents and attorneys alike -- are available to work with local police departments and local district attorneys to help them develop quality forfeiture cases.

CONCLUSION

Mr. Chairman, that completes my section-by-section overview of the Office of Attorney General. I trust this summary has helped the committee, and particularly the newer members, develop a sense of the full scope of responsibilities of the Office of Attorney General. I would welcome any questions you may have. I would note for the record that I have with me a number of my senior staff, who I may call upon to assist me.

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