

MOTION
NO. 692

A MOTION AUTHORIZING THE SUBMISSION OF A GRANT APPLICATION WITH THE LAW AND JUSTICE PLANNING OFFICE, WASHINGTON STATE PLANNING AND COMMUNITY AFFAIRS AGENCY.

WHEREAS, the Omnibus Crime Control and Safe Streets Act of 1968, as amended, provides for the award of grants by the Law Enforcement Assistance Administration, U. S. Department of Justice through the Washington State Law and Justice Planning Office, and

WHEREAS, the County Council recognizes the need to detect and prosecute those engaged in "white collar crime," and

WHEREAS, this application permits the creation of a specialized unit of lawyers and investigators to engage in affirmative searches for white collar violations as a demonstration project,

NOW THEREFORE, BE IT MOVED by the Council of King County:

1. That the King County Executive is hereby authorized to make application to the Law and Justice Planning Office for funds to initiate this program.
2. That the County Executive is hereby authorized and directed to file and execute such application and contracts as are required by the Law and Justice Planning Office.
3. That the Federal/State Grant Coordinator is named the authorized correspondent for King County and is further authorized to furnish such additional information and documents as may be required by the Law and Justice Planning Office.

4. That the United States of America, Department of Justice, and the State of Washington, are hereby assured full compliance with such regulations effectuating Title VI of the Civil Rights Act of 1964.

PASSED this 13^d day of December, 1971.

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

ROBERT B. DUNN
Chairman

ATTEST:

LEE KRAFT
Administrator-Clerk of the
Council

TO: STATE OF WASHINGTON
PLANNING AND COMMUNITY AFFAIRS AGENCY
LAW AND JUSTICE PLANNING OFFICE
1306 CAPITOL WAY, OLYMPIA, 98501
(206) 753-2235 (SCAN) 234-2235

LPJO USE ONLY

DATE RECEIVED _____

APPLICATION NUMBER _____

COMMITTEE ACTION _____

DATE _____

PROGRAM AREA _____

Application is hereby made for a grant under the Omnibus Crime Control and Safe Streets Act of 1968 or the Juvenile Delinquency Prevention and Control Act of 1968, in the amount of \$ 103,825.

1. APPLICANT (City, County, State Agency)

King County

2. SHORT TITLE OF PROJECT

Special Projects Division - King County Prosecuting Attorney

3. TYPE OF GRANT

PLANNING

ACTION XXX

4. LENGTH OF GRANT PERIOD IN MONTHS

(Do not exceed one year) 12 months

5. PROPOSED STARTING DATE

January 1, 1972

6. ANTICIPATED TOTAL LENGTH OF TIME LAW AND JUSTICE PLANNING OFFICE FINANCIAL SUPPORT

WILL BE REQUIRED (Years and Months) 3 years

7. NAME OF LOCAL OR REGIONAL PLANNING AGENCY Puget Sound Governmental Conf.

8. HAS APPLICATION BEEN COORDINATED WITH THEM?

YES

NO

9. OTHER AGENCIES CONTACTED FOR ASSISTANCE ON THIS OR SIMILAR PROJECTS.

10. AMOUNT COMMITTED BY APPLICANT TO THE PERFORMANCE OF PROJECT DURING GRANT PERIOD.

\$ 42,630

11. PROJECT DIRECTOR

NAME G. Richard Allison

TITLE Administrative Assistant

ADDRESS W554 King County Courthouse
Seattle, Washington 98104

PHONE 344-2550

12. FINANCIAL OFFICER

NAME Frederick Takayesu

TITLE County Administrator's Office -
ADDRESS 4th Floor, King County Court-
house, Seattle, Washington 98104

PHONE 344-~~2966~~ 3824

13. OFFICIAL AUTHORIZED TO SIGN
(County Commissioner, County Executive
Mayor, or Regional Planning Director)

NAME John D. Spellman

TITLE King County Executive

ADDRESS King County Courthouse
Seattle, Washington 98104

PHONE 344-4040

LJPO-1 REV.1

14.

SIGNED _____

DATE _____

Original and two copies required. Please read instructions prior to preparing this application.

15. PROJECT PLAN:

This section is the principal part of the application. It should set forth the objectives of and project and give a detailed statement of precisely what will be done, who will be involved and what is expected to be accomplished. Attach to this sheet as many additional pages (8½ x 10½ or 8½ x 11 sheets--not legal size) as may be needed to complete the description of the Project Plan, including any pertinent supporting data. Number the additional pages 2a, 2b, etc. Where the applicant wishes to append documents as supplemental information and these cannot readily be placed on continuation sheets, they should be listed on the last page of this description and three (3) copies furnished with the application.

Under this section provide a brief summary of the project, using not more than 200 words.

a. Summary of Project

This project is designed to create a unit of skilled lawyers and investigators who will specialize in the detection and prosecution of white-collar crime. The unit will engage in affirmative searches for white collar violations rather than waiting for citizen complaints. Priorities will be established primarily upon the damage that the particular activity causes the public. The unit will not have responsibility for handling citizen complaints and will be able to draw on the resources of the criminal and civil divisions of the prosecuting attorney's office as the need arises. Personnel within the unit will be experienced in business and accounting and will operate as teams of lawyers and investigators.

b. Full Statement of Project

If it is feasible to do so, organize your description of the project plan under the following headings: I. Goals and Objectives; II. Methods; III. Resources; IV. Anticipated Results; V. Relation to State Plan.

I. GOALS AND OBJECTIVES.

White collar crime is an elusive term which has many definitions. The classic definition is that of Professor Sutherland in his book "White Collar Crime":

A crime committed by a person of respectability and high social status in the course of his occupation.

A much broader definition was recently advanced by Herbert Edelhertz, Director, Law and Justice Study Center, Battelle Northwest, and former chief of the Fraud Section of the Criminal Division of the Department

15b. GOALS AND OBJECTIVES (cont.)

of Justice.

An illegal act or series of illegal acts committed by non-physical means and by concealment or guile, to obtain money or property, to avoid the payment or loss of money or property, or to obtain business or personal advantage.

For the purposes of this project, it is submitted that the first definition is too narrow and the second too broad. Whatever definition is used, it is clear that white collar crime is a distinct subspecies of the gamut of human conduct that we categorize as crime. It is covert in nature and much less immediate in impact than other types of crime. Its victims tend to be unaware and powerless. Because of these factors, it tends to be invisible to a criminal justice system which relies on primarily complaints by victims to initiate enforcement action.

The impact on society of white collar crime is great not only because of the losses to its victims but because of the public attitude a lack of prosecution causes. When no effective enforcement action is taken, many feel that this is because of a conscious policy choice on the part of the criminal justice system; that if you're big enough or influential enough, you can get away with anything. In terms of public respect for the criminal justice system as well as because of the damage its victims suffer, an effective enforcement program to deal with white collar crime is mandatory.

For the purposes of this project, white collar crime will be defined in two main categories:

1. Crimes committed as part of a business, either as the central activity of the business or incidental to, and in furtherance of the operation of a business, and
2. Crimes committed by those who occupy positions of trust in a business, government or other establishment in violation of their duty of loyalty and fidelity.

The goal of this project is to develop the capability within the criminal justice system to detect and prosecute white collar crime.

II. METHODS

Because white collar crime is, by its nature, invisible, traditional law enforcement agencies have been only sporadically effective. "Street crimes" will always be more dramatic and appear more pressing to those who must set priorities in any law enforcement agency. Only through the creation of special units with the specific responsibility

15b. METHODS (cont.)

for dealing with white collar crime can an effective response be generated. This project contemplates the creation of a team of lawyers and investigators who will specialize in white collar crime. This team approach of lawyers and investigators is crucial in dealing with crimes which are subtle and frequently masked as legitimate business transactions. In addition, the investigators must be specialists in white collar crime with skills in such disciplines as accounting and business organizations.

Their responsibility will be to engage in affirmative searches for violations of the law in those categories discussed above. They will identify the individuals and groups involved in white collar crime and determine the most effective course of action available. Priorities will be determined primarily by the impact the particular activity has on the public.

III. RESOURCES

The project staff will be composed of three lawyers and four investigators together with necessary secretarial and clerical support. While there will be some opportunity to train inexperienced personnel, an effective unit will require a highly experienced and skilled staff.

Their sole responsibility will be in the area of white collar crime and they will have no responsibility in connection with the regular workload of the office. This is essential to avoid diverting their efforts to the pressing normal obligations of the office. This project is designed to create a new capability, not to supplement the existing capability.

16. BUDGET DETAILS

CATEGORY	% Time Devoted	Annual Salary	Applicant Funds*	Assistance Requested	Total Cost
A. Personnel Compensation					
Director	100%	21,300	-	21,300	21,300
Attorney	..	15,000	15,000		15,000
Attorney	..	12,000	12,000		12,000
Chief Investigator	..	16,200		16,200	16,200
Investigator-Accountant	..	14,000		14,000	14,000
Investigator	..	12,000		12,000	12,000
Investigator (9 months)	..	12,000		9,000	9,000
Secretary	..	7,800		7,800	7,800
Secretary	..	7,200		7,200	7,200
Employee benefits, FICA, etc. at 15%			4,050	13,125	17,175
Total Personnel Compensation		117,500	31,050	100,625	131,675
B. Consultants					
	Number of days	Rate per day			
1 consultant	10	\$100		1,000	1,000
Total consultants				1,000	1,000
C. Travel					
Automobile - leased from county motor pool - \$140 per month			1,680		1,680
Mileage - 10,000 miles at 10¢ per mile				1,000	1,000
Total Travel			1,680	1,000	2,680
D. Equipment					
Furniture - Used					
- desks, chairs, file cabinets, etc.					
- estimated value - \$200 per person			1,800		1,800
Typewriters - Used - 2 at \$400			800		800
Dictators - Used - 5 at \$200			1,000		1,000
Rent - 1,350 sq.ft. at \$4 per sq. ft. per year			5,400		5,400
Total Equipment			9,000		9,000
E. Supplies and Operating Expenses					
Telephone				1,200	1,200
Office Supplies - \$100 per person per year and copying			900		900
Total Supplies and Operating Expenses			900	1,200	2,100
Total Project Cost (Sum of Categories A through E above)			\$42,630	\$103,825	\$146,455

Components of Resources to Meet Total Project Cost

17. A. Applicant	\$42,630
B. Law and Justice Planning Office (Amount Requested)	\$103,825
C. Other State Agencies (specify)	\$
D. Federal Agencies (specify)	\$
E. Other (specify)	\$
Total (Must agree with total project cost)	\$146,455

18. BUDGET SUMMARY:

EXPENSE CATEGORIES	1ST QUARTER	2ND QUARTER	3RD QUARTER	4TH QUARTER	TOTALS
Personnel Compensation	30,668	33,669	33,669	33,669	131,675
Consultants	500	300	100	100	1,000
Travel (transportation and subsistence)	670	670	670	670	2,680
Equipment	2,250	2,250	2,250	2,250	9,000
Supplies and Operating Expenses	525	525	525	525	2,100
TOTALS	34,613	37,414	37,214	37,214	146,455
Assistance Requested	23,955	26,757	26,556	26,557	103,825
Applicant Funds	10,658	10,657	10,658	10,657	42,630
(Must agree with) TOTALS (totals above.)	34,613	37,414	37,214	37,214	146,455

19. EXPLANATION OF APPLICANT FUNDS:

Describe nature and source of the applicant's funds as specified in Item 14 above. (The applicant is required to provide, through cash, compensated services, or supplies, not less than 10% of the cost of law enforcement planning; and not less than 40% of the cost of most programs and projects to improve law enforcement. For additional information contact the Law and Justice Planning Office.)

Applicant funds will be provided through assigning two full-time deputy prosecuting attorneys to the project. These positions do not presently exist and will be allocated specifically to this project. One will be a senior trial deputy who will receive annual compensation of \$15,000 and one a deputy prosecuting attorney who will receive annual compensation of \$12,000.

In addition, the applicant will also provide the use of a leased automobile. Office equipment is failed as match based on its present fair market value and office supplies and copying expenses will be furnished by the applicant at an estimated cost of \$100 per employee per year.

20. BUDGET NARRATIVE:

This budget narrative should explain the basis for determining the anticipated costs of the items included in each budget category. The primary consideration of the Applicant in preparing this narrative should be that all components and items of the budget are explained in sufficient detail to permit an intelligent evaluation of the proposal by the persons responsible for allocation of available funds. Add as many continuation pages (5a, 5b, 5c, etc.) as may be needed to complete the required explanation of the project budget. In completing this section:

- A. Data should be identified by the major budget category involved.
- B. There should be clear justification of large or unusual items, e.g. substantial travel or printing costs, high salary rates or consultant fees, and any other category that might appear large or unusual in relationship to the scope of the project.

A. SALARIES

Salaries are based upon prevailing wage rates for comparable positions and are what would be necessary to attract qualified personnel for the highly specialized tasks involved. The position of director will be identical in rank and authority with that of the present chiefs of the criminal and civil divisions of the prosecuting attorneys offices both of whom receive \$21,300 per annum. For this position, it would be necessary to attract a person who has experience in conducting major investigations and in handling large and complex litigation.

The chief investigator will be responsible for developing the staff of investigators and for conducting the major investigations. The salary of \$1,350 per month is based on what would be necessary to attract a person of sufficient skill and experience (cont. on page 8)

21. APPLICANT'S AGREEMENTS AND ASSURANCE OF COMPLIANCE WITH CIVIL RIGHTS ACT OF 1964:

It is understood and agreed by the applicant that (1) any allocation or grant made as a result of this application shall be subject to a Grant Award Contract, and the rules and regulations of the Law and Justice Planning Office; (2) funds allocated are to be expended only in accordance with the applicant's approved plan and budget; (3) appropriate records and accounts will be maintained and available for examination and audit; (4) funds awarded pursuant to this application will be used to supplement and not supplant local funds otherwise available for law enforcement programs and, to the extent practical, will be used to increase such funds; and (5) applicant will comply with all applicable provisions of Public Law 90-351 and/or 90-445 and rules issued pursuant thereto.

The applicant will comply with and will insure compliance with Title VI of the Civil Rights Act of 1964 and all requirements imposed by or pursuant to regulations of the Department of Justice (28 C.F.R. Part 42) issued pursuant to that title, to the end that no person shall, on the grounds of race, color, or national origin, be excluded from participation in, be deprived of the benefits of, or be otherwise subjected to discrimination under any program of activity for which the applicant receives financial assistance from or through the State of Washington Law and Justice Planning Office.

20. A. SALARIES (Cont.)

By comparison, the 1970 salary for a captain in the Seattle Police Department is \$1,579 per month. The investigator-accountant position is designed to provide the necessary accounting skills which will be required in the investigation of white collar crime. The two investigator positions are budgeted at a salary slightly below that of a sergeant on the Seattle Police Department. The two secretary positions are budgeted at salaries comparable to what is presently being paid to other secretaries with comparable duties in the prosecuting attorney's office.

B. CONSULTANTS

It is anticipated that the availability of consulting services would be extremely helpful in the initial stages of the project. Mr. Herbert Edelhertz, Director, Law and Justice Study Center, resides in Seattle and we are hopeful of obtaining his services on a consulting basis.

C. TRAVEL

The applicant is providing a full-time automobile equipped with a radio which is part of the King County Department of Public Safety radio system. In addition, it is anticipated that there will be a need to use private automobiles for travel when the use of the county automobile is not appropriate. The 10¢ per mile sum requested is equal to or below that paid by other governmental agencies.

D. EQUIPMENT

Furniture and necessary office supplies which will be used in the project are used and are valued at their fair market value. The typewriters and dictating machines were purchased less than six months ago and their value is also based on fair market value. Office space will be made available in the prosecuting attorney's office. The \$4.00 per sq. ft. per year is based on the cost of comparable office facilities in commercial buildings.

E. SUPPLIES

Office supplies are estimated at a cost of approximately \$100 per employee per year and it is anticipated that telephone services of a value of \$100 per month per year will be necessary.