

Current Criminal Law

SALLY RAMAGE®

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Current Criminal Law, Volume 11 Issue 2 December 2018

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United States prison drug cartels in 2018

Sally Ramage

US prison drugs cartels

Prison gangs are endemic to prison systems. Tensions among dangerous individuals regularly erupt into deadly conflict and so prison gang membership affords a certain amount of protection against rival groups and offers fertile recruiting ground. A prison gang leader can wield an impressive amount of power and disobedience is punishable by death, regardless of whether a boss is in prison, as he can order the murder of a member who has crossed him. BA's illegal activities mean that the cartel gang members are usually in a cycle- in and out of prison. It was discovered that BA had organisations in every prison in Texas. Former BA member Edward Ruiz testified during the cartel trial that from 2003 to 2007, he acted as a clearinghouse for jailed members' letters and packages, which he then distributed to members on the outside. This tactic ensured that all prison communications would be traceable to just one address, thus not revealing the location of other members.

Federal Bureau of Investigations infiltrated Barrio Azteca drug cartel

The FBI was able to infiltrate BA with the help of informers. Large amounts of drugs were successfully trafficked across the border to the US through bribing border guards and border town policemen. The prison drug cartel, called Barrio Azteca (BA), came to light in 2008 in Texas, United States.

Successful prosecution

The criminal enterprise was prosecuted. Group members were charged with drug trafficking and distribution, extortion, money laundering and murder. The six defendants included the organization's three bosses, Benjamin Alvarez, Manuel Cardoza, Carlos Perea, Eugene Mona; and Arturo Enriquez. One decade later, in 2018, US authorities are being even more

successful with prosecutions of such criminals.¹

50-year prison sentence for trafficking drugs in prison

The prison cartel leader prosecuted successfully was an American citizen, Edgar Valdez Villarreal, who was sentenced to 50 years in prison for trafficking the class A drug cocaine and for money-laundering. He was also ordered in federal court in Atlanta, to forfeit \$192 million. The huge amount of assets that authorities were able to track to Edgar Valdez Villarreal indicates that such cartels are not trivial criminal set-ups but very serious criminal entities.



Picture: cartel drugs flood a state in the US. Source: Google.

Drug cartel *Sinaloa* and drug cartel *Beltrán Leyva*

The defendant Mr Villarreal had pursued this criminal activity for twenty years- moving or arranging to be moved- thousands of pounds of cocaine from Mexico, Colombia and other

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¹ See Editor, 'Cartel leader gets 50-year prison sentence', *New York Times*, 11 June 2018. See <https://www.nytimes.com/2018/06/11/us/drug-cartel-leader-sentenced.html/>

countries into cities across the United States. Mr Valdez, aged 44, rose to become leader of the Sinaloa drug cartel and also leader of the Beltrán Leyva drug cartel, associating with drug kingpins such as Joaquin Guzmán Loera, also known as *El Chapo*.

Prison drug cartels Barrio Azteca and Juarez

These were horizontally integrated organised criminal entities. The Barrio Azteca (“BA”) cartel was known to operate in El Paso, West Texas, New Mexico and Arizona. Mexico’s cartels sell drugs- marijuana, cocaine and heroin- in the United States and BA is not the only prison drug cartel in the United States with ties to Mexico. The prison drug cartel, BA, came to light in 2008 in Texas, United States. The BA cartel received discounts on drugs from the *Juarez* drug cartel by providing tactical help to its associates.

Prosecution of the members of prison drug cartel Barrio Azteca

The criminal enterprise was prosecuted. Group members were charged with drug trafficking and distribution, extortion, money laundering and murder.

The six defendants included the organization’s three bosses, Benjamin Alvarez, Manuel Cardoza, Carlos Perea Said Francisco Herrera, Eugene Mona; and Arturo Enriquez.

Prison cartels *traffic drugs* and also commit *murder on demand*

The cartel BA operated in El Paso, West Texas, New Mexico and Arizona. Mexico’s cartels sell drugs- marijuana, cocaine and heroin- in the United States BA operated in a Texas prison since 1986, providing the minions who took orders from the Mexican *Juarez* drug cartel leaders, including committing many murders on request. They were provided with guns and other weapons, mobile phones and other equipment and contravened the US Racketeer Influenced and Corrupt Organizations (RICO) Act 1970, a federal law to combat organised crime in the United States.

Collusion

Collusion has worldwide benefits for firms that take part in this generally illegal activity of cartelisation and Western governments have been found susceptible to manipulation by

domestic producers, using tariff barriers and anti-dumping duties to protect the home market. The US enforces against cartelisation by being the place where the majority of the world's cartel prosecutions takes place and this is the main way to get restitution for developing countries presently.

Illegitimate collusion threatens legitimate competition

The cartels that exploit poor countries are known to produce sophisticated manufactured goods and services; their members are largely international corporations based in industrialised countries. Collusion threatens competition and is a *conspiracy to defraud* criminal offence. If every company in one particular industry took part, collusion would immediately dissolve into competition. Repeated interaction over time or across markets creates cartels with significant state involvement, such as the well known legitimate OPEC.²

Consider the benefits of cheating

If the benefits of cheating are sufficiently low relative to the gains from colluding, it will not be sustained unless cartel members devise punishment mechanisms to deter cheating. One important factor is industry structure on the buyer's side of the market. If consumption is concentrated in just a few customers, it is more likely that a cartel member would succeed in increasing its market share with just a small cut in price. This will encourage him to continue to cheat. The ability of the cartel to punish cheaters also affects the benefits of cheating. Antitrust enforcement makes it difficult for a cartel to punish its members as such punishment would make its existence more obvious to the antitrust enforcement authorities.

Collusive stability and cartel information collection

Economists have focused on the importance of the observability of cheating to collusive stability. When cheating cannot be observed, it is harder to give firms an incentive not to cheat. Collusion will be disrupted either by cheating or by events that are empirically indistinguishable from cheating. For this reason, firms in a cartel invest in information collection in order to support the collusive equilibrium. Cartel members often find that there

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² Note that the goals of OPEC are much more complex than goals of private cartels. The maximisation of joint profits is the only goal of private cartels whilst economic stability and international political influence are goals of legitimate cartels like OPEC.

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is no substitute for frequent face-to-face meetings, in order to compare market information and discuss alleged occurrences of cheating.

International cartels: observation

Among the dozens of international cartels indicted and prosecuted by the US Department of Justice and the European Commission are the well reported old cartels: the citric acid cartel; the graphite electrodes cartel and the seamless steel- tube cartel. The effects of such past international cartels were felt worldwide. Where cartels cover only a specific region, they may have significant effects for a period of time. The since-prosecuted and dismantled international citric acid cartel had worldwide effects supported by public price data.

Poorer countries cannot afford legislation

Producers in developing countries cannot afford to expand and take the spaces left by prosecuted cartels, this perhaps being a reason why very poor countries do not bother or cannot afford to legislate or prosecute cartels - notwithstanding the fact of *barriers to entry* and antidumping legislation usually lobbied for by these same international cartels. These barriers stop poor countries from trading on a level par. ³

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³ See Kim J Ruhl and Jonathan L. Willis, 'New exporter dynamics', *Wiley: International Economic Review*, Vol 58, Issue No 3, 25th August 2017. This paper concludes that new exporters are forced to export only small amounts gradually and are most likely to exit the export market in the first few years.

See also Junichi Suzuki, 'Land use regulation as a barrier to entry- evidence from the Texas Lodging Industry', *Wiley: International Economic Review*, Vo 54, Issue No 2, 17 April 2013. Using Penn World Table, this paper showed the effects of barriers to entry in the model used, which successfully fitted into over 50% of the income gap between poor countries and the United States of America. #

United Kingdom's cybercrime in 2018

Sally Ramage

UK's economy will suffer 'profound effects' if the growing threat of cyber crime is not tackled, warns one of the UK's most senior police officers. Janet Williams, Deputy Assistant Commissioner of the Metropolitan police and the Association of Chief Police Officers' lead on cyber crime, said that online fraudsters and hackers will cause a fall in the value of shares, pensions and business investments if they are not stopped. The government upgraded cyber crime to a tier one threat in October, putting it on the same level as international terrorism or flu pandemic. It has set aside £650m to combat the threat.

£27bn was a conservative estimate of the losses a decade ago

Williams told the Guardian that £30 million of the funding will be used to set up regional e-crime units which will more thoroughly police the 'dark side' of the internet. Online retailers and cyber criminals are both groups, which work overtime during the Christmas holiday season when there is a rise in the number of fraudulent orders. Techniques to over-ride tightened security practices are being created by cyber-criminals as fast as retailers install more secure systems, although evidence appears anecdotal.

Opportunists

The cyber-fraud offenders appear to see the busy season and hence larger volumes of transactions as ripe for taking advantage of. Such fraud against online retailers involves stolen credit card numbers rather than breaches of a merchant's online systems. Criminals use the stolen card data to buy goods they can easily resell, or to prove the card data is valid before reselling that data to other criminals. Surveys reveal that approximately one and a half percent of the average retailer's sales turn out to be fraudulent. Online merchants who suffer from illegal purchases repay credit-card companies for the purchase and shopping surveys reveal that millions of Internet users reject online shopping because of security fears. Fraud rates are almost twice the rate for smaller merchants compared to r larger merchants with the main fraud technique being the purchase of gift cards with stolen credit card numbers. Researchers have found a data mining technique, which assists counter-fraud by using software, which looks for patterns of users who have repeated dealings with one another, and

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this possibly identifies those likely to commit fraud. The technique resulted from an analysis of one million transactions by 66,000 e-Bay users, which produced graphs called bipartite cores and these identify users interacting with unusual frequency.

While larger companies can afford blanket protection from computer criminals, and the national infrastructure receives a protection service, Williams warned that smaller businesses, universities and individuals are still dangerously exposed to criminal rings from around the world looking to steal everything from cash and identities to intellectual property.

End

British women finding equality not so: United Nations and the new retirement age of UK women

Sally Ramage

An expert at the United Nations has affirmed that some campaign groups including the *Women Against State Pension Inequality* and *Backto60* claim that women have been affected disproportionately by recent pension age changes. Philip Alston's report *Statement on Visit to the United Kingdom on extreme poverty and human rights*, was published on November, 16, 2018. He showed that the number of pensioners living in poverty in the UK had risen by 300,000 to 16 per cent in the four years to 2016/17. His findings also showed a group of women born in the 1950s who had been caught in a poorly phased in change in the state pension age in the UK. Women have formed two campaign groups: *Waspi* and *Backto60*, which claim that while the Conservative government's Pensions Act 1995 included plans to increase the women's state pension age to 65, the same age as men's, the changes were implemented unfairly, with little or no personal notice. The groups are campaigning for compensation for those affected. Their complaint includes the fact that the changes were implemented faster than promised by the UK Pension Act 2011, which gave women no time to make alternative plans. This they claim, has led to dramatic financial punishment.

The *Backto60* campaign

Backto60 gave evidence to the report. Philip Alston said that it was made clear to him in a number of submissions and through powerful personal testimony, that a group of women born in the 1950s have been particularly impacted by an abrupt and poorly phased in change in the state pension age from 60 to 66. Professor Alston said that the impact of the changes to pensionable age has severely penalised those who happen to be on the cusp of retirement and who had well-founded which many of them were ill-prepared and to which they could not reasonably have been expected to adjust with no notice.

Pensioner poverty was driven by single pensioners, which were significantly more likely to be women. While the government had sought to protect the pension entitlements of older people, especially by introducing a *triple lock system in 2010*, to ensure annual pension levels rose in accordance with whichever is highest among the rate of inflation, average earnings, or 2.5 per cent, pensioner poverty began to rise after decades of decline. Philip Alston said the triple lock contrasted dramatically with the freeze on benefit rates for working age people since 2016.

Poor households struggling to put food on the table

Poor households spend a higher proportion of their income on consumer goods than wealthy households and they struggle to put food on the table after bills are paid, he said. Yet the government froze benefit rates in 2016, thus enabling continuing inflation to reduce the value of the benefits.

Last year the Rowtree Foundation warned half a million more people would live in poverty if the government maintains its benefits freeze. Overall, 14 million people live in poverty in the UK—about one in five of the population, the 2017 study found. This was made up of 8 million working-age adults, 4 million children and 1.9 million pensioners, with 8 million living in families where at least one person is in work. Mr Robb, chief executive officer at the Rowntree Foundation, has said:

‘As we prepare to leave the EU, we have to make sure that our country and our economy works for everyone and doesn’t leave even more people behind.’

Professor Alston's report found households are expected to have to cope with a reduction of £4.4bn in 2019/20 alone. He explained that women were particularly affected by poverty, as reductions in social care services translate to an increased burden on primary caregivers who are disproportionately women.

The Department for Work and Pensions (DWP) has a two-tier process for formal complaints, which means once a complainant has exhausted the DWP process they are signposted to the ICE.

Professor of International Law, Philip Alston said:

'Austerity could easily have spared the poor, if the political will had existed to do so. The negotiations surrounding Brexit present an opportunity to take stock of the current situation and reimagine what this country should represent and how it protects its people.'

End

Smoked salmon: at festive times



Picture: sliced smoked salmon

Smoked salmon has nutritional advantages and drawbacks.

Like fresh salmon, it is a good source of:

protein,

B vitamins,

vitamin D,

magnesium and

selenium.

Smoked salmon also contains plenty of DHA (docosahexaenoic acid) and EPA (eicosapentaenoic acid), omega-3 fatty acids linked to a lower risk of heart disease, macular degeneration and Alzheimer's disease.



Picture: smoked salmon open sandwich embellished

On the downside, smoked salmon delivers a hefty dose of salt.

Three ounces of smoked salmon, for example, contains 666 milligrams of sodium, more than one third of a day's worth.

The same serving size of cooked fresh salmon has 50 milligrams.

Before fish is smoked, it is cured by adding salt in the form of a brine (a mixture of salt, water and spices) or salt crystals.

Salting reduces the moisture content of fish, which helps extend its storage life. It also helps prevent the growth of microbes that could cause food poisoning.

Most smoked salmon is cold smoked, meaning it's smoked at a temperature that's not hot enough to cook the fish, nor hot enough to kill potentially harmful bacteria.

One concern is *Listeria monocytogenes*, bacteria that can cause a rare but serious food poisoning especially among pregnant women, the elderly, and people with weakened immune systems.

The anti-terrorism fight goes on...Matthew Whittaker addresses US Joint terrorism Task Force

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These are the words verbatim said by United States Acting Attorney General Matthew Whittaker to the Joint Terrorism Task Force, United States on Wednesday, November 21, 2018:

“It is wonderful to be in New York during the holiday season. I’m told that this is the best time of year to visit, but I must say I am looking forward to Thanksgiving in Des Moines. But before I say anything else, I want to take a moment to acknowledge that the law enforcement community is in mourning today. Chicago police officer *Samuel Jimenez* was shot and killed during Monday’s shooting at Mercy hospital. Officer Jimenez had just joined the force in 2017 and he was only 28 years old. He leaves behind a wife—his high school sweetheart, and three young children. Officer Jimenez was on his way to respond to a different call when he heard of shots fired at the hospital. Then he did what police officers do every day in America: he went toward the danger, so that the rest of us could run away from it. He and his fellow officers saved a lot of lives that day. This tragedy is another reminder of both the danger and the nobility of police work.

Police Officers

Today, as we prepare for Thanksgiving Day, we should all be especially grateful for our police officers. It is an honour to be here in the J.O.C., where so many consequential law

enforcement decisions have been made—so many decisions that have saved American lives. This is where a number of terrorism investigations have begun—and it's where security is monitored for events like the *Thanksgiving Day* parade or *New Year's Eve*. And it is an even greater honor to be with some of the most respected law enforcement leaders in the world. Thank you to *Commissioner O'Neill, FBI Assistant Director in Charge, William Sweeney, Deputy Commissioner Miller, NYPD Chief Paul Ciorra, Chief Owen Monaghan, Ashan Benedict of ATF, Michael Greco with the Marshals Service, Troy Miller with CBP, Director Frank Russo, Phil Bartlett and our Postal Inspectors, and Scott Sarafian with Secret Service.*

New York Police Department

It is an honour to be with all of you. NYPD in particular has earned a reputation as perhaps the greatest police department on Earth. There are more NYPD officers than there are members of the military in entire nations, like Belgium or Ireland. But even more impressive than the quantity of your officers is the quality of your officers. You are known all over the country for your Compstat program, which enables you to monitor crime rates in real time and to quickly reallocate officers when crime begins to rise. And over the past three decades, your achievements have been staggering. In 1990, there were 2,245 murders in New York City. Last year there were 292. Since 2000, burglaries are down by nearly two-thirds and robberies have been cut in half.

Decreasing murder rates

One weekend in October there were zero murders or shootings in New York City for the first time in 25 years. These results are a testament to the effectiveness of NYPD, and of many people in this room. You've been able to start a virtuous cycle of safety, prosperity—and more safety. That is what we want to achieve all across America. President Donald Trump is a lifelong New Yorker. He invested in this city when its future was in doubt. He bet on this city—and that proved to be a smart bet. The President witnessed New York's transformation firsthand. I think that made his support for law enforcement even stronger. One of his very first Executive Orders was to tell the Department of Justice to improve the safety of state and local law enforcement officers. And over these past two years, we have followed that order. Today I am announcing our next step to carry out that order.

US funds law enforcement granted \$56 million in 2018

Today I am announcing that the Department of Justice is providing \$56 million in grant funding to support law enforcement all across America. That includes \$29 million for bulletproof vests, \$12.2 million for body-worn cameras, and \$2 million in health and safety research. This is just a small way of saying thank you to the officers who take care of us every day. We understand the sacrifices that you make—and so we want you to have the right equipment and the right training. If anybody out there doesn't appreciate the role of law enforcement officers in our society, then I would tell them to come to New York.

The 9/11 Memorial



Picture: 9/11 memorial and museum, NY. Source: Google.

Earlier I visited the 9/11 Memorial. It was an extremely moving experience. We all remember where we were when we heard the news. I know I do. Some of you were here. Some of you were at Ground Zero. It was the worst terrorist attack in American history and the most shocking attack on our soil since Pearl Harbor. It led to the largest investigation in FBI history. None of us have ever been the same. Speaking for myself, 9/11 strengthened my appreciation for our servicemembers and our first responders and law enforcement officers. More than 70 police officers were killed in New York City that day. Dozens more died of illnesses related to their service at Ground Zero. Some of you knew them. The Department of

Justice honours their memory and law enforcement holds them up as examples of our highest ideals.

They died in a rescue mission that saved thousands of lives

We are indescribably proud of our federal officers But we recognize that the vast majority of the officers in American law enforcement is at the state and local levels. We cannot succeed without you. We're at our best when we work together—and that's what the JTTF is all about. This is the oldest JTTF in America. Today there are more than 100 JTTFs nationwide,



Picture: New York's 9/11 terrorist attack on World Trade Centre buildings. Over 3,000 people were murdered by terrorist attack. Source: Google.

Including at least one in each of our FBI field offices. The vast majority of these were created in response to 9/11 terrorist outrage at New York's World Trade Centre.

This JTTF set the model for the rest to follow

You bring together 500 employees from 50 different partner agencies⁴. And you’ve achieved so much for this city and for this country. You investigated the 2007 JFK bomb plot, the 2009 Subway bomb plot, and the 2010 attempted bombing of Times Square and I am well aware that, under this administration, you’ve continued to have success in investigating terrorism. Three times a week, I receive a threat briefing where the FBI and the National Security Division tell me about the national security investigations that we are working on in our United States Attorneys’ offices. People in this room have achieved successes that have made this country safer.

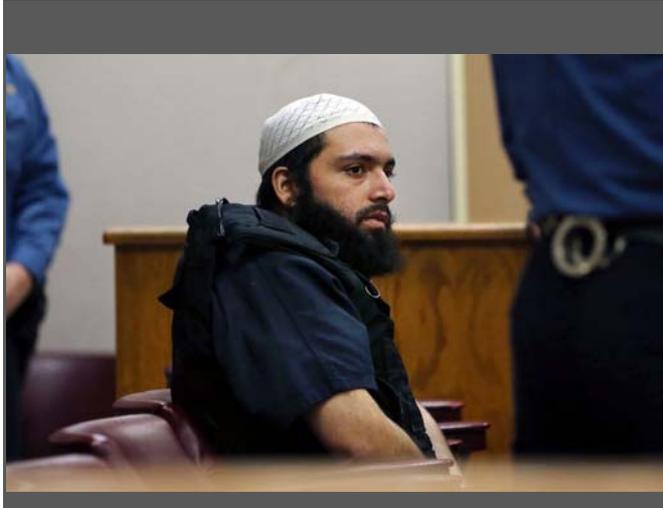


Picture: 2016 bombing at Chelsea ,NY. Source: Google.

In February 2018, prosecutors appealed for a longer jail sentence and secured a life sentence for the Chelsea bomber, Ahmad Rahimi. He planted nine improvised explosive devices in New Jersey and New York, including two not far from here in Chelsea. He detonated one of them and injured more than 30 people. The bomb was so powerful that it launched a 100-pound dumpster more than 120 feet. It shattered windows 400 feet away and three stories above ground level. Another bomb here in Chelsea was rendered safe by law enforcement before it was detonated. That investigation started right here in this room. And so to all of the agents, officers, and the AUSAs who worked on this case: *Emil Bove, Andrew DeFilippis, and Shawn Crowley*. Thank you for this outstanding work.

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⁷The FBI’s Joint Terrorism Task Forces, or JTTFs, consists of the United States’ front line on terrorism: small cells of highly trained, locally based, passionately committed investigators, analysts, linguists, SWAT experts, and other specialists from dozens of U.S. law enforcement and intelligence agencies. #



On 17 September 2016, Ahmad Khan Rahimi, aka, Ahmad Rahami, age 30, carried nine bombs in total, but one did explode at a US Marine Corps charity race in Seaside Park, New Jersey. Source: *New York Times*, 16 Oct.2017. #

Bomb near the Port Authority bus terminal



Picture: Port Authority bus terminal explosion in December 2017. Akayed Ullah convicted a year after the attack near New York's busiest bus terminal. Source: BBC News

People in this room also worked to convict the Bangladeshi national who detonated a bomb near the Port Authority bus terminal last December. The explosion was caught on surveillance video and the defendant was found lying on the ground with parts of a pipe bomb on and around his body. After he was arrested, he admitted that he detonated the bomb to express his support for ISIS. He attempted to make the bomb as dangerous as he could and to target a public place during rush hour. Just two weeks ago, thanks to the hard work of

Geoff's Assistant U.S. Attorneys Shawn Crowley, Rebekah Donaleski, and George Turner, he was convicted on six counts. Now he is facing a potential life sentence. These are terrific accomplishments. The dangerous terrorists in these cases can't hurt anyone now—and that's because of your hard work. But these cases are also a reminder that the terrorist threat is not going away on its own. Sadly, our work is not finished.

Terrorists are going to continue to target us

So we've got to keep targeting them—during this holiday season and all year round. And so I want to assure all of you that this work remains the top priority of the Department of Justice. We will not let up. We will continue to support you with resources—like the grant funding that I mentioned—with personnel, and with intelligence. I want to conclude with something a mentor of mine used to say every time he spoke to law enforcement, and I believe it too: *We have your back, and you have our thanks.* Acting AG- MatthewWhitaker

End

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