

STATE OF NEW JERSEY
COMMISSION OF INVESTIGATION

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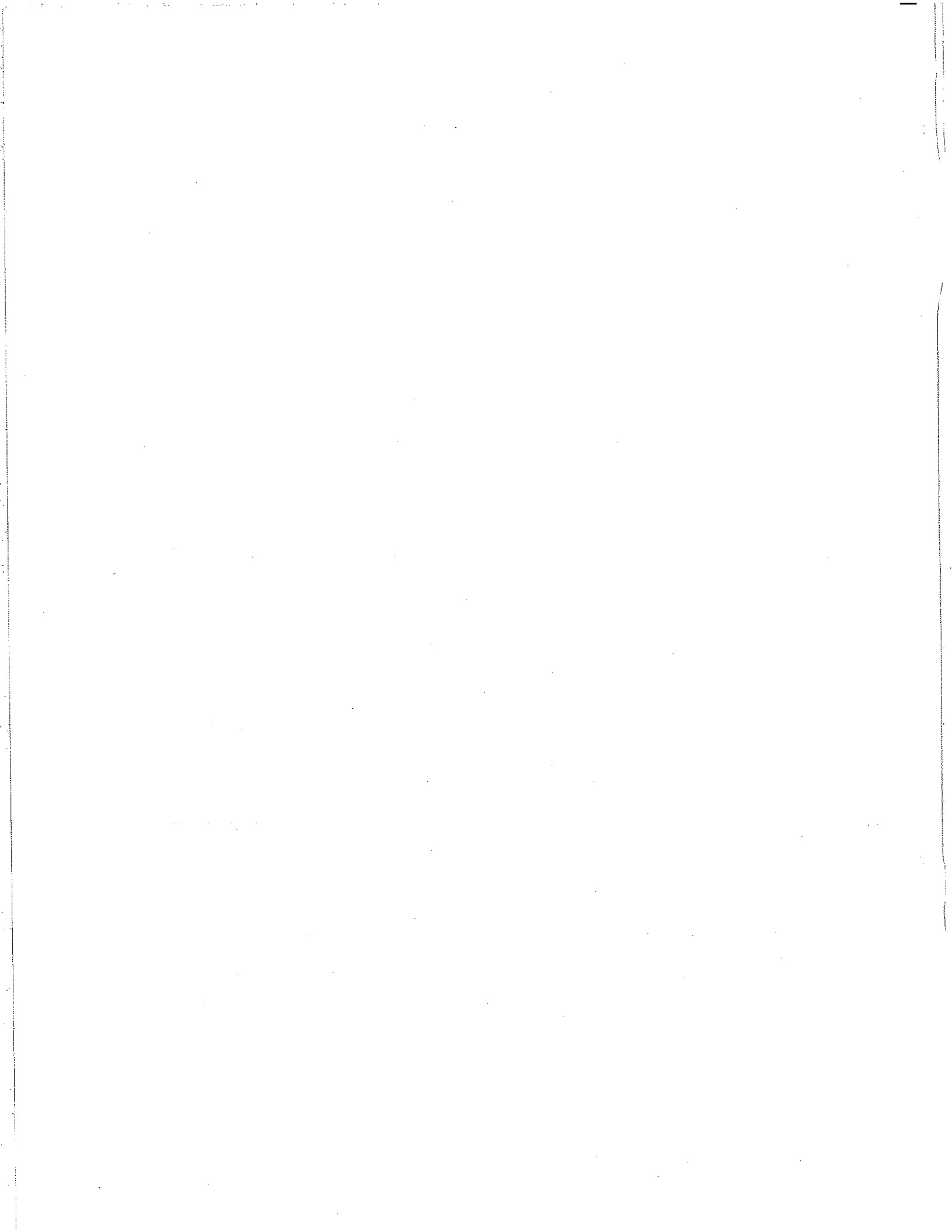
TO: The Governor and the Members of the Senate and
the General Assembly of the State of New Jersey

The New Jersey State Commission of Investigation is pleased to submit for
the year 1987 its Nineteenth Annual Report pursuant to *N.J.S.A. 52:9M-10* of the
Act establishing the Commission.

Respectfully submitted,
Henry S. Patterson, II, Chairman
James R. Zazzali
Barry H. Evenchick

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THE COMMISSION

Origin and Scope

The New Jersey State Commission of Investigation (SCI) was an outgrowth of extensive research and public hearings conducted in 1968 by the Joint Legislative Committee to Study Crime and the System of Criminal Justice in New Jersey. That Committee was under direction from the Legislature to find ways to correct what was a serious and intensifying crime problem. Its final report, which confirmed that a crisis in crime control did exist in New Jersey, attributed the expanding activities of organized crime to "failure to some considerable degree in the system itself, official corruption, or both." Sweeping recommendations for improving various areas of the criminal justice system were proposed.

The two most significant recommendations were for a new State Criminal Justice unit in the executive branch and an independent State Commission of Investigation. The Committee envisioned the proposed Criminal Justice unit and the Commission of Investigation as complementary agencies in the fight against crime and corruption. The Criminal Justice unit was to be a large organization with extensive manpower and authority to coordinate and conduct criminal investigations and prosecutions throughout the state. The Commission of Investigation was to be a relatively small but expert body which would conduct fact-finding investigations, bring the facts to the public's attention, and make recommendations to the Governor and the Legislature for improvements in laws and the operations of government.

The Committee's recommendations prompted immediate supportive legislative and executive action. New Jersey now has a Criminal Justice Division in the Department of Law and Public Safety and an independent State Commission of Investigation which is structured as a commission

of the Legislature. The new laws were designed to prevent conflict between the functions of the Commission and the prosecutorial authorities of the state. The latter have the responsibility of pressing indictments and other charges of violations of law and bringing the wrongdoers to punishment. The Commission has the responsibility of publicly exposing evil by fact-finding investigations and recommending new laws and other remedies to protect the integrity of the governmental process.

Legislation creating the State Commission of Investigation was introduced on April 29, 1968, in the Senate. Legislative approval of that measure was completed on September 4, 1968. The bill created the Commission for an initial term beginning January 1, 1969, and ending December 31, 1974. The Legislature on three subsequent occasions extended the term of the SCI for five-year periods—in 1973 for a term expiring December 31, 1979; in 1979 for a term expiring December 31, 1984, and in 1984 for a term expiring December 31, 1989.

The complementary role of the SCI was noted in two comprehensive, impartial analyses of the Commission's record and performance, in 1975 by the Governor's Committee to Evaluate the SCI and in 1983 by the State Commission of Investigation Review Committee. Both of these reports stated that the SCI performs a valuable function and that there is a continuing need for the Commission's work. The 1983 review panel said its advocacy of the Commission was reinforced by the views of top law enforcement officials in the State that the SCI "continues to serve as an important adjunct to New Jersey's criminal justice system."

To eliminate any appearance of political influence in the Commission's operations, no more than two of the four Commissioners may be of the same political party. Two Commissioners are ap-

pointed by the Governor and one each by the President of the Senate and the Speaker of the Assembly. It thus may be said the Commission by law is bipartisan and by concern and action is nonpartisan.

The paramount statutory responsibilities vested in the Commission are set forth in Section 2 of its statute. This section provides:

The Commission shall have the duty and power to conduct investigations in connection with:

- (a) The faithful execution and effective enforcement of the laws of the state, with particular reference but not limited to organized crime and racketeering;*
- (b) The conduct of public officers and public employees, and of officers and employees of public corporations and authorities;*
- (c) Any matter concerning the public peace, public safety and public justice.*

The statute provides further that the Commission shall conduct investigations by direction of the Governor, by concurrent resolution of the Legislature, and of any state department or agency at the request of the head of a department or agency.

The statute assigns to the Commission a wide range of responsibilities and powers. It may compel testimony and the production of other evidence by subpoena and has authority to grant immunity to witnesses. Although the Commission does not have prosecutorial functions, it is required to refer information of possible criminality to the appropriate prosecutorial authorities.

One of the Commission's responsibilities, when it uncovers irregularities, improprieties, misconduct or corruption, is to bring the facts to the attention of the public. The objective is to promote corrective actions. The format for public actions by the SCI is based on the complexity of the subject and the clarity, accuracy and thoroughness with which the facts can be presented. The Commission may proceed by way of a public hearing or a public report, or both.

The Commission in its proceedings adheres to the New Jersey Code of Fair Procedure, the requirements for which were incorporated in the Commission's enabling law in 1979. These provisions satisfy the protections which the Legis-

lature by statute and the Judiciary by interpretation have provided for witnesses called at private and public hearings and for individuals mentioned in the Commission's public proceedings. Such procedural obligations include a requirement that any individual who feels adversely affected by the testimony or other evidence presented in a public action by the Commission shall be afforded an opportunity to make a statement under oath relevant to the testimony or other evidence complained of. The statements, subject to determination of relevancy, are incorporated in the records of the Commission's public proceedings. Before undertaking a public action, the Commission evaluates investigative data in private in keeping with its obligation to avoid unnecessary stigma and embarrassment to individuals.

The Commission emphasizes that indictments and convictions which may result from referral of criminal matters to other agencies are not the only test of the efficacy of its public actions. Even more important are the corrective statutory and regulatory reforms spurred by arousing public and legislative interest. The Commission takes particular pride in all such actions which have resulted in improved governmental operations and laws.

Members of the Commission

The Commission's activities have been under the leadership of Henry S. Patterson, II, since March, 1985, when he was designated as Chairman by Governor Thomas H. Kean. The other Commissioners are James R. Zazzali and Barry H. Evenchick. A fourth Commissioner, Paul Alongi, whose term had expired, resigned in October, 1987.

Mr. Patterson, of Princeton, is president and a director of E'Town Corporation and a director of its subsidiary, Elizabethtown Water Co. He also is a director of Mount Holly Water Co. and of United Jersey Banks and three of its subsidiaries. He is a former mayor of Princeton Borough. He was graduated from Princeton University. He served during World War II in the U.S. Army and received his discharge as a first lieutenant in 1946. He was first appointed to the Commission in February, 1979, and was reappointed by Governor Kean.

Mr. Zazzali, of Rumson, former Attorney General of New Jersey, was appointed to the Commission in 1984 by Governor Kean. He served as State Attorney General in 1981-82, after prior public service as General Counsel to the New Jersey Sports and Exposition Authority (1974-1981) and as assistant Essex County Prosecutor (1965-68). A graduate of Georgetown College and Georgetown Law Center, he is a partner in the law firm of Zazzali, Zazzali and Kroll in Newark. He is an associate editor of the New Jersey Law Journal. He has served as a court-appointed master responsible for investigating and evaluating overcrowding and other conditions at the Essex County, Monmouth County and City of Newark jail systems. He is a member of the New Jersey Supreme Court's Disciplinary Review Board, which hears and determines appeals of cases involving attorneys accused of unethical conduct. In 1981-82 he chaired a national study of remedies for victims

of toxic wastes at the request of the U.S. Congress.

Mr. Evenchick, of Livingston, was sworn into office as a Commissioner of the SCI in June, 1987, soon after his appointment by Speaker Chuck Hardwick of the State Assembly. He formerly was Chief of the Appellate Section of the Essex County Prosecutor's Office and Chief of the Appellate Section of the New Jersey Division of Criminal Justice. He served as Township Attorney of the Township of Livingston from 1975 through 1986 and as an adjunct professor of criminal law at Rutgers Law School in Newark from 1972 to 1986. Mr. Evenchick is an Associate Editor of the New Jersey Law Journal and is also, by appointment of Governor Kean, a member of the New Jersey Commission for the Promotion of Uniform Legislation.

THE COMMISSION'S PUBLIC ACTIVITIES*

1987 Update

The Judiciary continued to defend the Commission's ability to function effectively within its statutory framework. On July 8, the New Jersey Supreme Court, in a case argued by Executive Director Morley and briefed by Counsel Hoekje, unanimously thwarted a private lawsuit that sought to allow a party being investigated to probe the Commission's investigative activities and perhaps delay or otherwise obstruct investigations.

In addition to the completion of its inquiry into the State Green Acres purchase of Union Lake, about which a public report was issued in March, 1988, and its probe of organized crime control of certain subcontracting companies, which was made public in the Commission's 1986 annual report, the Commission's public activities also included publication of a 77-page Report and Recommendations on Impaired and Incompetent Physicians and testimony at legislative committee hearings on that subject by Executive Director James J. Morley. In addition, Deputy Director Robert J. Clark, who directed the investigation upon which the report was based, engaged in several televised public debates about the document with Dr. David I. Canavan, director of the New Jersey Medical Society's Impaired Physicians Program (and whose testimony at the SCI provided the basis for many of the report's investigative findings). Morley also appeared during the year before various legislative bodies on the Commission's previous investigative reports, including those recommending reforms of the boxing industry and of the credit and licensure provisions of the Casino Control Act.

Incompetent/Impaired Doctors

Few if any reports issued by the Commission have generated as much interest as its documen-

tation of New Jersey's inadequate reporting, supervision and monitoring of impaired and incompetent physicians. An initial printing of 1,000 copies of this report was depleted soon after its publication on November 5, 1987, and an additional 1,000 copies had to be ordered.

The report received wide editorial support in the State's newspapers and was praised by the State Board of Medical Examiners as an objective portrayal of its inability, because of insufficient resources, to adequately regulate the rehabilitation and monitoring of the relatively few problem doctors among New Jersey's more than 28,700 licensed practitioners. Estimates of the number of impaired doctors, provided to the Commission by Dr. Canavan, indicated an impairment rate among physicians of up to 16 percent, as against 15 percent for the general population. Dr. Canavan suggested that 10 percent of physicians were alcoholics and 3 percent were otherwise chemically dependent.

Based on the questioning under oath of doctors, hospital executives, medical regulators, insurers and other witnesses and the examination of scores of documents, the report confirmed that State laws requiring the reporting of medical impairment and incompetency were being wilfully violated or evaded throughout the profession, particularly by hospitals. The report highlighted a tendency within the profession to cloak the problem in secrecy, a primary motivation being to save practitioners' careers, even at the potential expense of patient safety. Based on these and numerous other investigative findings, the Commission recommended wide-ranging reforms to be applied not only to medical practitioners, but also to all other health care professionals. The Commission proposed far more stringent report-

**Published reports on the Commission's activities in 1987, and in prior years, are available at the SCI's office in Trenton.*

ing requirements than now exist and increased authority, and resources, for the Board of Medical Examiners and other health care regulatory boards, under the direct centralized supervision of the Division of Consumer Affairs.

The Commission's recommendations for improving the process are reiterated in this report, in compliance with the Commission's enabling law, beginning at P. X.

Medical Report Update

After the report's publication and submission to the executive and legislative branches of State government, the Senate's Institutions, Health and Welfare Committee on December 15 held the first legislative hearing on the Commission's report and recommendations. At the invitation of the Committee's chairman, Senator Richard J. Codey of Essex County, Executive Director Morley and Deputy Director Clark presented to the Committee a statement updating the report which said, in part:

In essence, the Commission's investigation fully confirmed that a "conspiracy of silence" exists to evade moral and statutory obligations to report impaired or incompetent physicians to the State Board of Medical Examiners. Indeed, even Dr. David I. Canavan, director of the Impaired Physicians Program of the Medical Society of New Jersey, conceded in testimony before the Commission that such a conspiracy exists. . .

The report reveals that violations of the spirit and intent of our state's abysmally inadequate reporting statutes represent a very real threat to public safety since they enable too many impaired and otherwise incompetent doctors to continue practicing without adequate oversight or restriction. There is no question, as Dr. Canavan acknowledged, that many physicians are not reporting impaired colleagues.

The report also documents the manner in which certain hospitals are utilizing loopholes in the reporting laws by arranging leaves of absence rather than suspending problem doctors and by ensuring that disciplinary actions against physicians are taken below the level of their governing boards. This enables hospitals to evade statutory provisions that man-

date reporting to the Medical Board. Although a number of impaired physicians have been brought to the attention of the Impaired Physicians Program, it too often fails to investigate such referrals adequately and just as often fails to closely monitor the rehabilitation process or to properly supervise or restrict those who subsequently resume their practices.

Our report cited over a score of examples of physician misconduct and patient mistreatment that the health care industry has shielded from regulatory scrutiny. Indeed—and contrary to public statements by representatives of the Medical Society—there are at least 115 cases of impaired doctors in the files of the Impaired Physicians Program that similarly reflect questionable activity or inactivity by the Program in its almost single-minded quest to salvage the careers of errant doctors.

The Commission believes strongly that the Board of Medical Examiners, which is statutorily empowered to monitor impaired and incompetent physicians, should be provided with sufficient resources to carry out its duties. Questions about the capability of impaired doctors to resume or continue their practices during or after treatment should not be decided exclusively by entities which have no official role in the regulatory system and insufficient resources to function adequately. This is not to say that the services of the Impaired Physicians Program are not valuable, for they most certainly are. But the Program's rehabilitative efforts should be supervised by a medical director for the Board of Medical Examiners, whose physician representation is tempered by the participation of three lay members. Despite the Program's apparent fears, the Commission has found the Board to be willing and capable of striking a proper balance between rescuing salvagable medical careers and protecting patients.

Meanwhile, certain hospital spokesmen have persistently asserted that they are obeying the reporting laws, contrary to what the Commission's report concludes. This is a blatant misrepresentation of the practice of circumventing the law by various administrative

subterfuges so that hospitals cannot be accused of violating the reporting statute. Such evasions by hospitals of their moral, as well as legal, responsibility to report errant doctors to the Medical Board is a primary reason why such doctors can be described by our report as a potentially lethal threat to unsuspecting patients.

Some overall observations before we conclude this summary: As has been stated frequently, both in our report and by your Committee chairman, Senator Codey, the Commission's investigation focused on a minority of doctors since, as our report stressed, most physicians are devoted to the highest standards of medical practice. Rather than limit its proposed reforms to the small percentage of doctors who are believed to be dangerously impaired or incompetent, the Commission would apply its recommendations to the entire health care profession, including nurses, dentists, optometrists, pharmacists and all other practitioners who are licensed and otherwise regulated by the various professional boards in the Attorney General's Division of Consumer Affairs. The proposed reforms recognize the need for a certain degree of confidentiality in the regulation of impaired health care professionals, both as an incentive for early voluntary reporting and to avoid the publication of allegations pending due process hearings. However, they also recognize that, while conceding the importance of rescuing hard-earned professional careers, the primary objective of any officially sanctioned regulatory program in the health care field must be to safeguard public health and safety.

Finally, it should be noted that the Commission has called upon the vast majority of truly honorable and caring physicians of our State to assist whatever legislative efforts are made to implement our corrective recommendations. While a number of doctors have privately indicated their endorsement of our reform proposals, the profession as a whole appears willing at least to make an objective assessment of our findings and to propose its own corrective steps. I can tell you that only yesterday we were approached by representatives of the Society who confirmed that they not only would make such a positive study but

also would come forward with their own recommendations, including some that would be alternative to our proposed reforms. The Commission staff will of course continue to consult with the Society during this process. Certain of our recommendations, such as enhancing the resources of the Board of Medical Examiners, already appear to have such broad professional support as to warrant immediate consideration. In addition, some hospital administrators also have told us that they would subscribe to a more stringent reporting procedure provided they would be protected from legal harassment. And the malpractice insurers, who have cooperated in our inquiry, have stated that they also would support legislation that would improve the reporting activity by them.

Report's Conclusions and Recommendations

Following are the Commission's recommendations, only slightly abridged, for a more comprehensive regulatory process for reporting, rehabilitating and monitoring impaired and incompetent health care professionals:

Health Care Professionals and Associations

Health care professionals (physicians and allied health professionals—psychologists, pharmacists, nurses, dentists, etc.) and their associations or societies should be required by a new law to report incompetency or impairment of any regulated health care professional to the Division of Consumer Affairs and to the professional board which regulates the health care individual.

Since pharmacies and drug distribution companies are in a unique position to observe improper practices by health care professionals who are authorized to order and dispense drugs, they should have a statutory obligation to report to the relevant professional board every instance in which they refuse to fill a prescription or order by a health care professional.

Programs for impaired professionals, such as the Medical Society's Impaired Physicians Program, or IPP, should be required by the regulations to identify all professionals in their pro-

grams to the appropriate licensing board. As is the case with the BME, each board should be required to maintain the confidentiality of such information unless it takes official action following its own inquiries.

For the reporting obligation to be effective, the same statutory sanctions available to the professional boards for other violations should be available for failure to report transgressing professionals in accordance with the reporting requirements.

To eliminate any reasonable concerns that reporting pursuant to the above obligations, or to fulfill a civic or moral responsibility, may subject the reporting individual to jeopardy, the civil immunity and confidentiality provided for persons reporting physicians to the BME should be incorporated into the uniform statutory provisions applicable to all professions and occupations and expanded to include providing information to the Division of Consumer Affairs or the Attorney General, as well as the appropriate board. The expanded version should substitute the phraseology "any information which reasonably indicates that a health care professional 1) engaged in any conduct, used any substance or suffered any condition which may have jeopardized or improperly risked the health, safety or welfare of a patient, or 2) violated any statute or regulation governing the health care professional" for the current phraseology, "any information concerning any act which the person has reasonable cause to believe involves misconduct that may be subject to disciplinary action."

To ensure that those who report do not have to be overly concerned about harassing lawsuits that could prove costly, even if they eventually prove unsuccessful, a statute should be enacted authorizing the Attorney General to intervene in any civil action filed against any person providing information or services to a professional or occupational board and to defend such person in the action or provide for the defense at State expense.

Alcohol and Drug Abuse Programs

Federal law should be amended to eliminate the prohibition against federally funded alcohol and drug abuse programs revealing the names and other information about participants without a

court order. Indeed, in the case of participants who are health care professionals, when public health and safety are involved and the information is to be reported to a state licensing agency whose investigations are confidential under state law, such disclosures should be mandated.

Malpractice Actions

The Commission is convinced that delaying reporting of malpractice actions until settlement or judgment is totally ineffective as a means of recognizing incompetency or impairment in sufficient time to adequately protect the public. Furthermore, monetary thresholds, such as the present \$25,000 figure for reporting of insurance awards, ignore the fact that many small claims might be more indicative of incompetency than a single mistake which happened to result in a large settlement. Therefore, so long as the substitute system described below is implemented, the Commission recommends that the present rules governing reporting by medical malpractice insurers, uninsured physicians and health care facilities involved in malpractice actions be repealed. This present scheme will, in any event, soon be superseded by the more comprehensive reporting requirements of the federal Health Care Quality Improvement Act of 1986.

With the additional resources soon to be available in its new Malpractice Section, the Enforcement Bureau of the Division of Community Affairs should routinely obtain copies of all malpractice actions filed with Clerk of the Superior Court (and county clerks in those counties where the actions are not also filed with the Superior Court Clerk) involving health care professionals or facilities. The Enforcement Bureau should enter pertinent information from these actions into a computer data base and, based on criteria developed in cooperation with the BME and its proposed medical director, screen the information to identify those practitioners whose cases should be reviewed in depth.

Meanwhile, a statute should be enacted declaring that, in malpractice actions against members of licensed professions or occupations, settlements prohibiting complaints or the providing of information to regulatory boards concerning the underlying facts or circumstances of the action

are against public policy, void and unenforceable.

An effective substitute system for obtaining useful information from insurers should be created as follows. A statute should be enacted mandating that all medical malpractice insurers report in writing to the appropriate professional board, within 10 days of the occurrence, any termination of a health care professional's coverage, denial of coverage or surcharge assessed on account of the professional's practice methods or malpractice claim history. The statute should also mandate that within 90 days of the effective date of the act, all medical malpractice insurers shall retrieve from existing records and report to the appropriate boards, for a five-year period immediately preceding the effective date of the act, all terminations of health care professionals' coverages, denials of coverages or surcharges beyond the rates normally assessed those in the same specialties on account of the professionals' practice methods or malpractices claim histories.

The reporting forms should be promulgated by the Director of the Division of Consumer Affairs, and the Department of Insurance should be authorized to penalize failures to report in the same manner and to the same degree as other violations of insurance statutes or regulations. The statute should also provide that the reports shall not be deemed conclusive evidence in any disciplinary proceeding. In addition, the statute should state that any insurer shall be immune from liability for furnishing information to a professional board in fulfillment of the requirements of the new law. The professional boards should be required to keep the reports by insurers confidential and be permitted to release them only if disciplinary action is taken. The Attorney General should promulgate regulations deeming such records not to be public records pursuant to Executive Order #9 of September 30, 1963.

Hospitals

The Commission firmly believes that the present law requiring hospitals and other health care facilities to report disciplinary actions against physicians has been a failure. Loopholes in the law should be eliminated and it should be made expressly applicable to health maintenance organizations. Limiting reports to "disciplinary

proceedings or actions taken" is too confining. Relevant boards should also be notified as soon as a health care facility initiates action at any administrative level to eliminate or restrict privileges, instead of waiting until the board of governors acts. The law should also apply to all regulated health care professionals, medical residents and clinical clerks working in a hospital setting.

Complaint and Quality Assurance Records

A statute should be enacted mandating that, in accordance with regulations promulgated by the Commissioner of Health, every health care facility and health maintenance organization shall maintain certain records for a period of seven years. These records should include all complaints, regardless of source or type, against a health care professional affiliated in any way with the facility or organization. The records should also include committee and other meeting minutes, quality of care assessments and reviews and any other documents relating to the complaints.

The statute should provide that all such records and minutes be made available for inspection by the Department of Health and the Division of Consumer Affairs. The statute should also provide that, in accordance with regulations promulgated by the Commissioner of Health, every health care facility and health maintenance organization shall maintain all records of mortality, morbidity, complication, infection and readmission data and studies generated by, or on behalf of, the health care facility or health maintenance organization for a period of seven years. The statute should further provide that the records shall be made available for inspection by the Department of Health and the Division of Consumer Affairs.

Peer and Utilization Review Organizations

Federal and state regulations and, if necessary, statutes should be clarified to encourage cooperative exchanges of information among PROs, UROs and the boards regulating health care professionals during any phase of the PRO, URO or board reviews, investigations or proceedings. To insure confidentiality, the regulations should specify that as a condition for the sharing of information a professional board must have ap-

appropriate confidentiality safeguards in place.

To encourage effective URO activity, certain portions of pending bill S-403 should be passed. These would expand immunity from civil suit to individuals employed by or assisting certified UROs. In addition, the law should be amended to provide similar protection for individuals who may not be members of designated peer review committees but who assist the committees in their functions, serve as witnesses or provide information to committees. Moreover, the law should be amended to provide for the award of reasonable attorney's fees expended on behalf of members, assisting parties, witnesses or persons providing information who substantially prevail in lawsuits that may be filed against them and which are found to be frivolous, unreasonable, without foundation or brought in bad faith.

Medical Director and Peer Review Teams

A position should be created for a salaried, full time medical director for the BME. The medical director would help to coordinate and set priorities in BME and Enforcement Bureau inquiries. He would also arrange for and supervise peer review consultants providing assistance to the BME in difficult cases. In addition, he would participate in negotiations concerning practice restrictions, probation terms and reeducation requirements to be imposed on practitioners pursuant to settlement agreements.

Statutory authority and funding should be provided for professional board "peer review teams" to evaluate borderline health care professionals. The teams would be called in when a board received information about incidents that could not by themselves be considered conclusive proof of incompetence but that raise questions about a health care professional's practice methods and judgment.

Upgrade Executive Director Post

Concomitant with the creation of the position of Medical Director, the Commission urges that the BME's Executive Director post be upgraded and expanded to better cope with the increased administrative responsibilities that will result from

the implementation of this report's reform programs. The new Medical Director should be free to fully utilize his professional expertise as prescribed above without being diverted by the BME's continuing and increasing burdens of office and staff supervision. The Executive Director should be granted sufficient authority and resources to thoroughly and expeditiously modernize the BME's office systems and procedures in a manner that will promote the professional productivity of the new Medical Director. The present Executive Director has—considering the inadequacies of the BME's resources and structure—certainly handled his responsibilities well and deserves commendation for a job well done under the worst of circumstances. The Commission believes his post should be strengthened to the point that he will be able to function as the administrative partner of the new Medical Director.

Residents

Residents seeking to practice in New Jersey health care facilities should first be required by statute to register with the BME. Although residents are students in a supervised setting, they are also doctors practicing medicine. Accordingly, the BME should have the clear authority to keep track of their conduct and, if necessary, to discipline them.

Background and Practice Information

In applications for initial licensure, as well as renewal, health care professionals should be required to report all practice addresses, including those in other states; group practice names; employers; residences; health care facility affiliations; malpractice insurance carriers and history of insurance coverage, including any terminations of coverage, surcharges or denials of coverage due to claims history; specialty certifications; primary and secondary specialties; other licenses held in this and other states for any profession or occupation; military reserve affiliations related to the profession; driver licenses and numbers held in this and other states and any suspensions or revocations; criminal convictions, indictments or arrests; and license denials or disciplinary actions

pending or completed in other states.

A certification of the accuracy of the information supplied on the initial and renewal license application forms should be signed by the professional.

When a professional applies for an initial license or for a license renewal, all clearinghouse data bases should be routinely checked to determine if derogatory information appears.

All applicants for health care professional licenses should be fingerprinted and their criminal histories checked at the time of initial application. Until approximately three years ago the State Board of Dentistry supplied all applicants for dental licenses with fingerprint cards to take to local police departments or the State Police for fingerprinting. The completed cards were submitted by the Board of Dentistry to the State Police for comparison to state and federal criminal records. The process was discontinued when the State Police began to charge \$10 per applicant for the service.

Resources

The August, 1987, increases in the BME's initial and renewal license fees should be monitored to determine if the sums are sufficient to cover the cost of additional staff resources (BME medical director and staff consultants to conduct peer reviews where volunteers are not available, data processing analysts, etc.), Division of Law (deputy attorneys general to pursue contested cases) and Enforcement Bureau (personnel to more adequately monitor probations and practice restrictions and to investigate suspected lack of skill or judgment involving professions other than physicians). In addition, computerization and improved checking of practice and background information will cost more. The BME and other boards or, in the absence of board action the Attorney General, must determine what fees will be necessary to properly implement the recommendations in this report that are adaptable to their situations.

The computerization of all professional board operations should be completed as soon as possible. This will assist the boards in analyzing the information supplied by the courts, health care facilities, insurers, PROs, health care professionals and other sources, as well as back-

ground and practice information concerning licensees.

Monitoring of Probation and Practice Restrictions

The boards should establish stringent monitoring of professionals with conditional or probationary licenses. Such monitoring should be implemented by a unit within the Enforcement Bureau pursuant to standards determined in cooperation with the boards. The Practice Monitoring Section should be authorized to inspect and report deviations from standards on the part of the IPP or any other impaired professional program involved in supervising the practice or rehabilitation of a professional allowed by a board to continue in practice conditioned on participation in the program.

Reeducation, Testing and Supervision

Boards should be given express statutory authority to require reeducation, training or testing as a condition of continued licensure in the event that a licensed professional is deemed to practice in a manner which jeopardizes the health, safety or welfare of his patients or customers. In addition, express statutory authority should be provided for proctorships or supervised practice as conditions for licensure.

Increase Department of Health Activities

The State Department of Health should establish credentials-validating procedures to be followed by health care facilities and health maintenance organizations before hiring, contracting with or granting privileges to their staff, including medical residents and clinical interns, and other affiliated health care professionals. The Department should then conduct spot checks to determine that the facilities and organizations are following these procedures.

In November, 1986, the JCAH, a private accreditation organization which certifies all hospitals in New Jersey, began proceedings to establish regulations that would for the first time require hospitals to check the background of physicians

before giving them staff privileges. To enhance the role of institutions in weeding out incompetent practitioners, the New Jersey Legislature should mandate that all health care facilities and HMOs—not just hospitals as is the case in the new federal law—conduct the background checks required by the Health Care Quality Improvement Act and proposed by the JCAH. Federation and AMA data should be included in the checks. The State law should expressly excuse the health care facilities and HMOs, as well as their medical and administrative officials, from liability under State law for relying on the information, so long as they have no knowledge that the information provided in response to their background requests is false.

Improve Enforcement

It should be a crime of the third degree to practice medicine or any other health care profession without a license. Expungement should be denied for this crime, as well as for all crimes arising out of or involving the practice of a health care profession.

It should be a crime of the fourth degree to retaliate against a “whistle blower” who in good faith reports a suspected impaired or incompetent professional to the relevant professional board, the Division of Consumer Affairs or the office of the Attorney General.

It should be a crime of the fourth degree for any person to destroy, alter or falsify medical records in order to deceive any person as to information concerning a patient, including but not limited to, diagnoses, tests, medications, treatment and medical history.

Physicians whose federal or state privileges to purchase, dispense or prescribe controlled

substances have been revoked or suspended should not be allowed to administer or have access to controlled substances in a hospital unless they are approved by a professional board to practice while participating in rehabilitation under the supervision of a program approved by the professional board.

Pretrial intervention programs should be required to report to professional boards whenever a licensee enters PTI for an offense involving alcohol or other substance abuse.

The New Jersey Electronic Surveillance Act should be amended to allow interceptions, consented to by Enforcement Bureau investigators or other individuals, of conversations between themselves and others where there is a reasonable basis to believe that such conversations will provide evidence of violations of statutes and regulations governing the conduct of health care professionals.

Doctors Can Help

The Commission concludes this factually documented critique on the governance of impaired and incompetent physicians with a personal expression of dismay that such a medical care dilemma can be attributed to so few doctors. The Commission therefore desires to reinforce its initial acknowledgement that the vast majority of New Jersey’s licensed practitioners are serving a noble calling with the utmost of professional skill and honor. Indeed, the Commission looks to this preponderance of capable and talented physicians in New Jersey to help lead the way in advancing the above regulatory and statutory corrections so necessary to safeguard public health and safety.

ORGANIZED CRIME PROGRAM

1987 Update

Mob Casino Work Outlawed

With a strong assist from the SCI, a major loophole for organized crime in New Jersey's Casino Control Act has been shuttered. Through 1987 the law permitted subcontractors to be employed for casino construction without question. As the Commission demonstrated in its report on Organized Crime-Affiliated Subcontractors at Casino and Public Construction Sites, the mob took full advantage of that exception to the Act's casino licensing requirements. The SCI report was issued in May as part of its 18th Annual Report for 1986.

The report confirmed that Scarf, Inc., a concrete subcontracting company controlled by Nicodemo (Little Nicky) Scarfo's mob, and Nat-Nat, Inc., a concrete reinforcement or "rebar" subcontractor, owned by former Scarfo underboss Salvatore J. (Chuckie) Merlino, had amassed almost \$1 million in casino construction work since 1979. They were able to work on casino jobs (they also obtained more than \$1.4 million from publicly funded construction projects) because the Casino Control Act requirements for licensure and other regulatory controls over general contractors did not descend to the subcontractor level. As a result of the combined effort of the SCI, the Division of Gaming Enforcement (DGE) and the Legislature, bills extending regulatory coverage to subcontractors cleared both legislative houses by year-end under auspices of Assemblyman William P. Schuber of Bergen and Senator Richard J. Codey of Essex and became law by Governor Kean's signature on January 4, 1988.

SCI Testifies for Mob Ban

During the course of the subcontractor control measure's legislative journey, the Commission presented testimony on the urgent need to ban the mob from casino projects before Schuber's Independent and Regional Authorities Committee in June and before Codey's Institutions, Health and Welfare Committee in October. The Commission appealed for swift legislative enactment of a statutory barrier against such casino construction profiteering by the mob, citing the SCI's findings that even in October of 1986, when notoriety began to cripple Nat-Nat's casino work, its corporate clone Bayshore Rebar Co., operated by Scarfo soldier Lawrence (Yogi) Merlino, was earning close to \$200,000 from casino work.

Other Casino Law Reforms

The Commission also registered with various legislative committees during 1987 its support of more stringent controls over casino credit, making gamblers pay casino debts more quickly than in the past, and imposing more appropriate restrictions over casino junkets and free rooms and meals known as "comps" that are doled out to big gamblers. The subsequent enactment of these and other reforms of the Casino Control Act marked the statute's tenth anniversary, prompting Schuber to observe that "after 10 years some changes were in order . . . to protect those who patronize the casinos, to make sure organized crime doesn't get a foothold in the gambling houses and to preserve the integrity of the industry. . ."

Judiciary, Prosecutors Confront Mobsters

The State Supreme Court has upheld the power of the Casino Control Commission (CCC) to bar

organized crime figures from casinos even if they were never convicted of a crime. The high court's action sustained a decision by the Appellate Division of Superior Court in January, 1987, that the CCC properly barred Philip Leonetti, the Scarfo gang's underboss, and Lawrence Merlino, a Scarfo mob soldier, from the casinos. The appellate judges ruled that the Casino Control Act "makes clear" that the CCC does not have to meet the same standards required of other agencies in its casino exclusion process. The opinion further held that the CCC could react adversely to Leonetti's and Merlino's decisions to exercise their Fifth Amendment privilege against self-incriminating testimony.

Mob Prosecutions Mount

In addition to setbacks in the Judiciary and the Legislature, organized crime in New Jersey and surrounding states was the target of numerous arrests, indictments and prosecutions during 1987. A major law enforcement victory over Nicodemo Scarfo, for example, occurred in May when a Federal District Court jury found him guilty of conspiracy and extortion in connection with an attempt to force a real estate developer to make a \$1 million payoff to him and a Philadelphia city councilman. The Atlantic City Press noted that "ironically, on the very day of the (Scarfo) guilty verdict, the State Commission of Investigation revealed that mob-controlled construction companies have obtained more than \$2 million worth of work at casinos and public projects, including the Atlantic County Jail." Scarfo subsequently was sentenced to 10 years in jail and fined \$150,000.

Earlier, in April, State Attorney General W. Cary Edwards announced that the 57-year-old Scarfo, an associate, Nicholas Virgilio of Atlantic City, and 10 other Scarfo mob members and associates had been indicted in connection with nine murders, including those of Municipal Judge Edwin H. Helfant in 1978 and the infamous Frank (Frankie Flowers) D'Alfonso in 1985. In fact, by mid-year Scarfo was indicted for various murders on three separate occasions.

A key to the series of indictments against Scarfo and other top mobsters was Thomas DelGiorno, who was a Scarfo gang caporegime when he testified at the SCI in 1985 during the Commission's

investigation of mob infiltration of the boxing industry. DelGiorno later was revealed as an informant and his testimony, while in the protective custody of the New Jersey State Police, was pivotal in the probes which produced the Scarfo gang indictments.

95-Year Prison Term

During the 1986-87 legal controversy over the Casino Control Commission's power to exclude mobsters from casinos, Saul Kane of Margate, one of Scarfo's longtime key associates, also lost an appeal from a CCC exclusion order, along with Philip Leonetti and Lawrence Merlino. However, in Federal District Court in Trenton last May Kane learned that he wouldn't be able to even get near a casino for at least 50 years. Kane, who was convicted of leading an international ring of drug smugglers, was sentenced to 95 years in prison, with no parole eligibility for 50 years.

Lucchese Gang On Trial

In another major attack on the underworld, federal authorities indicted 21 members and associates—including the entire leadership—of the Lucchese organized crime family. Throughout 1987 this mob has been on trial in federal court in Newark on charges of operating a massive racketeering operation that included drug sales as well as gambling and loansharking. A federal informant, a witness at the trial, has confirmed in testimony that one of the defendants, Anthony (Tumac) Accetturo, is the boss of this gang and that he was held in such high regard that "there was total respect for even the name." Accetturo, testified Alan Amador, a former narcotics operator, was "their ace in the hole." Accetturo was among the first New Jersey mobsters to flee to Florida when the SCI began issuing subpoenas for sworn testimony by organized crime leaders in 1969-70. He has been directing the operations of the Lucchese crime faction in New Jersey from exile in Florida ever since.

DiGilio Finally Convicted

John DiGilio of Bayonne, a high-ranking Genovese crime family operator along the Hudson

County Waterfront, and a key witness in the SCI's probe of organized crime infiltration of the boxing industry, has finally been cornered.

After a 10-year effort, law enforcement authorities in October obtained DiGilio's conviction in Superior Court on a loansharking conspiracy charge, thus ending the oldest pending prosecution on record. A former boxer, DiGilio indicated he would appeal, saying "this was round one, now comes round two." After the verdict, DiGilio was scheduled to begin another court battle, on federal charges of waterfront extortion in Bayonne as a Genovese gang soldier.

Another SCI Witness Indicted

Thomas F. Kepner, business agent of Local 350 of the Ironworkers Union, and a witness in the

Commission's probe of organized crime-influenced subcontractors in Atlantic City, was indicted by a federal grand jury in October on charges that he and certain associates received \$250,000 in cash and gifts from four casino construction contractors. Kepner faces up to 99 years in jail and \$2.5 million in fines as a result of a 32-count indictment alleging racketeering, obstruction of justice, income tax evasion and other charges based on a two-year probe by the U.S. Department of Labor's racketeering unit. Kepner exercised his Fifth Amendment privilege to remain silent when he appeared at the SCI during its probe of subcontractors. However, the Commission's investigative findings on the mob's subversion of labor unions and union workers were turned over to the Labor Department during its racketeering unit's probe of Kepner.

LAW ENFORCEMENT LIAISON

1987 Update

Introduction

The Commission last year was contacted almost daily by telephone, mail and in person for various types of assistance by federal, state, county and local law enforcement agencies within New Jersey and by such agencies in numerous states. Additionally, the Commissioners adopted resolutions accommodating formal requests for information by federal, state and county law enforcement agencies, regulatory agencies and legislative committees. A number of referrals of evidence of criminal activities were also made by the Commission pursuant to Section 9M-8 of its enabling law. SCI personnel processed at least 171 requests for law enforcement assistance during 1987.

Liaison With The U.S. Attorney For New Jersey

Continuing close contact was maintained throughout 1987 with the office of the United States Attorney for New Jersey, Samuel A. Alito, Jr. Such liaison included the submission of investigative findings, hearing transcripts and other data, as well as the same notice of the Commission's intention to immunize a witness that is also given to the State Attorney General and appropriate county prosecutors.

Liaison With Federal Agencies

After the completion of its inquiry into organized crime-controlled subcontractors at casino and publicly funded construction jobs, the Commission turned over to the U.S. Department of Labor numerous files that had been obtained during the course of the probe. These files in-

cluded books and records of corporations, including the mob-owned Nat-Nat, Inc., and certain stewards reports of Ironworkers Union Local 350 in Atlantic City, whose business agent, Thomas F. Kepner, was subsequently indicted.

Liaison With The Attorney General

During 1987 the Commission continued its liaison with the Office of Attorney General W. Cary Edwards and various components of his Department of Law and Public Safety. Commission supervisory and legal personnel and the staff of the Attorney General's Office, particularly the Division of Criminal Justice, met on many occasions during the course of the year with regard to day-to-day activities.

Probably the most fitting exemplar of the effectiveness of law enforcement liaison was Attorney General Edwards's letter to SCI Chairman Patterson in May on the subject of the Commission's investigation and report on profiteering by organized crime-influenced subcontractors.

Edwards described the report as "well-informed and insightful" and he reviewed his Department's aggressive confrontation of organized crime and its various law enforcement proposals to the Legislature. Edward's letter also stated:

The SCI's endorsement of those legislative initiatives is an important voice in obtaining much-needed reform of the Casino Control Act in the very areas which have served to permit organized crime to circumvent the law designed to protect the Atlantic City casino industry. The SCI's firm resolve to expose the dangers presented by organized crime, educate the public with regard to those dangers and propose creative solutions complements the ongoing initiatives of the Or-

ganized Crime and Racketeering Task Force and reinforces law enforcement's unwavering commitment to eliminate organized crime not only from Atlantic City, but from New Jersey as well. In that regard, the SCI's established credibility and ongoing efforts to achieve the same goals adds another powerful voice in the reform movement and will most certainly enhance my Department's ongoing investigations and prosecutions.

Certain prosecutorial actions are frequently instituted as the result of referrals to the Attorney General by the Commission of data indicating criminal misconduct. Reflecting such cooperation was the Commission's report on the racing industry, which had been requested by the Attorney General's Office. This probe resulted in the reference of criminal evidence unearthed by SCI Special Agents Richard S. Hutchinson and the late William F. Ward, Sr., in connection with the agency's check on the activities of the Horsemen's Benevolent and Protective Association (HBPA). Largely as a result of Hutchinson's investigative findings, a State Grand Jury returned a 19-count indictment accusing a former HBPA secretary with deception, forgery and witness tampering in the embezzlement of more than \$10,000 worth of phony reimbursement claims. The secretary in February, 1987, pleaded guilty to the first count involving the thefts of the phoney reimbursement funds. She was sentenced to five years probation and restitution of \$11,132. Deputy Attorney General Daniel G. Giaquinto, at the conclusion of the case, sent a letter to Special Agent Hutchinson in which he complimented the SCI for its efforts, stating:

Once again I would like to thank your office, particularly you and [SCI Counsel] Charlotte Gaal, for uncovering this matter and your aid

to us in preparing the case for presentation to the State Grand Jury. Your own enthusiastic and diligent efforts in reviewing the voluminous checks and other documents in this case were especially helpful to myself and State Investigator Robert Gray.

Liaison With County Prosecutors

The Commission takes pride in its close relationship with New Jersey's 21 county prosecutors and their staffs. This linkage between prosecutors and the SCI is constantly reaffirmed as prosecutorial changes occur. One example of this liaison was the Commission's continuing effort during 1987 to provide appropriate county prosecutors with the findings of various SCI inquiries.

Interstate Cooperation

The Commission continued its membership in various interstate organizations of a formal and informal nature which relate to its work. Additionally, the Commission received numerous requests for assistance on investigations from various law enforcement agencies throughout the nation. The Commission, in fulfillment of its statutory duty and in recognition of the importance of cooperation among the states in areas such as organized crime, responded to all such requests. The Commission itself also obtained assistance from various other states on matters of mutual concern with particular relevance to organized crime and racketeering. SCI records indicate that such give-and-take liaison took place during 1987 with authorities in California, Florida, Pennsylvania, Virginia, Wisconsin, Ohio, New York, Missouri, Kentucky, Kansas, New Mexico, Maryland and Arizona.

COMMISSION STAFF

Professional Activities

The Commission's staff in 1987 consisted of 46 individuals, including 5 lawyers, 4 investigative accountants and 20 special agents. As in past years, various officers and employees participated in law enforcement conferences, seminars and workshops.

The Commission's Executive Director, James J. Morley, represented the SCI at a number of legislative committee hearings on bills implementing the Commission's various reform proposals. In July, on behalf of the Commissioners of the SCI, he arranged a meeting of New Jersey's and New York's Commissions of Investigation with the Pennsylvania Crime Commission, which was also attended by members of the SCI's senior staff. Morley also served as a panelist in a discussion of police integrity problems at a statewide symposium in December at Trenton State College.

Deputy Director Helen K. Gardiner attended an advanced course for financial managers at the American Institute and Systems Analyst Christine Klagholz attended a computer course at that institute. Gardiner, Klagholz, Secretaries Cheryl Calcese and Patricia Leach and Special Agent Wendy A. Bostwick enrolled in a seminar on communication skills for women. The Commission's lawyers, Charlotte K. Gaal, Carol L. Hoekje and William DiBuono attended a seminar on personnel management. DiBuono also monitored a municipal solid waste disposal seminar under auspices of the Institute for Gas Technology.

Justin J. Dintino, the SCI's chief of organized crime intelligence, served during part of last year as general chairman of the Law Enforcement Intelligence Unit (LEIU), an international organized crime intelligence network. He continues as a member of the policy board of the Middle Atlantic-Great Lakes Organized Crime Law Enforcement

Network (MAGLOCLLEN), one of six regional data sharing systems in the country. During the year, Dintino lectured at organized crime seminars in Washington, Miami and New York. He also addressed the Governor's Advisory Commission on Gambling and a joint hearing on mob crime control by the Pennsylvania House and Senate judiciary committees. Dintino also addressed conferences on Jamaican organized crime in Philadelphia and on Asian organized crime in New York City.

Special courses and seminars on white collar crime, government corruption, organized crime and other law enforcement problems were attended by the Commission's special agents and investigative accountants. The wide ranging background of these employees has been particularly helpful in the successful completion of the Commission's unusually varied investigations. Collectively, this background includes previous careers or tours of duty with the U.S. Justice Department, the U.S. Senate's organized crime investigations, the Federal Bureau of Investigation, the U.S. Internal Revenue Service, the State Police, various county prosecutors offices, the Pennsylvania Crime Commission, many municipal police departments and the military police.

The investigative skills that such a staff-wide background generates have resulted in numerous commendations for various SCI special agents. One of these, Dennis McGuigan, was cited by Acting Director John E. Otto of the FBI in Washington and in an article in the Philadelphia Inquirer for his investigative efforts in the probe and prosecution of Nicodemo Scarfo in a Philadelphia extortion case. In the newspaper article McGuigan was cited for surveillances that he undertook "on his own" without assignment by his superiors. The letter from Acting FBI Director Otto stated:

Your testimony contributed significantly to the

successful prosecution of Philadelphia La Cosa Nostra boss Nicodemo Scarfo on charges of conspiring to extort one million dollars from a real estate developer and it pleases me greatly to acknowledge your efforts.

Your testimony proved essential to linking Scarfo with a Philadelphia city councilman who was a codefendant at the trial. Deserving special mention are the photographs you so expertly took while conducting a surveillance of the councilman's summer home in Longport, New Jersey, which Scarfo visited. These excellent photographs constituted invaluable evidence that added substantially to your overall testimony and had a major impact on the conviction of the principal defendant. You have every right to take pride in your efforts which connected the two defendants in their attempt to extort money from the developer who was working on a billion-dollar river-front development project.

The investigative skills you exhibited in this case and your expert testimony at the defendants' trial bring credit to you and the New Jersey Commission of Investigation. I know how much my associates enjoyed working with you in this case and they add their appreciation to mine for your cooperation.

McGuigan also was praised for his work in the Philadelphia extortion case by the United States Attorney for the Eastern District of Pennsylvania, Edward S.G. Dennis, Jr. He wrote that McGuigan's "extra effort" provided the prosecution "with a crucial piece of evidence which contributed significantly to the convictions. . ."

A two-day conference on labor racketeering, sponsored by the U.S. Department of Labor, was attended by Special Agents Robert Diszler, James Sweeney and McGuigan, Investigative Accountants Arthur Cimino and Michael Czyzyk and Agent/Analyst Paul Andrews. Analyst Beth Calamia attended an organized crime intelligence workshop in Ontario and Andrews went to an organized crime intelligence training conference in California. Special Agents Frank Betzler, Bruce Best and George Sahlin monitored special conferences on Jamaicans in organized crime and on cocaine distribution, while Special Agent Kurt Schmid went to a Asian crime conference. Special Agent Cyril Jordan attended a training conference

sponsored by the LEIU. Andrews, who was elected to the Board of Directors of the International Association of Law Enforcement Intelligence Analysts, and who heads its training committee, assisted the American Embassy in Cairo, Egypt, in a North Jersey fraud inquiry and also aided Australian authorities in their study of La Cosa Nostra. Bruce Best, who is active in the New Jersey Polygraphists, Inc., attended a conference of the Tri-State Association of Criminal Investigators in August.

Special Agent Wendy Bostwick, the Commission's firearms instructor and coordinator, attended in September at Virginia Beach the third annual investigative round table conference on organized crime infiltration of the pizza industry and related businesses. Special Agent Jeanne M. Jackson received the Division of Criminal Justice Academic Excellence Award after attending the division's basic investigators course in October-November and also assisted in a conflict of interest investigation at the State Inheritance Tax Bureau. Special Agent Marilyn D. Cichowski, a member of the International Association of Women Police, attended its annual training conference in New York in September. She also assisted the Hudson County prosecutor's office, the State Divisions of Criminal Justice and Taxation and the Waterfront Commission on various inquiries.

The Commission's chief accountant, Jules Cayson, lectured on financial investigations at a seminar sponsored by the International Association of Law Enforcement Intelligence Analysts in October.

Investigative Teams

The investigative team for the Commission's inquiry into the regulation of impaired and incompetent physicians was directed by Deputy Director (and Counsel) Robert J. Clark with the assistance of Special Agent Richard S. Hutchinson. Counsel Carol L. Hoekje directed the investigation of the Green Acres purchase of Union Lake, with the assistance of Special Agent Jeanne M. Jackson. Organized Crime Intelligence Chief Dintino headed the investigation of organized crime-influenced contracting companies, assisted by Director Morley and Counsel Gaal, Special Agents Betzler and McGuigan, Investigative Accountants Cimino and Czyzyk and Intelligence Analyst Calamia.

LIAISON WITH THE PUBLIC

Introduction

Since its inception the Commission has sponsored a total of 89 public actions, including 27 public hearings, 34 public reports based on those hearings and 28 public reports which were not preceded by public hearings. These public actions are mandated by various provisions of the SCI's enabling law as supplemented by revisions enacted since 1968. For example, annual and interim reports to the Governor and Legislature have been required from the outset. Such reports have helped to fulfill another requirement that the Commission keep the public informed as to the operations of organized crime, law enforcement problems and other activities "by such means and to such extent as it shall deem appropriate."

Public Hearings, Reports

A brief listing of the SCI's 89 public actions illustrates the wide-ranging variety of allegations and complaints that, by formal authorization of the Commission, were subjected to its traditional process of probes, hearings and public reports. In the organized crime field, the Commission's continuing confrontation of high-ranking mob figures was highlighted by public hearings and reports on organized crime influence in Long Branch and Monmouth County (1970), criminal activities in Ocean County (1972), narcotics trafficking (1973), infiltration of legitimate businesses in Atlantic City (1977), incursions into the dental health care industry (1980-1981), into labor relations profiteering at housing projects (1981-82), into the boxing industry (1985), profiteering from casino and publicly funded construction projects by mob-controlled subcontractors and an organized crime roster for law enforcement agencies (1987).

In addition, investigations in other law enforcement areas that were subjected to both public

hearings and reports included: state cleaning services abuses and state building service contractual irregularities (1970), Hudson County Mosquito Commission corruption (1970), New Jersey City waterfront land frauds (1971), workers compensation misconduct (1973), misuse of surplus federal property (1973), pseudo-charity solicitations (1974), Lindenwold borough corruption (1974), irregularities at medicaid-clinical labs (1975), Middlesex land deals frauds (1976), prison furlough abuses (1976), medicaid nursing home schemes (1976-77), improper conduct by private schools for handicapped children (1978), boarding home abuses (1978), absentee ballot law transgressions (1978), mishandling of public insurance programs (1979), misconduct by certain county and local sewerage authorities (1982), abuse and misuse of casino gambling credit (1983), improprieties in the leasing of state lands by a ski resort in Vernon Valley (1983) excessive spending and other irregularities in the operation of the Newark school system's Supplemental Fringe Benefits Fund (1984) and the inappropriate operation of the Division of Motor Vehicles agency system (1985-86).

Further, although no public hearings ensued, critical public reports and corrective recommendations followed the Commission's investigations of the garbage industry (1970), an Atlantic County embezzlement (1971), Stockton College land deals (1972), the Attorney General's office (1973), Middlesex bank fraud (1973), conflicts of interest on the Delaware River Port Authority (1974), medicaid nursing home cost reimbursements (1975), medicaid "mills" (1976), casino control law problems (1977), medicaid hospital problems (1977), wrongful tax deductions from public employees' injury leave wages (1979), mishandled sudden deaths (1979), truck unloading complaints (1980), inappropriate HFA conduct (1981 and 1982), industrial commission law reforms (1982), inade-

quate regulation of boxing in New Jersey and school security guard abuses in Newark (both 1984), the mishandling of the Division of Motor Vehicles photo license contract (1985), the DMV-Price Waterhouse computer fiasco (1986), a review of New Jersey racing regulatory, operational and security problems (1986), and on the reporting supervision and monitoring of impaired and incompetent physicians (1987).

Citizens Assistance

As in past years, hardly a week passed in 1987 that the Commission did not receive requests for investigative action, assistance or advice from citizens of New Jersey. Commission records include 110 such contacts by citizens, mostly for the purpose of filing complaints about law enforcement and other problems affecting them or their communities.