



Atlantic City Conference

Berkeley Model
United Nations



LXIII
SIXTY-THIRD SESSION

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Welcome to the Atlantic City Conference (ACC)! This committee is a simulation of the historic summit that brought together leaders of organized crime in the United States. Considered by many historians as the first meeting of its type, it had an immense impact on the future of the criminal underworld and served as a precursor to the National Crime Syndicate. Delegates will represent crime families as either bosses or lieutenants, and they will discuss the topic of Prohibition, including the laws and the resulting violence between mobs. The committee itself will be run in perpetual moderated caucus, and actions will be conducted through communiqués (messages or statements to parties outside of the committee) and directives (action steps for the committee to take).

My name is Gabriella (Gabi) Espinoza, and I am delighted to be serving as the Head Chair for this crisis. I am a fourth year undergraduate student at the University of California, Berkeley, studying both Anthropology and Psychology. This is my fourth year with Berkeley Model United Nations, and my eighth year in Model UN overall. Outside of class and Model UN, you can find me working one of my three jobs or conducting behavioral research at the Haas School of Business. I also like to spend my free time visiting San Francisco, watching Vines of cats, or trying food at all the wonderful restaurants around the Bay Area. I am extremely excited to meet you all, and for what I'm sure will be a fascinating three days of crisis fun.

Hee Soo is a third year at the University of California, Berkeley studying Political Economy. She has been a part of the Model United Nations program for a total of almost 7 years now, 4 years as a delegate and the latter 3 years as a chair for BMUN. Needless to say, she loves MUN and tries to give back as much as she has received from being a part of this great program. Outside of MUN, she is also part of the Cal Dragon Boat team as a paddler and also its caller. But otherwise, she best likes spending her free time reading comic books, sampling different types of tea, and keeping up with her favorite TV shows.

David is a fourth and final year Economics major at UC Berkeley. This is his second year with BMUN and in MUN overall. He spent the last semester abroad in Berlin and the last summer in London, both in study abroad programs. When he's not busy being a world traveler, he enjoys practicing his Cockney accent, knitting, and mooing at cars passing by. David is very excited for his last conference to be in this amazing crisis committee.

Paddy is a third year at the University of California, Berkeley studying Economics. He's been involved with Model UN for a total of about 4 years, 3 as a delegate and now as a chair at



BMUN. He's really passionate about international relations and world security issues and thus really enjoys partaking and hearing debate at MUN conferences. Outside of MUN, you can find him jogging the hills behind Berkeley, drinking Chinese tea, or binge-watching Netflix.

Now that you are acquainted with your chairs, I hope you are just as excited as we are to delve into the intrigue and dynamism of the Prohibition Era. If you have any questions regarding the topic, the committee, or the conference as a whole, please feel free to reach out to me at outreach@bmun.org.



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Prohibition and the Bootleg Wars

Terms

Wet | an individual who partakes in the consumption/sale of alcohol

Dry | an individual who adheres to Prohibition philosophies and avoids alcohol

Bootlegging | the illegal transportation of liquor (typically from Canada) into the US over land

Rumrunning | the illegal transportation of liquor (typically from the West Indies) into the US over sea

Speakeasy | an establishment that illegally sells liquor

Moonshine | an illegally manufactured high-proof spirit

Boss | individual in charge of a criminal organization; a kingpin, crime lord

Mafiosi | a member of the Italian Mafia

Racketeering | obtaining or extorting money illegally, carrying on illegal business activity; the extortion and/or use of a legitimate business as a front for illegitimate activity

Big Seven | (or the Combined) – a criminal organization consisting of seven crime bosses and their gangs; original Prohibition-era members: Enoch Johnson, Abner Zwillman, Moe Dalitz, Waxey Gordon, Harry Rosen, Danny Walsh, Meyer Lansky, Bugsy Siegel, Johnny Torrio (advisor)

Historical Background

Organized Crime in America

Although organized crime has experienced a fluid definition throughout the years—both academically and, perhaps more importantly, legally—the concept can be summed up as systematic criminal activity for either money or power, with such organizations existing separately from legitimate society while still possessing unlimited regional power (Woodiwiss 3). While such a definition lacks much in specificity, organized crime can be generally identified by the following characteristics: corruption, violence, sophistication, continuity, structure, discipline, ideology, multiple enterprises, and involvement in legitimate enterprises (Maltz 26). Moreover, the illegitimate enterprises that organized crime has been (and continues to be) involved with include illicit substances (such as alcohol during the Prohibition years), prostitution, and racketeering, any of which an organized crime syndicate will tend to monopolize within a specific geographic region (Johnson 401).



At the turn of the 20th century, organized crime activity in America was largely dominated by Irish-Americans—Italian-American crime families only gained significant power during Prohibition and Jewish-American syndicates grew prominent during the Great Depression (Kelly, Chin, and Schatzberg 2). Nonetheless, the rise to power of these ethnic groups followed a similar pattern; each immigrant group attained political influence through acculturation—that is, they adopted “American” ideals and perspectives in order to successfully navigate the political landscape despite their position as ethnic outsiders. Furthermore, through their ascension to political influence, these crime families provided an alternative form of governance and civil protection to that provided by the American government. Particularly in the case of the Sicilian Americans, who escaped an especially unpleasant case of growing totalitarianism in their home country, the Mafia and other crime families acted as essential anti-government forms of power that truly looked after their own kind (Raab 23).

The power of organized crime families in the 1920s was so insurmountable that many federal agencies permitted the actions of these syndicates for decades, with a disproportionately low amount of arrests for the rate of crimes committed. This lax stance against organized crime, along with their all too frequent participation in such activities, by government agents can be attributed to the prevalence of bribery in government circles. The influence of crime syndicates was so strong that J. Edgar Hoover, the Director of the Federal Bureau of Investigation (FBI) (as well as of its predecessor, the Bureau of Investigation), refused to admit that organized crime even existed for nearly five decades starting in 1924 until the Valachi Hearings in 1963. Even the Internal Revenue Service (IRS), the only agency to successfully take down the infamous Chicago gangster Alphonse “Scarface” Capone, more often than not turned a blind eye to the activities of organized crime (Kelly, Chin, and Schatzberg 11). Organized crime persists even today, though in a markedly different capacity from its existence in the 1920s, with the illicit narcotics trade currently comprising the majority of its illegitimate enterprises.

American Prohibition

Prohibition, the colloquial name of the 18th Amendment to the U.S. Constitution as well as the period that followed it, began in January 1920 with the ratification of the Amendment (Raab 23). However, the era itself was preceded by the Women’s Christian Temperance Movement, which gained a prolific presence at the turn of the century, seeking to adhere to more rural ideals (in contrast to the allegedly “ethnic” values of urban spaces) by making the



manufacture and sale (though markedly not the consumption) of alcohol a federal crime. The movement had already proven to be quite successful, rendering 23 states “dry” by 1914 and bringing Wartime Prohibition (a ban on sale and manufacture of alcohol during times of war) into federal law (Currell 176; Miron and Zwiebel 2). Furthermore, while Temperance was motivated by its desires to reduce and prevent domestic abuse against women, the movement itself, along with Prohibition, was also founded from xenophobia—with a recent, sharp increase of immigration, nativists sought to protect their Anglo-Saxon morals from the alleged temptations of the ethnic, urban working class (Raab 22). Moreover, in a time of rapid industrialization and technological advancements, alcohol was perceived as detrimental and distracting to the productivity of the working class (Currell 177). Economists of the time traced Europe’s post-war financial troubles to the prevalence of alcohol in European society; therefore, Prohibition was considered the key to economic prosperity (Jones 78).

Once ratified, the 18th Amendment was soon followed by the National Prohibition Act, otherwise known as the Volstead Act, which banned all alcoholic beverages with more than 5% alcohol content (Raab 24). Though alcohol consumption indeed declined sharply following the enactment of Prohibition into federal law, it soon rebounded to 60-70% of the pre-Prohibition consumption rates, making the amendment only a marginal success that was mainly attributed to the subsequent surge in alcohol prices (Miron and Zwiebel 8). The general disregard for the original Prohibition laws by both the organized crime manufacturers/sellers and the consumers, along with the birth of the Great Depression, resulted in their repeal in 1933 through the 21st Amendment 14 years later.

The Atlantic City Conference

As a response to the mounting violence in Chicago, which culminated in the St. Valentine’s Day Massacre, as well as the impending end of Prohibition, the leaders, or *bosses*, of many organized crime syndicates throughout the United States decided to congregate at the request of Charles “Lucky” Luciano. Some of the most famous gangsters in attendance included members of the Big Seven—Meyer “The Brain” Lansky, Johnny “The Fox” Torrio, and Benjamin “Bugsy” Siegel—along with rising stars in the world of organized crime—Al Capone, Carlo Gambino, Vito Genovese—amongst many others. Atlantic City, New Jersey was chosen as the host city, largely due to the fact that Enoch “Nucky” Johnson, the political boss and racketeer



of the region, ran the city as a refuge from Prohibition, thereby allowing all vice (normally underground operations in other cities) to occur freely and openly (Venning).

At the conference held on May 13-15, 1929, the mobsters discussed and debated, eventually solidifying the individual networks they had formed in their respective bootlegging enterprises to develop a nationwide system of connections. In light of the imminent end of Prohibition, the bosses expanded their markets to include racketeering and more legitimate enterprises. They also worked to decrease the amount of violence that occurred—especially between individual crime syndicates—to the extent that their particular incarnation of gang wars halted altogether. Although these actions resulted in the withdrawal of the previously flashy families from the public eye, they also brought about the consolidation of power into a national network of organized crime which would later become the National Crime Syndicate (“People & Events”).

Past Involvement

Crime Syndicates

With organized crime syndicates already involved in illegal businesses like racketeering, gambling, and prostitution, the onset of Prohibition merely added a new and highly lucrative illegitimate enterprise for them to facilitate—bootlegging. The crime czars of the United States sought to fill in the industry gap and appease the unrelenting social habits of the populace, taking advantage of the unfulfilled demand for liquor (Woetzel 4). Prohibition thus created an interstitial space between legitimate and non-legitimate business, with bootleggers popularly portrayed as local heroes working against the puritanical laws of the state (Currell 177). Furthermore, technological advances—particularly, the development of mass production, machine guns, and automobiles—made criminal activity easier than it had ever been before. Moreover, the bootlegging industry provided an alternative form of social mobility at a time when the gap between the wealthy and the poor was constantly increasing (178).

Prohibition also served as a catalyzing element for the cooperation between different organized crime families. Before both the Atlantic City Conference and the establishment of the National Crime Syndicate, New York City mafiosi took the opportunity provided by Prohibition to collaborate for both power and profit. Prohibition enabled these crime syndicates to expand beyond their local or regional influence and begin organizing on the national scale (Critchley



139). However, while the bootlegging and rumrunning engendered collaboration between these different gangs, the moonshining operations remained largely decentralized and unorganized amongst separate syndicates (Critchley 143).

Federal and Local Government

In the wake of America's Moral Crusade of the mid-1800s, the American public experienced the enactment of many new laws in the early 20th century (e.g., the Towns-Boylan Act, the Harrison Narcotic Act, etc.) intended to minimize immoral activities, such as prostitution, drug use, and alcoholism (Woodiwiss 172). The establishment of the Bureau of Investigation (the precursor to the FBI) in 1908 by Theodore Roosevelt, initiated a trend toward actually enforcing federal law in America, as opposed to the previous trend of local law prevailing in urban areas (175). However, despite this move to reform law enforcement agencies, such change was often prevented by resilient and corrupt political machines that had long been established in major cities. At the local level, police forces were frequently implicated in much of the vice that occurred within the city limits, and this status quo thwarted many of the efforts to reform local police institutions (180).

It was into this culture that the Volstead Act came into existence, as the police, politicians, and bootleggers all colluded to defy Prohibition. Genuine enforcement of Prohibition policy was the infrequent exception to the rule (Woodiwiss 189). The low-paid agents of the Federal Prohibition Unit (later, the Prohibition Bureau) were known to assist bootleggers in their liquor distribution, from giving information on future raids to even unloading bootlegged cargo (190). Corruption ran so rampant that 141 agents of the Prohibition Bureau alone were arrested and imprisoned within the first four years of Prohibition, and "fixing" cases to let liquor manufacturers and distributors walk free became a common occurrence in Prohibition courtrooms (191; 192).

Case Studies

Chicago

Following the inception of the Volstead Act, gangsters muscled their way into ownership of breweries after having previously fronted for the legitimate owners prior to Prohibition. Initially, Johnny "The Fox" Torrio, the boss of the South Side Vice Syndicate in Chicago, managed a city-wide organization for the manufacture and distribution of alcohol. Torrio thus



monopolized bootlegging in Chicago with his rule lasting until May 1924, shortly after the Republican mayoral administration (headed by the notoriously corrupt William “Big Bill” Hale Thompson) of Chicago was replaced by William E. Dever, a sincere reform Democrat. It was under Dever, who upheld Prohibition laws despite considering himself a “wet,” that the chief of police headed the raid on the Sieben Brewery on May 19, 1924, resulting in the arrest and conviction of Torrio and two of his lieutenants (Landesco 120).

Torrio’s imprisonment left a power vacuum amongst organized crime bosses and bootleggers. His former subordinates, along with the bosses of other syndicates, started to encroach upon each other’s respective territories. The city erupted in a violent war over the territorialism of Chicago bootlegging, lasting five years and leading to hundreds of unsolved murders of both gangsters and public officials (Landesco 120). These beer wars, as they came to be called, persisted until the Capone crime family facilitated what is now referred to as the St. Valentine’s Day Massacre (Goddard 60). On February 14, 1929, seven men, of whom five were member to the O’Banion gang led by George “Bugs” Moran, were gunned down in a garage, where they had arranged to purchase a truckload of whisky from Capone’s Purple Gang (Allsop 139). Instead of being met with the shipment, they were greeted by five of Capone’s men, three of whom had disguised themselves in police uniforms and armed themselves with riot guns (Allsop 141). The two gangs had been competing for servicing the same territory with their respective bootlegging enterprises, and the simplest way for them to beat the competition was to simply remove it (Goddard 60). Establishing Capone as the new dominating leader of the Chicago underworld, the massacre also served as one of the catalyzing events for the meeting of the Atlantic City Conference, necessitating a city-wide (and eventually nationwide) organization of the criminal underworld (Currell 178; Landesco 120).

New York City

Shortly after the establishment of Prohibition, the New York State Legislature passed the Mullan-Gage Law with the intent to supplement the Volstead Act and further restrict the production and sale of alcohol, in essence making the carrying of a hip flask the equivalent of carrying an unlicensed handgun (Lerner 77). However, the Mullan-Gage Law was repealed due to overwhelming unpopularity in 1923, very soon after its enactment, thus marking New York as the first state to admit the failure of enforcing Prohibition laws and of Prohibition as a policy. As a result, the trafficking of liquor within and throughout New York transpired with virtually no



disturbance or intervention from the authorities, leading to an astronomical rise in power by the mafiosi in New York. Their experiences in distilling, packaging, distributing, and retailing alcohol during the Prohibition era gave these crime syndicates both the capital and the connections for them to expand into other markets of vice (Critchley 138).

Although rumrunning and bootlegging initially comprised the majority of the illicit alcohol trade in the early years of the Volstead Act, moonshining succeeded as the main method of obtaining illicit alcohol towards the end of the Prohibition era (Critchley 139, 143). This shift in sourcing alcohol is attributed to the arrest and conviction of Frank Costello, the “Prime Minister of the Underworld,” who was considered the man to see in New York regarding anything related to bootlegging. Originally indicted in late 1925 for smuggling the majority of liquor in New York through its ports, Costello, along with his brother Edward and 27 others (including four members of the Coast Guard), were charged in the next year with conspiring to violate Prohibition laws (140). Another factor contributing to the turn to moonshine in New York was Prohibition Commissioner James H. Doran’s dismantling of the rum-row off the Atlantic Coast in 1928, reducing the amount of illegally imported liquor from 14,000 gallons in 1927 to 5,000 gallons (143).

Questions to Consider

1. What are the arguments made both for and against Prohibition and the Temperance Movement? Did the gains Prohibition made in reducing alcohol consumption outweigh the resultant rise of organized crime families?
2. What were some of the ramifications for organized crime due to the repeal of Prohibition (21st Amendment to the U.S. Constitution)? Why would some crime organizations support the repeal? Why would some reject it?
3. The Atlantic City Conference is considered to have been the first meeting of its kind, setting the precedent for the formation of the National Crime Syndicate, which essentially serves as the highest governing body for organized crime. What were the benefits in creating such an organization? What were the ramifications? Who specifically enjoyed such benefits or suffered the ramifications?



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