

Chapter 3: Measures against Organized Crime

Section 1: Measures against Organized Crime Groups (Boryokudan)

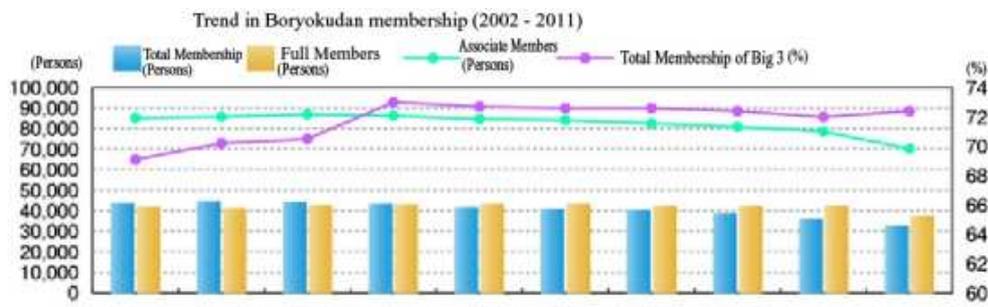
1 Boryokudan

In recent years, in addition to traditional funding activities, intercession in civil disputes and violence targeting government administrations, Boryokudan have crept into a variety of business activities involving the construction, finance and industrial waste disposal industries, and have also engaged in securities trading while concealing their organizations. By hiding behind this business activity and exploiting collaborators, Boryokudan are increasing their funding activities within the general public.

in 2006, in which eight persons were either killed or injured. While keeping in mind Boryokudan funding activity trends that follow changes in social conditions, police are engaged in thorough enforcement against Boryokudan crime, effective operation of the Act on Prevention of Unjust Conducts by Organized Crime Group Members (Anti-Boryokudan Act) and are tenaciously pressing ahead with Boryokudan elimination activities.

Column: Measures against Yamaguchi-gumi/Kodokai

In terms of measures against organized crime, weakening the Yamaguchi-gumi, which is in a state of over-centralized power, is an urgent task,



Classification	Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Total Membership (Persons)		85,300	85,800	87,000	86,300	84,700	84,200	82,600	80,900	78,600	70,300
Full Members		43,600	44,400	44,300	43,300	41,500	40,900	40,400	38,600	36,000	32,700
Associate Members		41,700	41,400	42,700	43,000	43,200	43,300	42,200	42,300	42,600	37,600
Total Membership of Big 3		58,900	60,200	61,300	63,000	61,500	61,100	60,000	58,600	56,600	50,900
Percentage (%) of the Big 3		69.1	70.2	70.5	73.0	72.7	72.6	72.6	72.4	72.0	72.4

Note: Percentage of the Big 3 = Total membership of the Big 3 ÷ Total membership x 100

2 Enforcement against Boryokudan Crime

The total number of Boryokudan members, etc. arrested during 2011 was 26,269, an increase over the previous year. Of the total number of arrests, arrests related to violations of the Stimulants Control Act, extortion, gambling and trading-against, etc. remained at around 30%, and although these can be considered effective funding sources, as recent years have seen an increasing trend in the number of arrests for theft and fraud, this is indicative of the changing status of Boryokudan funding activities.

and in order to achieve this, it is essential to weaken the Kodokai, which supports the aggrandizement of the Yamaguchi-gumi. The police are applying the full force of their organization to enforcement and other activities against the Yamaguchi-gumi/Kodokai and their sub-ordinate organizations. During 2011, 17 directly-affiliated gang bosses of Yamaguchi-gumi, 19 directly-affiliated gang bosses of Kodokai, and 42 senior members of organizations directly-affiliated to Kodokai were arrested.

In addition, although there were no new rival conflict incidents between Boryokudan during 2011, 13 unlawful acts were committed in relation to the exacerbation of a rival conflict between the Dojinkai and the Kyushu Seidokai, which began

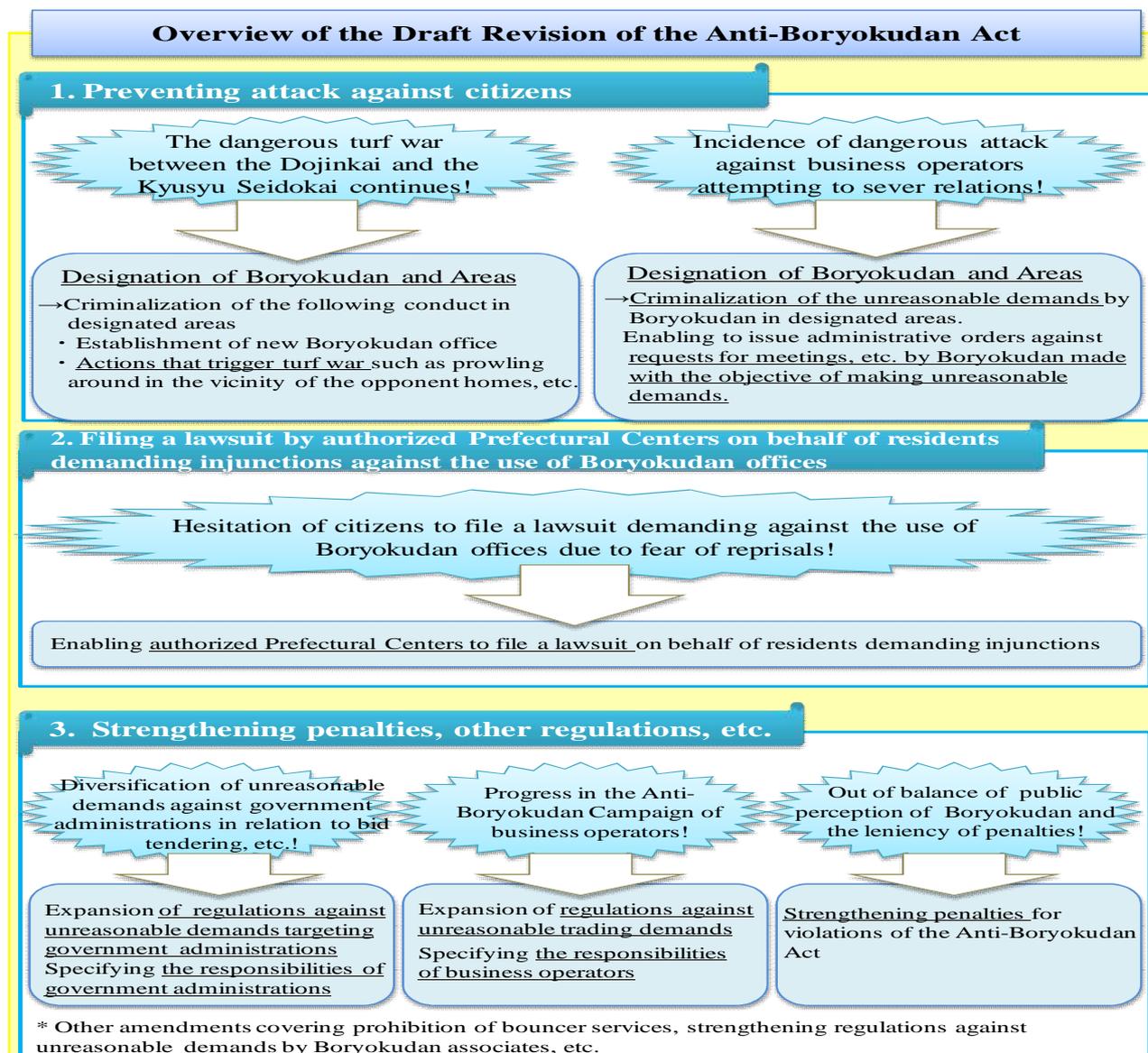
**Column:** Partial Draft Amendments to the Anti-Boryokudan Act

Recent years have seen a continuation of the turf war between the Dojinkai and the Kyushu Seidokai in Kyushu, and there have been successive incidents involving attacks on business operators who have attempted to sever ties with Boryokudan, and this has become a serious threat to the lives of citizens. Consequently, in the 180<sup>th</sup> Session of the National Diet in February 2012, a bill for partial amendments to the Anti-Boryokudan Act which included the following was submitted.

Strengthening regulations to prevent attack against citizens

Introduction of a system that allows authorized Prefectural Centers to file a lawsuit on behalf of residents demanding injunctions against the use of Boryokudan offices

Expansion of regulations against unreasonable demands by designated Boryokudan members



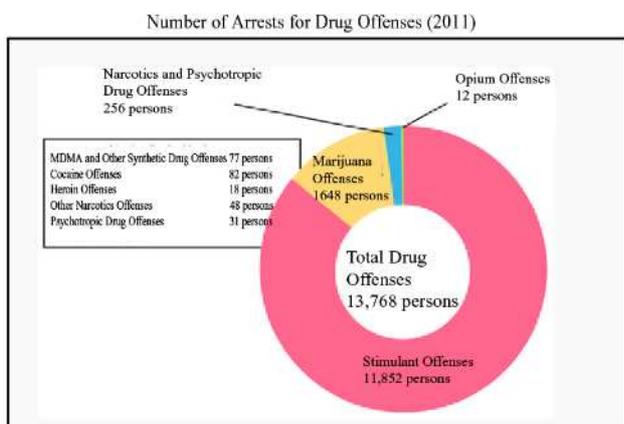
### 3 Promoting Boryokudan Elimination Activities

By October 2011, Boryokudan elimination ordinances came into force across all prefectures, and, as an application of these ordinances, police have since been promoting joint efforts by the community to eliminate Boryokudan. Specifically, in order to cut off Boryokudan funding sources, police are coordinating with related agencies to promote Boryokudan elimination activities in a variety of industries such as money lending businesses, construction businesses, etc. Police are also supporting Boryokudan office removal campaigns by local residents, etc. providing support for actions for damages in relation to Boryokudan crime and actions for the removal of offices, etc. in close collaboration with Centers for the Elimination of Boryokudan and bar associations.

### Section 2: Anti-Drug and Anti-Firearm Measures

#### 1 Drug Situation

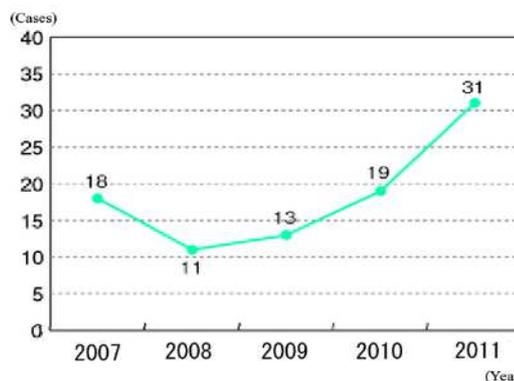
The number of arrests for drug offenses during 2011 was 13,768, a slight decrease from the previous year, and the number of arrests for stimulant offenses was also slightly lower. However, the number of cleared cases related to stimulant smuggling offenses was higher than that of the previous year, recording the highest number since the beginning of the Heisei period (1989), indicating that the drug situation remains severe. In addition, the number cleared cases involving online drug trafficking was 31 cases, an increase of 12 cases over the previous year. Police are pressing ahead with efforts to deal with drug smuggling offenses and to eradicate drug trafficking offenses that exploit cyberspace, etc.



### 2 Firearm Situation

The firearm situation during 2011 was that there was a succession of incidents involving the discharge of firearms by Boryokudan members, etc. targeting members of the general public and private businesses. There were also 180 incidents involving firearms use. Police are promoting comprehensive firearms measures, undertaking enforcement with an emphasis on seizing the arsenals of organized crime groups and exposing smuggling and trafficking cases, etc.

Trend in the number of cleared cases related to online drug trafficking offenses (2007 - 2011)

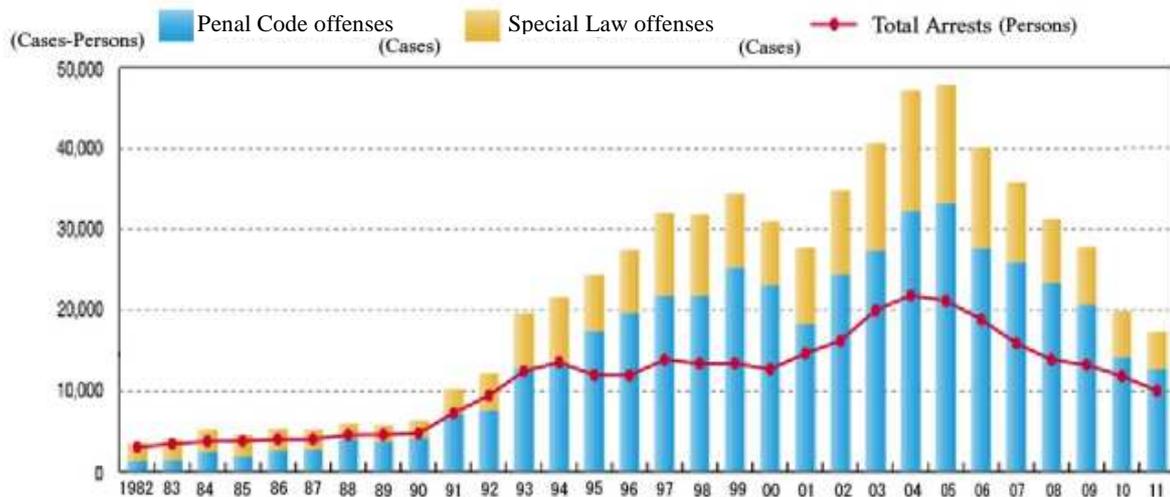


### Section 3: Measures against Crimes by Visiting Foreigners

The total number of cleared cases of crime committed by visiting foreigners during 2011 was 17,272, and the number of arrests was 10,048. Both figures show a decrease from the previous year. However, the worldwide infiltration of crime organizations, multinational membership of organized crime groups and the cross-border criminal activities indicate globalization of crime. Crimes committed by visiting foreigners remain quite a challenge for police.

In February 2010, police formulated the Strategic Plan to Fight the Globalization of Crimes, and have been making concerted efforts with other law enforcement forces in and outside of Japan in order to better tackle globalization of crime.

## Trend in Cleared Cases of Crime by Visiting Foreigners (1982 - 2011)

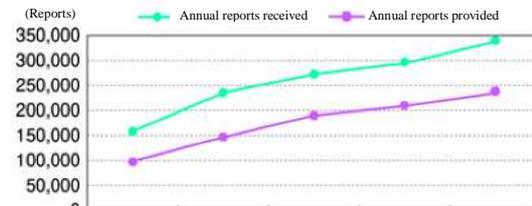


## Section 4: Measures against Criminal Proceeds

In order to weaken criminal organizations such as Boryokudan and force them to be annihilated, it is important to prevent the transfer of criminal proceeds and to ensure that these groups are stripped of their criminal proceeds.

Police are pressing ahead with measures against criminal proceeds through the receipt and provision of suspicious transaction reports in accordance with the Act on Prevention of Transfer of Criminal Proceeds, and arrests in relation to money laundering offenses as stipulated in the Act on Punishment of Organized Crimes and Control of Crime Proceeds, etc. The Act on Prevention of Transfer of Criminal Proceeds was amended in April 2011. The amendment added items for confirmation at the time of transaction and call forwarding service providers to Specified Business Operators, and strengthened penalties for illicit transfer of savings passbooks, etc.

## Trend in Notifications of Suspicious Transactions (2007 - 2011)



Year	2007	2008	2009	2010	2011
Annual reports received	158,041	235,260	272,325	294,305	337,341
Annual reports provided	98,629	146,330	189,749	208,650	234,836

Note1: "Annual reports received" refers to reports accepted by the Financial Services Agency from January 2007 through March 2007 and reports accepted by the National Public Safety Commission and the NPA from April 2007 onwards. The figure given for 2007 is the total number of reports accepted by the FSA and the NPSC/NPA.

Note2: "Annual reports provided" refers to reports provided by the FSA to the NPA from January 2007 through March 2007 and reports provided by National Public Safety Commission and the NPA to investigative agencies, etc. from April 2007 onwards. The figure given for 2007 is the total number of reports provided by the FSA and the NPSC/NPA.

## Trend in Cleared Money Laundering Cases (2007 - 2011)

Classification	Year	2007	2008	2009	2010	2011
Organized Crime Punishment Act (Cases)		177 (60)	173 (63)	226 (90)	205 (90)	243 (81)
	Management control of corporations, etc. (Article 9)	0	1 (1)	0	1 (0)	1 (0)
	Concealment of criminal proceeds (Article 10)	137 (35)	134 (41)	172 (49)	139 (46)	150 (43)
	Receipt of criminal proceeds (Article 11)	40 (25)	38 (21)	54 (41)	65 (44)	92 (38)
Act on Special Provisions for Narcotics (Cases)		7 (5)	12 (5)	10 (4)	9 (5)	8 (3)
	Concealment of drug crime proceeds (Article 6)	5 (4)	10 (4)	5 (1)	8 (4)	8 (3)
	Receipt of drug crime proceeds (Article 7)	2 (1)	2 (1)	5 (3)	1 (1)	0

Note: Numbers in parenthesis indicated offenses by Boryokudan members, etc. (as known by the NPA).