Policing the Vice Squad
Investigations launched into money collected from massage parlor workers

By Renata Huang
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The San Francisco vice squad's hush-hush practice of accepting cashier's checks from busted massage parlor workers appears to be at an end. The District Attorney's Office has effectively cut off the flow of money less than two weeks after SF Weekly reported that the vice division has been collecting tens of thousands of dollars in "restitution" from women it has arrested.

But police officials claim they still have not been able to determine exactly how much money the vice squad collected from the women, nor to establish where all of it went.

Supervisor Leland Yee is now demanding an investigation of the practice, which continued for almost three years, and pressing for an accounting to see if all the money reached the city treasury.

Police spokesman Sherman Ackerson says Police Chief Fred Lau and other department brass did not know the vice squad was collecting money directly from people it arrested. Ackerson says Lau has also asked for an internal investigation. "It doesn't look good. This is a problem of perception," Ackerson says. "I don't think we want to be a collection service."

In the meantime, District Attorney Terence Hallinan's office has decided to reroute massage parlor cases in a way that will end the payments to the vice squad, according to Assistant DA Tim Silard.

In a Dec. 2 story, "Wages of Vice," SF Weekly reported on a little-known program used by the police and the DA's Office to clear out massage parlor cases. Women arrested in massage parlor raids -- either for actually soliciting sex or merely being present in a "house of ill repute" -- have been allowed to avoid prosecution by entering a diversion program run by California Community Dispute Services, a nonprofit agency.
The diversion "program," however, did not offer counseling, job training, or any other services that might constitute some sort of effort to help the women find another line of work.

Instead, the women simply agreed to pay money to CCDS and the vice squad in exchange for having the charges dropped. Payments to the vice squad, which appear to average about $100 for each woman arrested, were required to be in the form of cashier's checks specifically made out to the Vice Crimes Division of the Police Department and handed directly to a vice squad sergeant.

The practice raises troubling questions about the financial incentive for vice squad officers to step up arrests -- even if they have dubious cases -- and the propriety of the division demanding money to resolve criminal charges.

Vice squad officials say all of the money collected was properly deposited into a city account, but they have yet to produce a full accounting, although it has been more than two months since SF Weekly first asked for financial data on the program.

Apparently only the vice division maintained records of the money, and virtually no one else in the Police Department or city government knew about the practice, including the city's Treasurer and Controller's offices.

Supervisor Yee, among others, wants an explanation, and demanded an investigation of the program during the board's Dec. 7 meeting.

"It seems to me any money that is somehow unaccounted for needs to be studied," Yee says. "The DA can't give us the number of cases that have been diverted. The police aren't sure of the disposition of the checks."

Equally troubling, Yee says, is that the diversion "program" has been doing nothing to actually help massage parlor workers get out of the business. "I assumed that if these women got arrested, they would have services provided to them," Yee says.

Yee says he met with Hallinan after reading SF Weekly's story and asked for details of the diversion process. But, Yee says, he was surprised at how little the DA seemed to know. "I thought he'd have a lot more information," Yee says. "I asked him how many massage parlor cases have been diverted by the DA's Office to this program, and he didn't know."

Yee says he has now sent formal letters to Hallinan, Lau, Budget Analyst Harvey Rose, and Controller Ed Harrington, asking each to probe the situation.

Lau, meanwhile, has ordered his own investigation into the accounting practices, and will pass the results on to Yee when they become available, spokesman Ackerson says.

The Controller's Office has asked the vice squad to produce a list of every cashier's check it has accepted from massage parlor workers since Jan. 1, 1996, when the program began. But so far, police have only coughed up a list covering the past six months. Without some form of outside scrutiny -- such as an audit -- there is no way of knowing if the list is complete.

"There's a concern because we're dealing with information provided by the police," Yee says. "We don't know how many individuals actually went through the diversion program and whether each of these cases had a paper trail."
Indeed, the paper trail -- or lack of one -- lies at the heart of the problem. According to Officer Tom Strong of the Police Department's fiscal department, the vice division has administered all bookkeeping for checks collected under the program. When checks come in, the vice squad does not turn them over to the Police Department's accounting division. Instead, Strong says, vice officers apparently take the checks to the bank personally, and presumably deposit them into a city account.

"The vice unit keeps its own copies of everything," Strong says. "They do their own accounting. It's our normal procedure."

So far, the vice squad has allowed only a few glimpses into its bookkeeping practices. What little has been revealed seems to raise even more questions.

For instance, the Police Department says that during fiscal year 1998 -- which ran from July 1, 1997, to June 30, 1998 -- vice accepted checks totaling somewhere between $7,200 and $7,500. But records from the CCDS diversion program appear to show that, in just the last six months of that fiscal year, there were about 370 arrests. If each of those women paid just $75 to vice, the total would be in excess of $25,000 for just one-half of the fiscal year.

History also seems to cast doubts on the scant financial data vice officials have been willing to release. During fiscal year 1997 -- which ran from July 1, 1996, to June 3, 1997 - - the vice unit says it collected $77,000 from arrested massage parlor workers, more than 10 times the figure claimed for fiscal year 1998.

But during the past two years, both the vice squad and Hallinan have boasted that they have been cracking down on massage parlors and making more arrests. The vice squad has yet to explain how arrests can increase while the amount of money coming in declines tenfold.

Some of the answers, presumably, will be forthcoming as the vice squad and police officials respond to inquiries from Yee and the Controller's Office.

In the meantime, Assistant DA Silard says Hallinan has decided to stop diverting massage parlor cases to CCDS. Instead, arrested massage parlor workers will now be sent to the Standing Against Global Exploitation (SAGE) program, which already handles the cases of arrested streetwalkers. The SAGE program offers job training, counseling, health services, English-as-a-second-language programs, and other assistance to help women get out of the sex industry.

Under the change, women arrested at massage parlors presumably will now be funneled into an actual diversion program. And, not coincidentally, the SAGE program does not include a method for the vice squad to collect money.

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