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Address to United States Attorneys 6/22/90 [OA 5375] [1]

Stack:	Row:	Section:	Shelf:	Position:
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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

June 22, 1990

REMARKS BY THE PRESIDENT
DURING ADDRESS TO UNITED STATES ATTORNEYS

The Department of Justice
Washington, D.C.

11:12 A.M. EDT

THE PRESIDENT: Thank you all and welcome back to Washington, many of you. For those here, my thanks to you as well for the job you're doing. I want to thank Secretary Brady for being with us, Nick; and of course, my valued counselor and friend, the Attorney General Dick Thornburgh, who is doing an outstanding job for our country. And I'm grateful to him every single day that I'm President. (Applause.)

To the prosecutors and crime fighters, you know what -- when I told the grandchild that's with me there in the White House now that I'd be spending some time with some of America's finest crime fighters, Noelle asked me if I'd be sure to bring back an autograph from Dick Tracy. (Laughter.) We just saw that show in the White House.

But nevertheless, true villains are drawn from life not from primary colors. And where financial fraud is concerned it takes a discerning mind and a determined spirit to distinguish the incompetent from the fraudulent, the unlucky from the unlawful. And this nation is very fortunate to be able to look to you, the United States Attorneys of America, to make these tough calls. And we depend on you as you work with the FBI and other investigative and regulatory agencies to sift through piles upon piles of documents and understand that in the cold numbers of a ledger can be found the tragedy of an embezzled pension, the heartache of stolen savings.

White-collar crime is not as dramatic as violent crime, but white-collar crime still ruins lives, and it murders the fondest dreams of whole families. And it takes a snake, a cold-blooded snake to betray the trust and innocence of hard-working people. And so if we have to look under rocks to find these white-collar criminals then we will leave no stone unturned.

This administration, from our first days in office, has worked with Congress to crack down on white-collar criminals, to crack down on fat cat financiers who launder the smell of blood out of drug money, and white-collar crooks who cheat the elderly out of their life's hard work, and to bring to justice government contractors who steal by the numbers. You already know of the 37 convictions from the ill-wind probe of federal defense contractors. And you already know of the 127 people rounded up in Operation Polar Caps crackdown on drug financiers.

And let me say I wanted you here today to also thank you because there are signs that we are starting at long last to make credible progress in the war on drugs. Dick and Nick Brady and I have just come from a meeting with Bill Bennett -- a report on where we stand. And we're beginning to get the sense -- and I think the country is beginning to get the sense -- that we will, indeed, win this war on drugs.

You know -- you already know -- that among cases

MORE

involving abuse of HUD contracts, the Department Justice has already obtained 65 convictions this fiscal year, including 21 convictions in Oklahoma alone. While courts have ordered almost \$2.5 million in restitution in that state, more than half of which will come from an executive who has a five-year reservation in prison. And in all, the government has won 10,000 financial fraud convictions since 1985. And just last year alone, the Department of Justice aggressively won almost 800 convictions in major financial institution fraud cases. Cases involving more than \$100,000 each.

But the most critical financial fraud problem we've faced is the -- Dick referred to it -- the S&L, the savings and loan crisis. Working closely with Congress, we succeeded in obtaining many critical regulatory reforms. But a great deal of wrongdoing had already taken place, had already occurred. And so, in the third week of my administration, I directed the Attorney General to give cases of S&L fraud the highest priority. And he did just exactly that. And when it comes to civil action, we have sought restitution to protect taxpayers through tens of thousands of civil suits leveled against S&L executives, owners and borrowers. And when it comes to criminal action, we aim for a simple, uncompromising position. Throw the crooks in jail.

And this aggressive attitude is paying off. And in three years, we've won more than 150 S&L convictions -- \$100 million ordered in restitution -- \$100 million. More than 400 years in prison terms meted out. And I know this because of you and your firm support, there will be much, much more. I am grateful to each and every one of you that is fighting hard to bring these people to justice.

Consider all that is happening. An S&L chairman gets 30 years in the celebrated case in Dallas, Texas. An S&L CEO in Santa Rosa is sentenced to prison, and the courts order almost \$7 million in fines and restitution. In Illinois, top officers of an S&L go to prison and are ordered to pay \$17 million. Now, these cheats have cost us billions. And they will pay us back with their dollars and they'll pay us back with years of their lives.

These prosecutions are the result of a determined effort. An effort which we are boosting with 202 FBI agents, 100 more FBI accounting technicians, and 118 more United States attorneys. The Dallas Task Force has been particularly successful, obtaining 52 convictions. So successful, in fact, that Attorney General Thornburgh is expanding the task force concept to 27 cities.

Now, we could have been moving even faster, but, very candidly, Congress did not act on my request for \$36.8 million in additional investigatorial and prosecutorial resources for 1989. And further, approval of my request that Dick talked about for \$50 million for the current fiscal year was delayed.

Under Secretary Brady's leadership, the IRS is aggressively pursuing individuals suspected of tax fraud in connection with failed savings and loan institutions. While the Resolution Trust Corporation is adding about 300 members to its investigative staff this year to become part of a new national investigative network. The FDIC is pursuing more than 1,200 cases of fraud and negligence against thrift officials -- attorneys, accountants -- and has collected more \$120 million in damages this year.

Treasury's Office of Thrift Supervision, the OTS, has also required 664 institutions to agree to terminate unsafe and unsound practices, remove than 150 senior thrift officers and directors, and issued 111 cease and desist orders to stop unsafe and unsound practices.

Throughout it all, our men and women in the federal agencies are doing a great job. From the halls of Justice and Treasury to the passport clerk who recovered \$3 million in cash, jewelry and gold by keeping a former savings and loan owner from

skipping the country.

We're learning a lot from our successes. And so I'm here today to back new legislative and administrative action. In further ways, we can crack down on white collar crime. First, let me declare my support for a proposed amendment to the Omnibus Crime bill to enhance and enforce the civil and criminal penalties for fraud against financial institutions. This legislation, sponsored by leaders -- Bob Dole, Republican leader, and Bob Michel; by Senators Heinz and Garn, as well as Congressman Hiler and Wylie will strengthen our investigative and prosecutorial tools in the service of justice. And it will provide added protection to the victims of crime.

We want to allow the use of court-approved wiretaps in investigating bank fraud. And we also want Congress to authorize federal regulatory agencies to ask the courts to freeze the corporate and personal assets of defendants in civil cases involving financial institution fraud so that they will not leave the taxpayers high and dry. And we want to prevent rip-off artists from using bankruptcy as a strategy to avoid paying damages.

Now, these are some of the legislative steps that we can and must take, but we must also build on our recent successes by taking further administrative action. The Attorney General will establish within this great department, the Department of Justice, a new unit to direct and sharpen the department's actions even further while helping to coordinate actions with other agencies.

Where new problems emerge in S&Ls we'll need to get involved fast. And that's why Attorney General Thornburgh and Secretary Brady have created a new approach -- rapid response teams against fraud. Teams of razor-sharp prosecutors and auditors recruited from their departments and other agencies striking city by city. Teams that will jump right into the paper chase. Teams that will hit the trail while that trail is still hot. These teams will be deployed to help you. You're on the cutting edge, you U.S. attorneys. And I am confident that they will work well with you.

I have already seen the men and women of these two departments working together -- sharing a tenacious spirit, born of a thirst for justice. Of course, we will always quantify the importance of our work together in terms of billions of dollars lost. But perhaps it is more appropriate to remember why this mission is so important to so many people -- a thought that will sustain you in the months to come as you sip that cold coffee long after everyone else has gone home. You'll be working late because you will not let those people be forgotten: Savers whose hard work and honest trust must and will be protected. Elderly people whose faith in the future must be preserved. It's your duty. I would say it is your sacred duty to right these wrongs. To stand up for the vulnerable against the unscrupulous, the guileless against the conniving.

We will not rest until the cheats and the chisellers and the charlatans spend a large chunk of their lives behind the bars of a federal prison. You do a difficult job in a spirit of professionalism. Sometimes you come under fire, partisan political fire. And I will do my level best to see that the facts are out there so that the American people can understand and appreciate, as I do, the job that you all are doing. I can thank you, only thank you, on behalf of all Americans for this dedication, this dedication that you bring to the people's work.

I want to thank all of you for coming here to Washington. And may God bless each and every one of you. Thank you for what you're doing. We want to support you 100 percent. Many, many thanks. (Applause.)

SPEECH INFORMATION SHEET

EVENT:

US Attorneys | S & L
DOJ

NUMBER OF ATTENDEES:

≈ 120-150

TYPE OF EVENT:

meeting

LENGTH OF SPEECH:

3-5 minutes

PROMPTER:

cards | prompter for

WHERE IS THE EVENT:

DOJ - Great Hall

INTRODUCING POTUS:

Call Patty AG, but call Patty anyway

CONTACTS:

Patty Conrad - Advance x7565

U.S. ATTORNEYS, GREAT HALL DEPARTMENT OF JUSTICE
11:20 A.M. / FRIDAY, JUNE 22

((THANK YOU, SECRETARY BRADY -- NICK -- AND
ATTORNEY-GENERAL THORNBURGH -- DICK.))

((YOU KNOW WHAT? WHEN I TOLD MY GRANDKIDS THAT
I'D BE SPENDING TIME WITH SOME OF AMERICA'S FINEST
CRIME-FIGHTERS, ONE OF THEM ASKED ME IF I WOULD BE SURE
AND BRING THEM BACK AN AUTOGRAPH \\ . . . FROM DICK
TRACY.)) \\ \\

WELL, TRUE VILLAINS ARE DRAWN FROM LIFE, NOT FROM
PRIMARY COLORS. AND WHERE FINANCIAL FRAUD IS
CONCERNED, IT TAKES A DISCERNING MIND AND A DETERMINED
SPIRIT TO DISTINGUISH THE INCOMPETENT FROM THE
FRAUDULENT, THE UNLUCKY FROM THE UNLAWFUL. THIS NATION
IS VERY FORTUNATE TO BE ABLE TO LOOK TO YOU -- THE U.S.
ATTORNEYS OF AMERICA -- TO MAKE THESE TOUGH CALLS. WE
DEPEND ON YOU, AS YOU WORK WITH THE FBI AND OTHER
INVESTIGATIVE AND REGULATORY AGENCIES, TO SIFT THROUGH
PILES UPON PILES OF DOCUMENTS, AND UNDERSTAND THAT IN
THE COLD NUMBERS OF A LEDGER CAN BE FOUND THE TRAGEDY
OF AN EMBEZZLED PENSION, THE HEARTACHE OF STOLEN
SAVINGS.

WHITE-COLLAR CRIME IS NOT AS DRAMATIC AS VIOLENT CRIME. BUT WHITE-COLLAR CRIME STILL RUINS LIVES. IT MURDERS THE FONDEST DREAMS OF WHOLE FAMILIES. IT TAKES A SNAKE, A COLD-BLOODED SNAKE, TO BETRAY THE TRUST AND INNOCENCE OF HARD-WORKING PEOPLE. AND SO IF WE HAVE TO LOOK UNDER ROCKS TO FIND WHITE-COLLAR CRIMINALS, THEN WE WILL LEAVE NO STONE UNTURNED.\ \ \

THIS ADMINISTRATION, FROM OUR FIRST DAYS IN OFFICE, HAS WORKED WITH CONGRESS TO CRACK DOWN ON WHITE-COLLAR CRIMINALS. TO CRACK DOWN ON FAT CAT FINANCIERS WHO LAUNDER THE SMELL OF BLOOD OUT OF DRUG MONEY, AND WHITE-COLLAR CROOKS WHO CHEAT THE ELDERLY OUT OF THEIR LIFE'S HARD WORK. TO BRING TO JUSTICE GOVERNMENT CONTRACTORS WHO STEAL BY THE NUMBERS.

YOU ALREADY KNOW OF THE 37 CONVICTIONS FROM THE ILL-WIND PROBE OF FEDERAL DEFENSE CONTRACTORS. YOU ALREADY KNOW OF THE 127 PEOPLE ROUNDED UP IN OPERATION POLAR CAP'S CRACKDOWN ON DRUG FINANCIERS. (AND LET ME SAY, I WANTED YOU HERE TODAY TO ALSO THANK YOU -- BECAUSE THERE ARE SIGNS THAT WE ARE STARTING, AT LONG LAST, TO MAKE PROGRESS IN THE WAR ON DRUGS.) YOU ALREADY KNOW THAT AMONG CASES INVOLVING ABUSE OF HUD CONTRACTS, THE DEPARTMENT OF JUSTICE HAS ALREADY OBTAINED 65 CONVICTIONS THIS FISCAL YEAR, INCLUDING 21 CONVICTIONS IN OKLAHOMA ALONE, WHILE COURTS HAVE ORDERED ALMOST TWO AND ONE-HALF MILLION DOLLARS IN RESTITUTION IN THAT STATE -- MORE THAN HALF OF WHICH WILL COME FROM AN EXECUTIVE WHO HAS A FIVE-YEAR RESERVATION IN PRISON. IN ALL, THE GOVERNMENT HAS WON 10,000 FINANCIAL FRAUD CONVICTIONS SINCE 1985. AND JUST LAST YEAR ALONE, THE DEPARTMENT OF JUSTICE AGGRESSIVELY WON ALMOST 800 CONVICTIONS IN MAJOR FINANCIAL INSTITUTION FRAUD CASES -- CASES INVOLVING MORE THAN \$100,000 EACH.

BUT THE MOST CRITICAL FINANCIAL FRAUD PROBLEM WE FACED WAS THE SAVINGS AND LOAN CRISIS. WORKING CLOSELY WITH CONGRESS, WE SUCCEEDED IN OBTAINING MANY CRITICAL REGULATORY REFORMS. BUT A GREAT DEAL OF WRONG-DOING HAD ALREADY OCCURRED. AND SO, IN THE THIRD WEEK OF MY ADMINISTRATION, I DIRECTED ATTORNEY-GENERAL THORNBURGH TO GIVE CASES OF S&L FRAUD THE HIGHEST PRIORITY. AND HE DID. WHEN IT COMES TO CIVIL ACTION, WE HAVE SOUGHT RESTITUTION TO PROTECT TAXPAYERS THROUGH TENS OF THOUSANDS OF CIVIL SUITS LEVELED AGAINST S&L EXECUTIVES, OWNERS AND BORROWERS. AND WHEN IT COMES TO CRIMINAL ACTION, WE AIM FOR A SIMPLE, UNCOMPROMISING POSITION -- THROW THE CROOKS IN JAIL.\\\

THIS AGGRESSIVE ATTITUDE IS PAYING OFF. IN THREE YEARS, WE'VE WON MORE THAN 150 S&L CONVICTIONS -- \$100 MILLION ORDERED

IN RESTITUTION -- MORE THAN FOUR HUNDRED YEARS IN PRISON TERMS METED OUT. AND, I KNOW THIS -- BECAUSE OF YOU AND YOUR FIRM SUPPORT, THERE WILL BE MORE, MUCH MORE.\\\

CONSIDER ALL THAT IS HAPPENING: AN S&L CHAIRMAN GETS 30 YEARS IN A CELEBRATED CASE IN DALLAS. AN S&L CEO IN SANTA ROSA IS SENTENCED TO PRISON, AND THE COURTS ORDER ALMOST \$7 MILLION IN FINES AND RESTITUTION. IN ILLINOIS, TOP OFFICERS OF AN S&L GO TO PRISON, AND ARE ORDERED TO REPAY \$17 MILLION. THESE CHEATS HAVE COST US BILLIONS. THEY WILL PAY US BACK WITH THEIR DOLLARS, AND THEY WILL PAY US BACK WITH YEARS OF THEIR LIVES.

THESE PROSECUTIONS ARE THE RESULT OF A DETERMINED EFFORT -- AN EFFORT WHICH WE ARE BOOSTING WITH 202 FBI AGENTS, 100 MORE FBI ACCOUNTING TECHNICIANS AND 118 MORE UNITED STATES ATTORNEYS. THE DALLAS TASK FORCE HAS BEEN PARTICULARLY SUCCESSFUL, OBTAINING 52 CONVICTIONS; SO SUCCESSFUL, IN FACT, THAT ATTORNEY-GENERAL THORNBURGH IS EXPANDING THE TASK FORCE CONCEPT TO 27 CITIES. WE COULD HAVE BEEN MOVING EVEN FASTER BUT CONGRESS DID NOT ACT ON MY REQUEST FOR \$36.8 MILLION IN ADDITIONAL INVESTIGATIVE AND PROSECUTORIAL RESOURCES FOR 1989. FURTHER, APPROVAL OF MY REQUEST FOR \$50 MILLION FOR THE CURRENT FISCAL YEAR WAS DELAYED.

UNDER SECRETARY BRADY'S LEADERSHIP, THE IRS IS AGGRESSIVELY PURSUING INDIVIDUALS SUSPECTED OF TAX FRAUD IN CONNECTION WITH FAILED SAVINGS AND LOAN INSTITUTIONS; WHILE THE RESOLUTION TRUST CORPORATION IS ADDING ABOUT 300 MEMBERS TO ITS INVESTIGATIVE STAFF THIS YEAR, TO BECOME PART OF A NEW NATIONAL INVESTIGATIVE NETWORK. THE FDIC IS PURSUING MORE THAN 1,200 CASES OF FRAUD AND NEGLIGENCE AGAINST THRIFT OFFICIALS, ATTORNEYS AND ACCOUNTANTS, AND HAS COLLECTED MORE THAN \$120 MILLION IN DAMAGES THIS YEAR. TREASURY'S OFFICE OF THRIFT SUPERVISION HAS ALSO REQUIRED 664 INSTITUTIONS TO AGREE TO TERMINATE UNSAFE AND UNSOUND PRACTICES, REMOVED MORE THAN 150 SENIOR THRIFT OFFICERS AND DIRECTORS, AND ISSUED 111 CEASE AND DESIST ORDERS TO STOP UNSAFE AND UNSOUND PRACTICES.

THROUGHOUT IT ALL, OUR MEN AND WOMEN IN THE FEDERAL AGENCIES ARE DOING A GREAT JOB, FROM THE HALLS OF JUSTICE AND TREASURY, TO THE PASSPORT CLERK WHO RECOVERED \$3 MILLION IN CASH, JEWELRY AND GOLD BY KEEPING A FORMER SAVINGS AND LOAN OWNER FROM SKIPPING THE COUNTRY.

WE ARE LEARNING A LOT FROM OUR SUCCESSES, INCLUDING HOW MUCH MORE THERE IS TO DO. SO I AM HERE, TODAY, TO BACK NEW LEGISLATIVE AND ADMINISTRATION ACTION -- FURTHER WAYS WE CAN CRACK DOWN ON WHITE-COLLAR CRIME.

FIRST, LET ME DECLARE MY SUPPORT FOR A PROPOSED AMENDMENT TO THE OMNIBUS CRIME BILL TO ENHANCE AND ENFORCE THE CIVIL AND CRIMINAL PENALTIES FOR FRAUD AGAINST FINANCIAL INSTITUTIONS. THIS LEGISLATION, SPONSORED BY REPUBLICAN LEADERS BOB DOLE AND BOB MICHEL, AND SENATORS HEINZ AND GARN, AS WELL AS CONGRESSMEN HILER AND WYLIE, WILL STRENGTHEN OUR INVESTIGATIVE AND PROSECUTORIAL TOOLS IN THE SERVICE OF JUSTICE. AND IT WILL PROVIDE ADDED PROTECTION TO THE VICTIMS OF CRIME.

WE WANT TO ALLOW THE USE OF COURT-APPROVED WIRETAPS IN INVESTIGATING BANK FRAUD.\\ WE ALSO WANT CONGRESS TO AUTHORIZE FEDERAL REGULATORY AGENCIES TO ASK THE COURTS TO FREEZE THE CORPORATE AND PERSONAL ASSETS OF DEFENDANTS IN CIVIL CASES INVOLVING FINANCIAL INSTITUTION FRAUD -- SO THAT THEY WILL NOT LEAVE THE TAXPAYERS HIGH AND DRY. AND WE WANT TO PREVENT RIP-OFF ARTISTS FROM USING BANKRUPTCY AS A STRATEGY TO AVOID PAYING DAMAGES.

THESE ARE SOME OF THE LEGISLATIVE STEPS WE CAN AND MUST TAKE. BUT WE MUST ALSO BUILD ON OUR RECENT SUCCESSES BY TAKING FURTHER ADMINISTRATIVE ACTION. THE ATTORNEY-GENERAL WILL ESTABLISH, WITHIN THE DEPARTMENT OF JUSTICE, A NEW UNIT TO DIRECT AND SHARPEN THE DEPARTMENT'S ACTIONS EVEN FURTHER, WHILE HELPING TO COORDINATE ACTIONS WITH OTHER AGENCIES.

WHERE NEW PROBLEMS EMERGE IN S&LS, WE WILL NEED TO GET INVOLVED FAST. THAT'S WHY ATTORNEY-GENERAL THORNBURGH AND SECRETARY BRADY HAVE CREATED A NEW APPROACH -- RAPID RESPONSE TEAMS AGAINST FRAUD -- TEAMS OF RAZOR-SHARP PROSECUTORS AND AUDITORS RECRUITED FROM THEIR DEPARTMENTS AND OTHER AGENCIES -- STRIKING CITY BY CITY -- TEAMS THAT WILL JUMP RIGHT INTO THE PAPER CHASE, TEAMS THAT WILL HIT THE TRAIL WHILE THE TRAIL'S STILL HOT.

THESE TEAMS WILL BE DEPLOYED TO HELP YOU -- THE U.S. ATTORNEYS. AND I AM CONFIDENT THEY WILL WORK WELL WITH YOU. I HAVE ALREADY SEEN THE MEN AND WOMEN OF THESE TWO DEPARTMENTS WORKING TOGETHER, SHARING A TENACIOUS SPIRIT, BORN OF A THIRST FOR JUSTICE. OF COURSE, WE ALWAYS QUANTIFY THE IMPORTANCE OF OUR WORK TOGETHER IN TERMS OF BILLIONS OF DOLLARS LOST. BUT, PERHAPS IT IS MORE APPROPRIATE TO REMEMBER WHY THIS MISSION IS SO IMPORTANT TO SO MANY PEOPLE -- A THOUGHT THAT WILL SUSTAIN YOU IN THE MONTHS TO COME, AS YOU SIP COLD COFFEE LONG AFTER EVERYONE ELSE HAS GONE HOME. YOU WILL BE WORKING LATE BECAUSE YOU WILL NOT LET THOSE PEOPLE BE FORGOTTEN -- SAVERS WHOSE HARD WORK AND HONEST TRUST MUST BE PROTECTED; ELDERLY PEOPLE WHOSE FAITH IN THE FUTURE MUST BE PRESERVED.

IT IS YOUR DUTY, YOUR SACRED DUTY, TO RIGHT THESE WRONGS, TO STAND UP FOR THE VULNERABLE AGAINST THE UNSCRUPULOUS, THE GUILILESS AGAINST THE CONNIVING. WE WILL NOT REST UNTIL THE CHEATS, THE CHISELERS AND THE CHARLATANS SPEND A LARGE CHUNK OF THEIR LIVES BEHIND THE BARS OF A FEDERAL PRISON.\\\

YOU DO A DIFFICULT JOB IN A SPIRIT OF
PROFESSIONALISM. I CAN ONLY THANK YOU, ON BEHALF OF
ALL AMERICANS, FOR YOUR DEDICATION -- YOUR DEDICATION
TO JUSTICE.

THANK YOU FOR COMING TO WASHINGTON. MAY GOD BLESS
EACH AND EVERY ONE OF YOU, AND MAY GOD BLESS AMERICA.

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See OMB
Comments

Davis/Blymire
June 20, 1990
Title: Justice
Draft: Four

90 JUN 22 8:54

**PRESIDENTIAL ADDRESS: U.S. ATTORNEYS, GREAT HALL, JUSTICE
11:20 a.m., Friday, June 22**

((Acknowledgements))

((You know what? When I told my grandkids that I'd be spending time with some of America's finest crime-fighters, one of them asked me if I would be sure and bring them back an autograph \\ . . . from Dick Tracy.)) \\ \\

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Sub/Demand
out
 ((When I took office, we also knew that something terribly wrong had happened in the Savings and Loan industry. In 1984, I headed a task force that came forward with recommendations to reform the regulation of financial services with more Executive control over the regulators -- higher capital requirements, an end to phony accounting standards, and steps to reform deposit insurance to stop the forced subsidy of high risk operators by prudently managed thrifts. Unfortunately, Congress ignored our proposals -- in fact, moved in the opposite direction -- until last year.))

Sub/Demand
out
 ((Working closely with Congress, we succeeded in obtaining many critical regulatory reforms. But a great deal of wrongdoing had already occurred.)) And so, in the third week of my Administration, I also directed Attorney-General Thornburgh to give cases of S&L fraud the highest priority. And he did. When it comes to civil action, we have sought restitution to protect taxpayers through tens of thousands of civil suits leveled against S&L executives, owners and borrowers. And when it comes to criminal action, we aim for a simple, uncompromising position -- throw the crooks in jail.\\\

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*File
out*

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the months to come, as you sip cold coffee long after everyone else has gone home. You will be working late because you will not let those people be forgotten -- savers whose hard work and honest trust has been treated like a joke; elderly people whose faith in the future has been repaid with bitter poverty.

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You do a difficult job in a spirit of professionalism. I can only thank you, on behalf of all Americans, for your dedication -- your dedication to justice.

Thank you for coming to Washington. May God bless each and every one of you, and may God bless America.

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SENSITIVE

Document No. 151767SS

WHITE HOUSE STAFFING MEMORANDUM

DATE: 6/21/90 ACTION/CONCURRENCE/COMMENT DUE BY: 6/21/90 3:00 PMSUBJECT: PRESIDENTIAL REMARKS: U.S. ATTORNEYS, GREAT HALL, JUSTICE

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input type="checkbox"/>	NEWMAN	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROGICH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	WINSTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PINKERTON	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	BOSKIN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HAGIN	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please forward any comments directly to Chriss Winston, Rm. 122, x2930, no later than 3:00 PM TODAY, Thursday, June 21, with a copy to my office. Thank you.

RESPONSE:

SENSITIVE

*Please see comments.
6/21/90*

James W. Cicconi
Assistant to the President
and Deputy to the Chief of Staff
Ext. 2702

Davis/Blymire
June 20, 1990
Title: Justice
Draft: Three

90 JUN 21 9:56

PRESIDENTIAL ADDRESS: U.S. ATTORNEYS, GREAT HALL, JUSTICE
11:20 a.m., Friday, June 22

((Acknowledgements))

((You know what? When I told my grandkids that I'd be spending time with some of America's finest crime-fighters, one of them asked me if I would be sure and bring them back an autograph \\ . . . from Dick Tracy.)) \\

Well, true villains are drawn from life, not from primary colors. And where financial fraud is concerned, it takes a discerning mind and an open heart to distinguish the incompetent from the fraudulent, the unlucky from the unlawful. This nation is very fortunate to be able to look to you -- the U.S. Attorneys of America -- to make these tough calls. We depend on you to sift through piles upon voluminous piles of documents, and understand that in the cold numbers of a ledger can be found the tragedy of an embezzled pension, the heartache of a stolen home.

White-collar crime is not as dramatic as violent crime. But white-collar crime still ruins lives. It murders the fondest dreams of whole families. It takes a snake, a cold-blooded snake, to betray the trust and innocence of hard-working people. And so if we have to look under rocks to find white-collar criminals, then we will leave no stone unturned.\\

This Administration, from our first days in office, has worked with Congress to crack down on white-collar criminals. To crack down on pinstriped bankers who launder the smell of blood out of drug money, and white-collar crooks who cheat the elderly out of their life's hard work. To bring to justice government contractors who steal by the numbers.

You already know of the ((number)) of convictions from the Ill-Wind probe of federal defense contractors. You already know that ((example of crackdown on drug financiers)). You already know that among cases involving abuse of HUD contracts, the Department of Justice has already obtained ((number)) of convictions in Oklahoma alone, while courts have ordered almost two and one-half million dollars in restitution in that state -- more than half of which will come from a bank president who has a five-year reservation in prison. In all, the government has won 10,000 financial fraud convictions since 1985. And just last year alone, the Department of Justice aggressively won almost 800 convictions in major financial fraud cases -- cases involving more than \$100,000.

When I took office, we also knew that something terribly wrong had happened in the Savings and Loan industry. And so, on the ((xxth)) day of my Administration, I directed Attorney-General Thornburgh to give these cases the highest priority. And he did. When it comes to civil action, we have sought restitution for depositors and taxpayers alike through tens of thousands of civil suits leveled against S&L executives, owners

and borrowers. And when it comes to criminal action, we aim for a simple, uncompromising position -- throw the crooks in jail.\\\

This aggressive attitude is paying off. In three years, we've won 3,299 S&L convictions -- \$100 million ordered in restitution -- more than four centuries in prison terms meted out. And, I promise you this -- there will be more, much more.

Consider all that is happening: An S&L Chairman gets 30 years in a celebrated case in Dallas. An S&L CEO in Santa Rosa is sentenced to prison, and the courts order almost \$7 million in fines and restitution. In Illinois, top officers of an S&L go to prison, and are ordered to repay \$17 million. These cheats have cost us billions. They will pay us back in billions, and they will pay us back in years.

These are the results of a determined effort -- an effort which we are boosting with 153 FBI agents, 100 FBI accounting technicians and 118 Assistant U.S. Attorneys. The Dallas Task Force has been particularly successful, obtaining 52 convictions; so successful, in fact, that Attorney-General Thornburgh is expanding the task force concept to 37 other U.S. Attorney's offices around the country.

And because of Secretary Brady's leadership, the IRS is aggressively pursuing individuals suspected of tax fraud in connection with failed savings and loan institutions; while the Resolution Trust Corporation is adding about 300 members to its investigative staff this year, to become part of a new national investigative network. Treasury's Office of Thrift Supervision

has also required 664 institutions to agree to terminate unsafe and unsound practices, removed more than 150 senior thrift officers and directors, and issued 111 cease and desist orders to stop unsafe and unsound practices.

Throughout it all, our men and women in the federal agencies are doing a great job, from the halls of Justice and Treasury, to the passport clerk who recovered \$3 million in cash, jewelry and gold by keeping a former savings and loan owner from skipping the country.

We are learning a lot from our successes, including how much more there is to do. So I am here, today, to back new legislative and Administration action -- further ways we can crack down on white-collar crime.

First, let me declare my support of ^{a proposed} ~~an~~ amendment to the crime bill to enhance and enforce the civil and criminal penalties for fraud against financial institutions. This legislation, sponsored ^{in the Senate} by ~~Minority Leader~~ ^{Republican} Bob Dole and ~~Bob Michel~~ and Senators Heinz and Garn, will intensify the resource of the United States government in the service of justice.

JK
2/5

These leaders of Congress and I want to authorize \$25 million increase for the IRS and Department of Justice so intensify their already vigorous investigations. We allow the use of wiretaps in investigating bank fraud, also want Congress to authorize federal regulatory, ask the courts to freeze the corporate and person defendants in civil cases -- so that they will

and in the House by Rep Leader Bob Michel and Charles Wiggins

taxpayers high and dry. And we want to prohibit the use of bankruptcy as a strategy to avoid paying damages to the rightful recipients -- the depositors.

These are some of the legislative steps we can and must take. We can also build on our recent successes by taking further administrative action. The Attorney-General will establish, within the Department of Justice, a new unit to direct and sharpen the Department's actions even further, while helping to coordinate actions with other agencies. And where new problems emerge in S&Ls, we will need to get involved fast. That's why Attorney-General Thornburgh and Secretary Brady have created a new approach -- a strike force against fraud -- teams of razor-sharp prosecutors and auditors recruited from their departments and other agencies -- striking city by city -- teams that will jump right into the paper chase, teams that will hit the trail while it's still hot.

I have seen for myself that the men and women of these two departments are working together because you share a tenacious spirit, born of a thirst for justice. Of course, we always quantify the importance of our work together in terms of billions of dollars lost. But, perhaps it is more appropriate to qualify it in terms of lives ruined -- in terms of savers whose hard work and honest trust has been treated like a joke; in terms of elderly people whose faith in the future has been repaid with bitter poverty at life's end.

It is your duty, your sacred duty, to right these wrongs, to stand up for the vulnerable against the unscrupulous, the guileless against the conniving. We will not rest until the cheats, the chiselers and the charlatans spend a large chunk of their lives behind the bars of a federal compound.\\\

You do a difficult job in a spirit of professionalism. I can only thank you, on behalf of all Americans, for your dedication -- your dedication to justice.

Thank you for coming to Washington. May God bless each and every one of you, and may God bless America.

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CHRISS:

SPOKE W/ JANET
THIS IS WHAT EVERYONE AGREES W/ ON P. 4

"First let me declare my support for an proposed amendment to the omnibus crime bill to enforce, etc."

"Republican" -- not minority (Dole & Michel)

Add in Congressman Wylie

Davis/Blymire
June 20, 1990
Title: Justice
Draft: Five

**PRESIDENTIAL ADDRESS: U.S. ATTORNEYS, GREAT HALL, JUSTICE
11:20 a.m., Friday, June 22**

((Thank you, Secretary Brady -- Nick -- and Attorney-General Thornburgh -- Dick.))

((You know what? When I told my grandkids that I'd be spending time with some of America's finest crime-fighters, one of them asked me if I would be sure and bring them back an autograph \\ . . . from Dick Tracy.)) \\ \\

Well, true villains are drawn from life, not from primary colors. And where financial fraud is concerned, it takes a discerning mind and a determined spirit to distinguish the incompetent from the fraudulent, the unlucky from the unlawful. This nation is very fortunate to be able to look to you -- the U.S. Attorneys of America -- to make these tough calls. We depend on you, as you work with the FBI and other investigative and regulatory agencies, to sift through piles upon piles of documents, and understand that in the cold numbers of a ledger can be found the tragedy of an embezzled pension, the heartache of stolen savings.

White-collar crime is not as dramatic as violent crime. But white-collar crime still ruins lives. It murders the fondest dreams of whole families. It takes a snake, a cold-blooded snake, to betray the trust and innocence of hard-working people.

And so if we have to look under rocks to find white-collar criminals, then we will leave no stone unturned.\\\

This Administration, from our first days in office, has worked with Congress to crack down on white-collar criminals. To crack down on fat cat financiers who launder the smell of blood out of drug money, and white-collar crooks who cheat the elderly out of their life's hard work. To bring to justice government contractors who steal by the numbers.

You already know of the 37 convictions from the Ill-Wind probe of federal defense contractors. You already know of the 127 people rounded up in Operation Polar Cap's crackdown on drug financiers. (And let me say, I wanted you here today to also thank you -- because there are signs that we are starting, at long last, to make progress in the war on drugs.) You already know that among cases involving abuse of HUD contracts, the Department of Justice has already obtained 65 convictions this fiscal year, including 21 convictions in Oklahoma alone, while courts have ordered almost two and one-half million dollars in restitution in that state -- more than half of which will come from an executive who has a five-year reservation in prison. In all, the government has won 10,000 financial fraud convictions since 1985. And just last year alone, the Department of Justice aggressively won almost 800 convictions in major financial institution fraud cases -- cases involving more than \$100,000 each.

But the most serious problem found everywhere was the S&L crisis

³
We knew

~~By the time I took office, something terribly wrong had happened in our Savings and Loan industry.~~ And so, in the third week of my Administration, I directed Attorney-General Thornburgh to give cases of S&L fraud the highest priority. And he did. When it comes to civil action, we have sought restitution to protect taxpayers through tens of thousands of civil suits leveled against S&L executives, owners and borrowers. And when it comes to criminal action, we aim for a simple, uncompromising position -- throw the crooks in jail.\\\

This aggressive attitude is paying off. In three years, we've won more than 150 S&L convictions -- \$100 million ordered in restitution -- more than four hundred years in prison terms meted out. And, I know this -- because of you and your firm support, there will be more, much more.

Consider all that is happening: An S&L Chairman gets 30 years in a celebrated case in Dallas. An S&L CEO in Santa Rosa is sentenced to prison, and the courts order almost \$7 million in fines and restitution. In Illinois, top officers of an S&L go to prison, and are ordered to repay \$17 million. These cheats have cost us billions. They will pay us back with their dollars, and they will pay us back with years of their lives.

These prosecutions are the result of a determined effort -- an effort which we are boosting with 202 FBI agents, 100 more FBI accounting technicians and 118 more United States Attorneys. The Dallas Task Force has been particularly successful, obtaining 52

convictions; so successful, in fact, that Attorney-General Thornburgh is expanding the task force concept to 27 cities.

Under Secretary Brady's leadership, the IRS is aggressively pursuing individuals suspected of tax fraud in connection with failed savings and loan institutions; while the Resolution Trust Corporation is adding about 300 members to its investigative staff this year, to become part of a new national investigative network. The FDIC is pursuing more than 1,200 cases of fraud and negligence against thrift officials, attorneys and accountants, and has collected more than \$120 million in damages this year. Treasury's Office of Thrift Supervision has also required 664 institutions to agree to terminate unsafe and unsound practices, removed more than 150 senior thrift officers and directors, and issued 111 cease and desist orders to stop unsafe and unsound practices.

Throughout it all, our men and women in the federal agencies are doing a great job, from the halls of Justice and Treasury, to the passport clerk who recovered \$3 million in cash, jewelry and gold by keeping a former savings and loan owner from skipping the country.

We are learning a lot from our successes, including how much more there is to do. So I am here, today, to back new legislative and Administration action -- further ways we can crack down on white-collar crime.

First, let me declare my support for a proposed amendment to the omnibus crime bill to enhance and enforce the civil and

criminal penalties for fraud against financial institutions. This legislation, sponsored by Republican Leaders Bob Dole and Bob Michel, and Senators Heinz and Garn, as well as Congressmen Hiler and Wylie, will strengthen the resources our investigative and prosecutorial tools in the service of justice. And it will provide added protection to the victims of crime.

We want to allow the use of court-approved wiretaps in investigating bank fraud.\\\ We also want Congress to authorize federal regulatory agencies to ask the courts to freeze the corporate and personal assets of defendants in civil cases involving financial institution fraud -- so that they will not leave the taxpayers high and dry. And we want to prevent rip-off artists from using bankruptcy as a strategy to avoid paying damages.

These are some of the legislative steps we can and must take. But we must also build on our recent successes by taking further administrative action. The Attorney-General will establish, within the Department of Justice, a new unit to direct and sharpen the Department's actions even further, while helping to coordinate actions with other agencies.

Where new problems emerge in S&Ls, we will need to get involved fast. That's why Attorney-General Thornburgh and Secretary Brady have created a new approach -- Rapid Response Teams against fraud -- teams of razor-sharp prosecutors and auditors recruited from their departments and other agencies -- striking city by city -- teams that will jump right into the

paper chase, teams that will hit the trail while the trail's still hot.

These teams will be deployed to help you -- the U.S. Attorneys. And I am confident they will work well with you. I have already seen the men and women of these two departments working together, sharing a tenacious spirit, born of a thirst for justice. Of course, we always quantify the importance of our work together in terms of billions of dollars lost. But, perhaps it is more appropriate to remember why this mission is so important to so many people -- a thought that will sustain you in the months to come, as you sip cold coffee long after everyone else has gone home. You will be working late because you will not let those people be forgotten -- savers whose hard work and honest trust has been treated like a joke; elderly people whose faith in the future has been repaid with bitter poverty.

It is your duty, your sacred duty, to right these wrongs, to stand up for the vulnerable against the unscrupulous, the guileless against the conniving. We will not rest until the cheats, the chisellers and the charlatans spend a large chunk of their lives behind the bars of a federal prison.\\\

You do a difficult job in a spirit of professionalism. I can only thank you, on behalf of all Americans, for your dedication -- your dedication to justice.

Thank you for coming to Washington. May God bless each and every one of you, and may God bless America.

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THE WHITE HOUSE

WASHINGTON

June 21, 1989

MEMORANDUM FOR CHRISS WINSTON
DEPUTY ASSISTANT TO THE PRESIDENT FOR
COMMUNICATIONS

FROM: NELSON LUND 
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Presidential Remarks: U.S. Attorneys, Great Hall,
Justice

As we discussed this morning, Boyden considers it very important to include a passage dealing with then-Vice President Bush's work on reforming the regulation of the financial services industry. I would suggest inserting the following in the paragraph that begins at the bottom of page 2:

"When I took office, we also knew that something terribly wrong had happened in the Savings and Loan industry. And perhaps better than most, I knew why. In 1984, I headed a task force that came forward with recommendations to reform the regulation of financial services with more Executive control over the regulators -- higher capital requirements, an end to phony accounting standards, and steps to stop the forced subsidy of high risk operators by prudently managed thrifts. Unfortunately, Congress ignored our proposals -- in fact, moved in the opposite direction -- until last year.

"Early in my Administration, working closely with Congress, we succeeded in obtaining many critical regulatory reforms. But a great deal of wrongdoing had already occurred. And so, on the ((xxth)) day of my Administration, I directed Attorney-General Thornburgh to give these cases the highest priority. . . ."

If you have any questions, or if there's anything more I can do to help, please let me know.

cc: James W. Cicconi

27:3d 12 JUN 21 89

THE WHITE HOUSE

WASHINGTON

June 21, 1989

MEMORANDUM FOR CHRISS WINSTON
DEPUTY ASSISTANT TO THE PRESIDENT FOR
COMMUNICATIONS

FROM: NELSON LUND *NL*
ASSOCIATE COUNSEL TO THE PRESIDENT

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"Early in my Administration, working closely with Congress, we succeeded in obtaining many critical regulatory reforms. But a great deal of wrongdoing had already occurred. And so, on the ((xxth)) day of my Administration, I directed Attorney-General Thornburgh to give these cases the highest priority. . . ."

If you have any questions, or if there's anything more I can do to help, please let me know.

cc: James W. Cicconi

SENSITIVE

Document No. 151767SS

WHITE HOUSE STAFFING MEMORANDUM

DATE: 6/21/90ACTION/CONCURRENCE/COMMENT DUE BY: 6/21/90 3:00 PMSUBJECT: PRESIDENTIAL REMARKS: U.S. ATTORNEYS, GREAT HALL, JUSTICE

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input type="checkbox"/>	NEWMAN	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROGICH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	WINSTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PINKERTON	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	BOSKIN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HAGIN	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
HOLIDAY →	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please forward any comments directly to Chriss Winston, Rm. 122, x2930, no later than 3:00 PM TODAY, Thursday, June 21, with a copy to my office. Thank you.

RESPONSE:

SENSITIVE

See Comments. Thanks. 12:44 PM JUN 21 1990

Holly Williamson

6-21-90

James W. Cicconi
Assistant to the President
and Deputy to the Chief of Staff
Ext. 2702

Davis/Blymire
June 20, 1990
Title: Justice
Draft: Three

PRESIDENTIAL ADDRESS: U.S. ATTORNEYS, GREAT HALL, JUSTICE
11:20 a.m., Friday, June 22

((Acknowledgements))

((You know what? When I told my grandkids that I'd be spending time with some of America's finest crime-fighters, one of them asked me if I would be sure and bring them back an autograph \\ . . . from Dick Tracy.)) \\ \\

Well, true villains are drawn from life, not from primary colors. And where financial fraud is concerned, it takes a discerning mind and ^{a determined spirit to} ~~an open heart to~~ distinguish ^{bad judgement} the incompetent from the fraudulent, the unlucky from the unlawful. This nation

is very fortunate to be able to look to you -- the U.S. Attorneys of America -- to make these tough calls. We depend on you to

sift through piles upon voluminous piles of documents, and understand that in the cold numbers of a ledger can be found the

tragedy of an embezzled pension, the heartache of a stolen home, the emptiness of a stolen bank account.

White-collar crime is not as dramatic as violent crime. But

white-collar crime still ruins lives. It murders the fondest dreams of whole families. It takes a snake, a cold-blooded snake, to betray the trust and innocence of hard-working people.

And so ^{if} if we have to look under rocks to find white-collar criminals, then we will leave no stone unturned.\\ \\

✓ Treasury questions this -- (lost homes, pensions)

Justice ✓

Justice ✓ working with the FBI + other investigative + regulatory agencies

Justice ✓

delete Justice ✓

This Administration, from our first days in office, has worked with Congress to crack down on white-collar criminals. To crack down on ~~pinstriped bankers~~ ^{those} who launder the smell of blood out of drug money, and white-collar crooks who cheat the elderly out of their life's hard work. To bring to justice government contractors who steal by the numbers.

Justice

You already know of the ~~((number))~~ ³⁷ of convictions from the

Justice

Ill-Wind probe of federal defense contractors. You already know of the roundup of 127 persons in Operation Polar Cap's crackdown on drug financiers. ~~A that ((example of crackdown on drug financiers))~~ You already

Justice

know that among cases involving abuse of HUD contracts, the Department of Justice has already obtained ~~((number))~~ ^{65 convictions this fiscal year,} of ~~21~~ ^{including} convictions in Oklahoma alone, while courts have ordered almost

Justice

two and one-half million dollars in restitution in that state -- more than half of which will come from a bank president who has a five-year reservation in prison. In all, the government has won 10,000 financial fraud convictions since 1985. And just last year alone, the Department of Justice aggressively won almost 800 convictions in major financial ^{institution} fraud cases -- cases involving more than \$100,000 each (for each ^{of the} 800 convictions.)

Justice

Treasury (a total # would be better.)

When I took office, we also knew that something terribly wrong had happened in the Savings and Loan industry. And so, on ~~the ((xxth))~~ ^{third week} day of my Administration, I directed Attorney-

Justice in the

General Thornburgh to give these cases the highest priority. And he did. When it comes to civil action, we have sought restitution for depositors and taxpayers alike through tens of thousands of civil suits leveled against S&L executives, owners

clarify 3299 or 159? Dong Tillet

Treasury questions that #. They are checking & will get back to us later today.

and borrowers. And when it comes to criminal action, we aim for a simple, uncompromising position -- throw the crooks in jail.\\

This aggressive attitude is paying off. In three years, we've won 159 major financial institution fraud convictions -- 3,299 S&L convictions -- \$100 million ordered in restitution -- more than four centuries in prison terms meted out. And, I promise you this -- there will be more, much more.

Justice (OCA)

Consider all that is happening: An S&L Chairman gets 30 years in a celebrated case in Dallas. An S&L CEO in Santa Rosa is sentenced to prison, and the courts order almost \$7 million in fines and restitution. In Illinois, top officers of an S&L go to prison, and are ordered to repay \$17 million. These cheats have cost us billions. They will pay us back in billions, and they will pay us back in years.

Ede: NOT good -- we'll never get the money back

Treasury suggestion: They'll pay us with their fortunes + their years.

Treasury + OCA

These are the results of a determined effort -- an effort which we are boosting with 153 FBI agents, 100 FBI accounting technicians and 118 Assistant U.S. Attorneys. The Dallas Task Force has been particularly successful, obtaining 52 convictions;

prosecutions

202 more

more

United States

OCA

Justice + Treasury Justice

so successful, in fact, that Attorney-General Thornburgh is expanding the task force concept to 37 other U.S. Attorney's offices around the country. See Insert A (new paragraph)

has OCA

26

Justice

And because of Secretary Brady's leadership, the IRS is aggressively pursuing individuals suspected of tax fraud in connection with failed savings and loan institutions; while the Resolution Trust Corporation is adding about 300 members to its investigative staff this year, to become part of a new national investigative network. * Treasury's Office of Thrift Supervision

under

insert B (below)

*insert B: The FDIC is pursuing over 1200 cases of fraud + negligence against thrift officials, attorneys and accountants, + collected over 120 million in damages this year.

Treasury

has also required 664 institutions to agree to terminate unsafe and unsound practices, removed more than 150 senior thrift officers and directors, and issued 111 cease and desist orders to stop unsafe and unsound practices.

Throughout it all, our men and women in the federal agencies are doing a great job, from the halls of Justice and Treasury, to the passport clerk who recovered \$3 million in cash, jewelry and gold by keeping a former savings and loan owner from skipping the country.

We are learning a lot from our successes, including how much more there is to do. So I am here, today, to back new legislative and Administration action -- further ways we can crack down on white-collar crime.

First, let me declare my support of an amendment to the crime bill to enhance and enforce the civil and criminal penalties for fraud against financial institutions. This legislation, sponsored by ~~Minority Leaders~~ ^{Republican Leaders} Bob Dole and Bob Michel, and Senators Heinz and Garn, will ~~intensify the resources~~ ^{strengthen the} of the United States government in the service of justice.

Justice

investigative + prosecutorial tools

Treasury also need to include Rep. Wylie (he is included in the Fact sheet)

These leaders of Congress and I want to authorize \$25 million increase for the IRS and Department of Justice so we can intensify their already vigorous investigations.\\ We want to allow the use of ^{court-approved} wiretaps in investigating bank fraud.\\ We also want Congress to authorize federal regulatory agencies to ask the courts to freeze the corporate and personal assets of defendants in civil cases -- so that they will not leave the

Justice

taxpayers high and dry. And we want to prohibit the use of bankruptcy ^{by the ripoff artists} as a strategy to avoid paying damages, ~~to the rightful recipients -- the depositors.~~ ✓ Justice

✓ OCA

These are some ^{additional} of the legislative steps we can and must take. We can also build on our recent successes by taking further administrative action. The Attorney-General will establish, within the Department of Justice, a new unit to direct and sharpen the Department's actions even further, while helping to coordinate actions with other agencies. And where new problems emerge in S&Ls, we will need to get involved fast.

That's why Attorney-General Thornburgh and Secretary Brady have created a new approach -- a ^{flying squad} strike force against fraud -- teams ✓ Justice of razor-sharp prosecutors and auditors recruited from their

✓ OCA + Treasury

departments and other agencies -- striking city by city -- teams that will jump right into the paper chase, teams that will hit the trail while it's still hot. ✓ a little cute

✓ OCA

These teams will be deployed to help you -- U.S. Attorneys across the country. ✓

I have seen for myself that the men and women of these two departments are working together because you share a tenacious spirit, born of a thirst for justice. ~~Of course, we always quantify the importance of our work together in terms of billions of dollars lost. But, perhaps it is more appropriate to qualify it in terms of lives ruined -- in terms of savers whose hard work and honest trust has been treated like a joke; in terms of elderly people whose faith in the future has been repaid with bitter poverty at life's end.~~ ✓ Justice (delete) ✓ Treasury

It is your duty, your sacred duty, to right these wrongs, to stand up for the vulnerable against the unscrupulous, the guileless against the conniving. We will not rest until the cheats, the chisellers and the charlatans spend a large chunk of their lives behind the bars of a federal ^{prison.} compound. ~~TTT~~

Justice

You do a difficult job in a spirit of professionalism. I can only thank you, on behalf of all Americans, for your dedication -- your dedication to justice.

Thank you for coming to Washington. May God bless each and every one of you, and may God bless America.

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In addition, one general comment from Ede Holiday:

-- shouldn't we emphasize drug enforcement also with all the US Attorneys present?

In addition, from Treasury:

-- needs to be shorter & crisper... a little too long.

-- Treasury felt the top paragraph on this page was great -- need to emphasize more of that throughout the speech, that is why we brought these people in. Tell them -- there is one of your top priorities. Be strong throughout the speech with describing what their mission on this front is.


✓ always good - include some of this language earlier in the speech.

THE WHITE HOUSE

WASHINGTON

June 21, 1989

MEMORANDUM FOR CHRISS WINSTON
DEPUTY ASSISTANT TO THE PRESIDENT FOR
COMMUNICATIONS

FROM: NELSON LUND 
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Presidential Remarks: U.S. Attorneys, Great Hall,
Justice

As we discussed this morning, Boyden considers it very important to include a passage dealing with then-Vice President Bush's work on reforming the regulation of the financial services industry. I would suggest inserting the following in the paragraph that begins at the bottom of page 2:

"When I took office, we also knew that something terribly wrong had happened in the Savings and Loan industry. And perhaps better than most, I knew why. In 1984, I headed a task force that came forward with recommendations to reform the regulation of financial services with more Executive control over the regulators -- higher capital requirements, an end to phony accounting standards, and steps to stop the forced subsidy of high risk operators by prudently managed thrifts. Unfortunately, Congress ignored our proposals -- in fact, moved in the opposite direction -- until last year.

"Early in my Administration, working closely with Congress, we succeeded in obtaining many critical regulatory reforms. But a great deal of wrongdoing had already occurred. And so, on the ((xxth)) day of my Administration, I directed Attorney-General Thornburgh to give these cases the highest priority. . . ."

If you have any questions, or if there's anything more I can do to help, please let me know.

cc: James W. Cicconi

21:32 17 JUN 21 89

SENSITIVE

Document No. 151767SS

WHITE HOUSE STAFFING MEMORANDUM

DATE: 6/21/90ACTION/CONCURRENCE/COMMENT DUE BY: 6/21/90 3:00 PMSUBJECT: PRESIDENTIAL REMARKS: U.S. ATTORNEYS, GREAT HALL, JUSTICE

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE <i>M/C</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input type="checkbox"/>	NEWMAN	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROGICH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	WINSTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PINKERTON	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>Neelof Lund</i> GRAY <i>not til 3:45</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	BOSKIN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HAGIN	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please forward any comments directly to Chriss Winston, Rm. 122, x2930, no later than 3:00 PM TODAY, Thursday, June 21, with a copy to my office. Thank you.

RESPONSE:

SENSITIVE

James W. Cicconi
 Assistant to the President
 and Deputy to the Chief of Staff
 Ext. 2702

Davis/Blymire
June 20, 1990
Title: Justice
Draft: Three

90 JUN 21 A 9: 56

PRESIDENTIAL ADDRESS: U.S. ATTORNEYS, GREAT HALL, JUSTICE
11:20 a.m., Friday, June 22

((Acknowledgements))

((You know what? When I told my grandkids that I'd be spending time with some of America's finest crime-fighters, one of them asked me if I would be sure and bring them back an autograph \\ . . . from Dick Tracy.)) \\ \\

Well, true villains are drawn from life, not from primary colors. And where financial fraud is concerned, it takes a discerning mind and ^{a determined spirit} ~~an open heart~~ to distinguish the incompetent from the fraudulent, the unlucky from the unlawful. This nation is very fortunate to be able to look to you -- the U.S. Attorneys of America -- to make these tough calls. We depend on you, ^{working with the FBI and other investigative and regulatory agencies,} to sift through piles upon ~~voluminous~~ piles of documents, and understand that in the cold numbers of a ledger can be found the tragedy of an embezzled pension, the heartache of ~~a stolen home~~. ^{Savings.}

White-collar crime is not as dramatic as violent crime. But white-collar crime still ruins lives. It murders the ~~fondest~~ ^(~~terrible end of person~~) dreams of whole families. It takes a ~~snake~~, a cold-blooded ~~snake~~, to betray the trust and innocence of hard-working people. And so if we have to look under rocks to find white-collar criminals, then we will leave no stone unturned. \\ \\

STET

This Administration, from our first days in office, has worked with Congress to crack down on white-collar criminals. To crack down on ^(fat cat) ~~pinstriped bankers~~ ^{financiers} who launder the smell of blood out of drug money, and white-collar crooks who cheat the elderly out of their life's hard work. To bring to justice government contractors who steal by the numbers.

You already know of the ³⁷ ~~((number))~~ of convictions from the Ill-Wind probe of federal defense contractors. You already know ^{of the 127 people rounded up in Operation Polar Cap's crackdown on drug} that ~~((example of crackdown on drug financiers))~~. You already ^{financiers} know that among cases involving abuse of HUD contracts, the Department of Justice has already obtained ^{65 convictions this} ~~((number))~~ ^{fiscal year} ~~of~~ ^{including} ~~21 convictions~~ convictions in Oklahoma alone, while courts have ordered almost two and one-half million dollars in restitution in that state -- more than half of which will come from a bank president who has a five-year reservation in prison. In all, the government has won 10,000 financial fraud convictions since 1985. And just last year alone, the Department of Justice aggressively won almost 800 ^{institution} convictions in major financial fraud cases -- cases involving more than ~~(\$100,000)~~ ^(100,000) each.

~~When I took office, we also knew that something terribly wrong had happened in the Savings and Loan industry. And so, on the ((xxth)) day of my Administration, I directed Attorney-General Thornburgh to give these cases the highest priority. And he did. When it comes to civil action, we have sought restitution for ^{to protect taxpayers} ~~depositors and taxpayers alike~~ through tens of thousands of civil suits leveled against S&L executives, owners~~

I WANT TO ALSO TELL EACH (PARENTS - FINANCIAL)
 UNRECORDED 11/17/85

BANK IN BANK

* 1 sentence on drugs

and borrowers. And when it comes to criminal action, we aim for a simple, uncompromising position -- throw the crooks in jail.\\\

This aggressive attitude is paying off. In three years, we've won 3,299 S&L convictions -- \$100 million ordered in restitution -- more than four centuries in prison terms meted out. And, I ^{know} ~~promise you~~ this -- ^{because of you and our firm support} there will be more, much more.

Consider all that is happening: An S&L Chairman gets 30 years in a celebrated case in Dallas. An S&L CEO in Santa Rosa is sentenced to prison, and the courts order almost \$7 million in fines and restitution. In Illinois, top officers of an S&L go to prison, and are ordered to repay \$17 million. These cheats have cost us billions. ^{with their dollars} They will pay us back in billions, and they will pay us back in years. ^{with the of their lives}

^{prosecutions} These are the results of a determined effort -- an effort which we are boosting with ²⁰² 153 FBI agents, ^{more} 100 FBI accounting technicians and ^{United States} 118 Assistant U.S. Attorneys. The Dallas Task Force has been particularly successful, obtaining 52 convictions; so successful, in fact, that Attorney-General Thornburgh is ^{with 21 already in place and another 16 planned} expanding the task force concept to ^{in 8 other} 37 other U.S. Attorney's offices around the country. ^{to 26 other} ~~and another 16 planned~~ insert A

^{under} And because of Secretary Brady's leadership, the IRS is aggressively pursuing individuals suspected of tax fraud in connection with failed savings and loan institutions; while the Resolution Trust Corporation is adding about 300 members to its investigative staff this year, to become part of a new national investigative network. Treasury's Office of Thrift Supervision

insert b

has also required 664 institutions to agree to terminate unsafe and unsound practices, removed more than 150 senior thrift officers and directors, and issued 111 cease and desist orders to stop unsafe and unsound practices.

Throughout it all, our men and women in the federal agencies are doing a great job, from the halls of Justice and Treasury, to the passport clerk who recovered \$3 million in cash, jewelry and gold by keeping a former savings and loan owner from skipping the country.

We are learning a lot from our successes, including how much more there is to do. So I am here, today, to back new legislative and Administration action -- further ways we can crack down on white-collar crime.

for a proposed amendment to the legislation

omnibus crime bill

First, let me declare my support of ~~an amendment to the crime bill~~ to enhance and enforce the civil and criminal

penalties for fraud against financial institutions. This

Republican

legislation, sponsored by ~~Minority~~ Leaders Bob Dole and Bob

as well as Congressman Wylic

Michel, and Senators Heinz and Garn, will intensify the resources

own the investigative and prosecutorial tools

strengthen

~~of the United States government~~ in the service of justice.

and it will provide added protection to the victims of crime

~~These leaders of Congress and I want to authorize \$25-~~

~~million increase for the IRS and Department of Justice so we can~~

~~intensify their already vigorous investigations.~~ \\ \\ We want to

court-approved

allow the use of ¹wiretaps in investigating bank fraud. \\ \\ We

also want Congress to authorize federal regulatory agencies to

ask the courts to freeze the corporate and personal assets of

defendants in civil cases -- so that they will not leave the

involving financial institution fraud

prevent rip off artists from using

taxpayers high and dry. And we want to prohibit the use of bankruptcy as a strategy to avoid paying damages to the rightful recipients -- the depositors.

These are some of the legislative steps we can and must take. ^{But, must} We can also build on our recent successes by taking further administrative action. The Attorney-General will establish, within the Department of Justice, a new unit to direct and sharpen the Department's actions even further, while helping to coordinate actions with other agencies. And where new problems emerge in S&Ls, we will need to get involved fast. That's why Attorney-General Thornburgh and Secretary Brady have created a new approach -- ^{Rapid Response Team Teams} a strike force against fraud -- teams of razor-sharp prosecutors and auditors recruited from their departments and other agencies -- striking city by city -- teams that will jump right into the paper chase, teams that will hit the trail while it's still hot.

I have seen ~~for myself that~~ the men and women of these two departments ~~are working together because you share~~ ^{ing} a tenacious spirit, born of a thirst for justice. Of course, we always quantify the importance of our work together in terms of billions of dollars lost. But, perhaps it is more appropriate to qualify it in terms of lives ruined -- in terms of savers whose hard work and honest trust has been treated like a joke; in terms of elderly people whose faith in the future has been repaid with bitter poverty at life's end.

Duty next month's year cold coffee long hours

That's why were doing this cold coffee, long hours

These teams will be deployed to help you - the U.S. Attorneys and I am confident they will work because

It is your duty, your sacred duty, to right these wrongs, to stand up for the vulnerable against the unscrupulous, the guileless against the conniving. We will not rest until the cheats, the chiselers and the charlatans spend a large chunk of their lives behind the bars of a federal ^{Prison} compound.\\\

You do a difficult job in a spirit of professionalism. I can only thank you, on behalf of all Americans, for your dedication -- your dedication to justice.

Thank you for coming to Washington. May God bless each and every one of you, and may God bless America.

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~~one group on drugs~~

...er of A... .. art-
sheet on Mr. Potts, the White House
noted that the lawyer has won five na-
tional father-son tennis championships
with his son, Deaderick.
Mr. Potts, a native of Memphis,
known by his colleagues at the law firm
as affable and courtly, specializes in
arbitration and environmental and
aviation law. His older brother, Ram-
say, was a founding partner in the law
firm and is the Potts in its name.

...board.
He said if he is confirmed, he would
move to assure that standards of con-
duct now being put together are swiftly
implemented throughout the executive
branch.
"I think we need to do a good job
making sure that we have strong rules
and a strong commitment in terms of
high standards of conduct of public offi-
cials," he said. "But at the same time,
we need to strike a balance so that we
don't make things so unrealistically
stringent that people don't want to
work for the federal Government."

37 cities

~~RAPID RESPONSE TEAMS
LAST # COMPASSION - VICTIMS
[[BRACKET SECTION]]~~

~~SENTENCE ON DRUGS~~

THE WHITE HOUSE

WASHINGTON

June 21, 1989

MEMORANDUM FOR CHRISS WINSTON
DEPUTY ASSISTANT TO THE PRESIDENT FOR
COMMUNICATIONS

FROM: NELSON LUND *NL*
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Presidential Remarks: U.S. Attorneys, Great Hall,
Justice

As we discussed this morning, Boyden considers it very important to include a passage dealing with then-Vice President Bush's work on reforming the regulation of the financial services industry. I would suggest inserting the following in the paragraph that begins at the bottom of page 2:

*Boyden
ADDED this
IN since
you've
received*

[["When I took office, we also knew that something terribly wrong had happened in the Savings and Loan industry. And perhaps better than most, I knew why. In 1984, I headed a task force that came forward with recommendations to reform the regulation of financial services with more Executive control over the regulators -- higher capital requirements, an end to phony accounting standards, ~~and steps to reform deposit insurance to stop the forced subsidy of high risk operators by prudently managed thrifts.~~ Unfortunately, Congress ignored our proposals -- in fact, moved in the opposite direction -- until last year.

"Early in my Administration, working closely with Congress, we succeeded in obtaining many critical regulatory reforms. But a great deal of wrongdoing had already occurred. And so, on the ((xxth)) day of my Administration, I directed Attorney-General Thornburgh to give these cases the highest priority. . . ."

If you have any questions, or if there's anything more I can do to help, please let me know.

cc: James W. Cicconi

Insert A (as 4th full paragraph
on page 3)

We could have been moving even faster if Congress had not voted down my request for \$36.8 million in additional investigative and prosecutive resources for 1989, and had not delayed until November to approve my request for \$50 million for the current fiscal year.

And under Secretary Brady

THE WHITE HOUSE

WASHINGTON

June 21, 1990



MEMORANDUM FOR CHRISS WINSTON

FROM: ROGER B. PORTER *RBP*

SUBJECT: Presidential Remarks: U.S. Attorneys, Great
Hall, Justice

We have reviewed the attached draft and have the following suggestions:

On page 1, line 11, delete the word "voluminous."

On page 2, line 19, after "\$100,000," insert "each."

On page 3, line 13, after the "years," insert "in prison."

cc: James W. Cicconi



SENSITIVE

Document No. 151767SS

WHITE HOUSE STAFFING MEMORANDUM

JUN 21 5:43

DATE: 6/21/90ACTION/CONCURRENCE/COMMENT DUE BY: 6/21/90 3:00 PMSUBJECT: PRESIDENTIAL REMARKS: U.S. ATTORNEYS, GREAT HALL, JUSTICE

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input type="checkbox"/>	NEWMAN	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	UNTERMEYER	<input type="checkbox"/>	<input type="checkbox"/>
CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	WINSTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PINKERTON	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	BOSKIN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HAGIN	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

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RESPONSE:

SENSITIVE

Marianne

James W. Cicconi
Assistant to the President
and Deputy to the Chief of Staff
Ext. 2702

Davis/Blymire
June 20, 1990
Title: Justice
Draft: Three

90 JUN 21 A 9: 56

PRESIDENTIAL ADDRESS: U.S. ATTORNEYS, GREAT HALL, JUSTICE
11:20 a.m., Friday, June 22

((Acknowledgements))

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taxpayers high and dry. And we want to prohibit the use of bankruptcy as a strategy to avoid paying damages to the rightful recipients -- the depositors.

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You do a difficult job in a spirit of professionalism. I can only thank you, on behalf of all Americans, for your dedication -- your dedication to justice.

Thank you for coming to Washington. May God bless each and every one of you, and may God bless America.

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