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Series: Speech File Draft Files
Subseries: Chron File, 1989-1993

OA/ID Number: 13535
Folder ID Number: 13535-003

Folder Title:
Address to United States Attorneys- 6/22/90[OA 5375] [2]

Stack:	Row:	Section:	Shelf:	Position:
G	26	16	3	6

SENSITIVE

Document No. 151767SS

WHITE HOUSE STAFFING MEMORANDUM

90 JUN 21 P2:16

DATE: 6/21/90

ACTION/CONCURRENCE/COMMENT DUE BY: 6/21/90 3:00 PM

SUBJECT: 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:

See comments from Janet Hale 4/3/20

SENSITIVE

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

JANET
my comments
CMA

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

90 JUN 21 09:56

White Collar
Crime &
F.I. Fraud
often
Confused

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.)) \\\

Not
Clear

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. \\\

Poor
Word
Choice

Remember insurance protects deposits - the Feds got
Lynn Hall
7.21.20

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. *DoJ works on these*

*Hale
4/3/20*

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

*10k correct
restitution
them*

Hale

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. *dollar*

*unlikely to collect Billions
Hole*

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

*many
27
quarters
Hole*

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.

[Handwritten scribble]

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 ^{Republican} Minority Leaders Bob Dole and Bob Michel, and Senators Heinz and Garn, will intensify the resources of the United States government in the service of justice. And will provide additional protection to the victims of crime.

legislation

This will put outdated new tools at your disposal as well as law enforcement bodies what about House Republicans

MP Hale

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 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

investigative & prosecutorial efforts

provide additional protection to the victims of crime

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. And we want to protect taxpayers by providing priority to Federal Government claims over other creditors when fraud is alleged.

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.

file

prolet
units

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.

SENSITIVE

Action: Becky Blau

cc: RS
Document No. 151767SS

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RESPONSE:

*Comments pp 4-5.
Make sure that
scope of
request is limited*

SENSITIVE

Douglas [Signature]

90 JUN 21 12 46 PM '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 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 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.

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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.

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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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involving bank fraud

5 *in these words*
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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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#

#

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

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

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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, 1990

MEMORANDUM FOR CHRISS WINSTON

FROM:

AUSTEN FURSE *AF*

SUBJECT:

U.S. Attorneys, Great Hall, Justice

There is some excellent writing in this draft. Three particular instances are noted below:

pg. 1, para. 3, line 5 "It takes a 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..."

A terrific and surprising play on this image.

2,1,3 "...who launder the smell of blood out of drug money..."

This is especially vivid and worth using again.

6,1,2 "...for the vulnerable against the unscrupulous, the guileless against the conniving."

A particularly deft use of the language in the way each pair of nouns shares a similar sound.

###

33 JUN 21 12:33 PM '90

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

PRESIDENTIAL ADDRESS: U.S. ATTORNEYS, GREAT HALL, JUSTICE
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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 also takes a very strange type of creature 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 ~~Savings and Loan swindlers.~~ ^{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.

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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} ~~will~~ aggressively pursue ^{IM} 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 ~~highest levels~~ ^{Wells} of Justice and Treasury, ~~right down~~ 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~~ ^A 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 Bob Dole and Bob Michel, and Senators Heinz and Garn, will intensify the resources of the United States government in the service of justice.

These leaders of Congress and I want to authorize ^{increase} \$25 million ^{for} the IRS and Department of Justice so we can intensify their already vigorous investigations.\\ We want to allow the use of 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 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} ~~are~~ *Created new approach - a strike force against fraud --* ~~vetting~~ teams of razor-sharp prosecutors and auditors from their departments and other agencies ~~-- teams that will travel from~~ ^{striking} city ^{by} to 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 chisellers 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 wish I could offer you a reward equal to the hard and necessary service you render to the nation.~~ 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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Davis/Blymire
June 20, 1990
Title: Justice
Draft: Four

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 distinguish the ^{incompetent} 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 also} to 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 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.

((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 wrong-doing had already occurred.)) And so, in the third week of my Administration, I ^{also} directed Attorney-General Thornburgh to give ^{of S&L fraud} these cases 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 ^{over 3,000} 3,299 S&L convictions -- \$100 million ordered in restitution -- ^{hundred years} more than four centuries 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

finances 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} billions, and they will pay us back with years of their lives.

These 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 37 cities. [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 ^{approval} until ^{this} November, ^{of} to ~~approve~~ my request for \$50 million for the current fiscal year.]

~~And~~ ³ 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 Congressman 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. ~~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 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 it'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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FOR IMMEDIATE RELEASE

THORNBURGH AND BRADY HIGHLIGHT SAVINGS AND LOAN PROSECUTIONS

WASHINGTON, D.C. -- Attorney General Dick Thornburgh and Secretary of the Treasury Nicholas F. Brady today detailed the Administration's plans to intensify their fight against savings and loan fraud.

Additional steps announced today include:

--Seeking additional legislation, in cooperation with Senators Robert Dole, Jake Garn and John Heinz and Reps. Robert H. Michel and Chalmers Wylie to enhance investigation and prosecution of savings and loan cases.

--Establishing a senior interagency group to assist in targeting of the most significant cases for investigation and prosecution.

--Establishing a "rapid response team" of federal agents to move immediately in joint enforcement efforts.

--Appointment, by Thornburgh, of James G. Richmond, U.S. Attorney for the Northern District of Indiana, to fill a new position of Special Counsel for Financial Institutions. In this role, Richmond will coordinate the Department of Justice's savings and loan investigative and prosecutive efforts.

"The United States government made a promise to millions of Americans," Secretary Brady said. "We promised to protect their savings deposited in a federally-insured savings and loan. Now we are making good on that promise.

"Those of us who are working on implementation of the savings and loan legislation are guided by three principles:

- First, we will make sure that the millions of men and women who put their life savings in savings and loan institutions are protected to the full extent of their federal deposit insurance.
- Second, we will do all within our power to do the job at the least cost to the taxpayer.
- Third, we will aggressively pursue and prosecute the crooks and fraudulent operators who helped create the S&L problem."

In his remarks to a meeting of the nation's top federal prosecutors, Thornburgh praised the work of the Department's white-collar crime investigators and prosecutors, while urging them to move forward expeditiously on savings and loan cases.

"Despite Congressional delays and funding shortfalls, I am satisfied that our investigators and prosecutors are focusing a maximum effort on these complicated cases," Thornburgh said.

"Shortly after taking office, I instituted a review of our entire white-collar crime effort. This led, among other things, to a request, within three weeks of the inauguration of President Bush, for additional resources for our savings and loan investigative and prosecutive efforts.

"While we eventually received an additional \$49 million from the Congress for these efforts late last year, the Congress failed to provide the \$36.8 million in start-up money we sought a year ago. As a result, strengthening of our efforts to go after the savings and loan rip-off artists was delayed by nine months," Thornburgh said.

"Our task forces are now in place and moving forward. The Federal Bureau of Investigation (FBI) is currently investigating the circumstances surrounding the failure of 530 financial institutions. Some 220 experienced FBI agents are being transferred to these cases and an additional 148 prosecutors are being hired.

"We will use the full reach of the law to go after those who manipulated other people's money by fraud, bribery and corruption and whose actions contributed to the failure of too many of our savings and loan institutions, requiring the taxpayers to pick up the bill.

"These malefactors of great fraud must be extricated, like financial fugitives, from the ruin they have made of the savings and loan industry," Thornburgh said. "We must clear away the webs of deceit built by these scheming predators upon the American people's individual dreams and financial faith. We must undo the large harm done our country's legitimate wealth--as well as the public trust--by these wrongdoers.

"This is the charge we have received from President Bush and as the nation's federal prosecutors it is our responsibility to vigorously and faithfully enforce the laws against this new breed of white collar criminals," Thornburgh told the U.S. Attorneys.

"Regulators, federal law enforcement officials, and the U.S. Attorneys are working as a team in this commitment to clean up the fraud and maintain the confidence of the American people in thrift institutions," Secretary Brady said.

"To assist the Department of Justice in its efforts to put fraudulent operators behind bars, OTS is prioritizing criminal referrals. This will focus resources and expertise on the most egregious cases of fraud and abuse of the public trust," Brady concluded.

Attached are three fact sheets:

- New Legislative Proposals
- New Administrative Actions
- Update on Federal Actions

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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To Stephanie L.
Date 6-21 Time 2:25p.

WHILE YOU WERE OUT

M. Nolly W.
of _____

Phone _____
Area Code Number Extension

TELEPHONED	<input checked="" type="checkbox"/>	PLEASE CALL	<input checked="" type="checkbox"/>
CALLED TO SEE YOU	<input type="checkbox"/>	WILL CALL AGAIN	<input type="checkbox"/>
WANTS TO SEE YOU	<input type="checkbox"/>	URGENT	<input type="checkbox"/>

RETURNED YOUR CALL

Message going to be
late w/ 3:00 p.m.
comments

Operator _____



23-021 CARBONLESS

15
BUT THE MOST CRITICAL FINANCIAL FRAUD PROBLEM WE ^{we}
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REGULATORY REFORMS. BUT A GREAT DEAL OF WRONG-DOING
HAD ALREADY OCCURRED. AND SO, IN THE THIRD WEEK OF MY
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IN RESTITUTION -- MORE THAN FOUR HUNDRED YEARS IN
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YOU AND YOUR FIRM SUPPORT, THERE WILL BE MORE, MUCH
MORE.\\\

THE WHITE HOUSE
WASHINGTON

90 JUN 21 08:18

June 21, 1990

MEMORANDUM FOR THE PRESIDENT

THROUGH: CHRISS WINSTON *cw*
FROM: MARK DAVIS *MD*
SUBJECT: U.S. Attorneys

I. SUMMARY

You will speak to about 200 people, including about 90 of the 93 U.S. Attorneys, with senior FBI and Treasury staff, at the Great Hall at the Department of Justice at 11:20 a.m. Friday morning. Your speech is about fourteen minutes long, and will be on teleprompter.

II. DISCUSSION

This speech addresses all the Administration is doing to combat many kinds of white-collar crime, including the prosecution of S&L fraud. Please take special note of the section in double brackets.

90 JUN 21 08:51

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

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 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.

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they preferred
"bad judgment"

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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 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.

Original said
"pink striped
bankers"

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Boydern wanted this inserted. OMB opposes as does Legis. Affairs. They point out that Hill feels deregulation helped cause problem, and this identifies you with it. (Also higher capital requirement was to be phased in over 7 years.)

Legislative and Rogers oppose last sentence blaming Congress.

((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.))

((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.\\ \\

This aggressive attitude is paying off. In three years, we've won more than 3,000 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.

BUT THE MOST CRITICAL FINANCIAL FRAUD ~~is~~ problem we found was the SAVINGS + LOAN CRISIS

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 37 cities. ((We

could have been moving even faster ^{but} ~~is~~ Congress ^{did not act on} ~~had not ignored my~~ request for \$36.8 million in additional investigative and prosecutorial resources for 1989, ~~and had not delayed approval, until last November,~~ ^{Further Approval of} of my request for \$50 million for the current fiscal year. ~~It was delayed~~ ^{was delayed}.

Insert from Justice; others oppose the criticism of Congress.

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 Congressman 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

All cleared except Justice and Treasury. They felt this and sentence on next page could raise unwarranted fears among depositors.

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} ~~has been treated~~ like a joke; elderly people whose faith in the future ^{must be preserved} ~~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 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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