

News from Senator

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S&L CROOKS

I WANT TO COMMEND MY DISTINGUISHED COLLEAGUES, SENATORS HEINZ, GARN, WIRTH, AND GRAHAM, FOR THEIR HARD WORK IN NEGOTIATING THE FINAL VERSION OF THIS AMENDMENT.

I ALSO WANT TO THANK ATTORNEY GENERAL DICK THORNBURGH AND SECRETARY OF TREASURY NICK BRADY FOR THEIR WILLINGNESS TO COME TO THE BARGAINING TABLE AND IRON OUT THE DIFFERENCES SEPARATING THE ADMINISTRATION AND SOME OF MY COLLEAGUES HERE IN THE SENATE.

A LITTLE HISTORY

PRIOR TO THE JULY 4TH RECESS, THE SENATE HAD TWO S&L PROPOSALS ON THE TABLE: WE HAD AN AMENDMENT DRAFTED BY SENATE REPUBLICANS AND ENDORSED BY PRESIDENT BUSH. AND WE HAD A DEMOCRATIC AMENDMENT SPONSORED BY THE CHAIRMAN OF THE JUDICIARY COMMITTEE AND BY SOME OF THE DEMOCRATIC MEMBERS OF THE BANKING COMMITTEE.

NO DOUBT ABOUT IT, BOTH AMENDMENTS HAD MANY GOOD PROVISIONS. BOTH AMENDMENTS HAD THE SAME PRIMARY GOAL -- TO RECOUP SOME OF THE HORRIFYING FINANCIAL LOSSES INVOLVED IN THE SAVINGS AND LOAN DISASTER AND TO PUT THE S&L CROOKS IN THE ONLY PLACE THEY BELONG -- BEHIND BARS. BUT THE REPUBLICAN AND DEMOCRATIC AMENDMENTS ALSO HAD MANY SIGNIFICANT DIFFERENCES -- DIFFERENCES THAT GUARANTEED A PARTISAN APPROACH TO A PROBLEM THAT HAS NO PARTY AFFILIATION AND MAKES NO DISTINCTIONS BETWEEN DEMOCRATS AND REPUBLICANS.

FORTUNATELY, THE SENATE FINALLY WISED UP. AND WE DECIDED THAT -- WHEN IT CAME TO THE S&L ISSUE -- THE PARTISAN APPROACH SIMPLY DIDN'T MAKE MUCH SENSE, PARTICULARLY FOR THE HARD-WORKING TAXPAYERS OF THIS COUNTRY.

SO TODAY WE ARE VOTING ON A SINGLE AMENDMENT, COMBINING THE BEST IDEAS OF SENATE REPUBLICANS AND SENATE DEMOCRATS, AND REPRESENTING A BIPARTISAN APPROACH TO WHAT IS TRULY A BIPARTISAN PROBLEM.

THE PROBLEM OF FRAUD

ONE OF THE MAIN CAUSES BEHIND THE COLLAPSE OF THE SAVINGS AND LOAN INDUSTRY CAN BE SUMMED UP IN A SINGLE WORD -- GREED. THE GREED OF DISHONEST THRIFT EXECUTIVES. THE GREED OF DISHONEST ATTORNEYS AND ACCOUNTANTS. THE GREED OF OTHER DISHONEST THRIFT "INSIDERS."

(MORE)

THIS ISN'T JUST MY VIEW. IT'S THE VIEW OF MANY OUTSIDE EXPERTS. AND IT HAPPENS TO BE THE VIEW OF THE ATTORNEY GENERAL, WHO RECENTLY TESTIFIED THAT 25 TO 30 PERCENT OF ALL THRIFT FAILURES CAN BE ATTRIBUTED TO FRAUD OR INSIDER ABUSE.

UNFORTUNATELY, WE CAN'T CHANGE HISTORY. WE CAN'T CORRECT THE ABUSES. AND WE CAN'T GO BACK IN TIME AND CHANGE THE HEARTS AND MINDS OF THOSE "HIGH FLYERS" WHO GAMBLED WITH THE SAVINGS OF THEIR DEPOSITORS AND WITH THE TAX DOLLARS OF THE AMERICAN PEOPLE.

BUT THE SENATE CAN TAKE SOME IMPORTANT STEPS -- TODAY -- TO HELP BRING THE S&L CROOKS TO JUSTICE, TO RECOUP SOME OF OUR LOSSES, AND TO ENSURE THAT HISTORY DOESN'T REPEAT ITSELF.

IN A NUTSHELL, THAT'S WHAT THE BIPARTISAN S&L AMENDMENT IS ALL ABOUT.

THE BIPARTISAN AMENDMENT ADOPTS THE PROVISIONS OF THE TAXPAYER RECOVERY ACT, INTRODUCED BY MYSELF AND SENATOR KASSEBAUM EARLIER THIS YEAR, WHICH MAKE CRIMINAL RESTITUTION ORDERS ISSUED AGAINST THOSE WHO HAVE DEFRAUDED FINANCIAL INSTITUTIONS NON-DISCHARGEABLE IN BANKRUPTCY.

IT DIRECTS THE COURTS TO GIVE EXPEDITED REVIEW TO CASES BROUGHT BY THE FDIC AND THE RTC.

IT GIVES THE FDIC AND THE RTC STRONGER ENFORCEMENT TOOLS, INCLUDING SUBPOENA AUTHORITY AND THE AUTHORITY TO BRING CIVIL ACTIONS UNDER RICO.

IT SUBSTANTIALLY INCREASES THE PENALTIES FOR BANK FRAUD AND EMBEZZLEMENT.

IT AUTHORIZES \$162.5 MILLION FOR FISCAL YEARS 1991, 1992, AND 1993 TO HIRE MORE JUSTICE DEPARTMENT PROSECUTORS AND INVESTIGATORS.

AND THE BIPARTISAN AMENDMENT RESTRUCTURES THE FEDERAL ATTACK ON THRIFT FRAUD -- ALONG THE LINES SUGGESTED BY SENATOR GRAHAM - - BY ESTABLISHING A "FINANCIAL INSTITUTIONS CRIME UNIT" WITHIN THE OFFICE OF THE DEPUTY ATTORNEY GENERAL.

THESE ARE ALL IMPORTANT PROVISIONS, AND I AM PROUD TO ENDORSE THEM.

MORE THAN ENOUGH BLAME

WE ALL KNOW THAT THERE'S MORE THAN ENOUGH BLAME TO SPREAD AROUND ON THE S&L FRONT. SO I HOPE THAT THIS AMENDMENT COULD BE THE "BEGINNING OF THE END" FOR THE PARTISAN RANCOR IN CONGRESS.

THIS AMENDMENT MAY DISTURB THOSE SLICK POLITICAL OPERATIVES WHO THINK THAT THE S&L DISASTER MAKES FOR "GOOD POLITICS."

BUT THIS AMENDMENT IS "GOOD NEWS" FOR THE AMERICAN PEOPLE, WHO DON'T WANT TO TRIVIALIZE AN AMERICAN FINANCIAL TRAGEDY WITH ILL-CONCEIVED EFFORTS TO ACHIEVE SHORT-TERM POLITICAL GAIN.

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