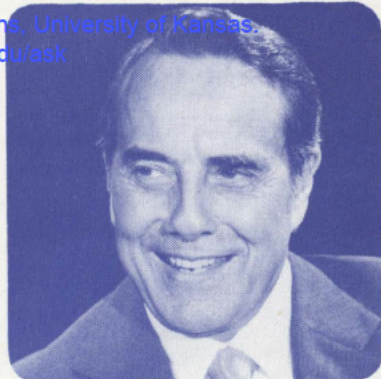


BOB DOLE



(R - Kansas)

SH 141 Hart Building, Washington, D.C. 20510

FOR IMMEDIATE RELEASE
OCTOBER 29, 1990

CONTACT: WALT RIKER
(202) 224-5358

S&L CROOKS

DOLE CRIME BILL AMENDMENT CRACKS DOWN ON LOOPHOLES FOR THE GREEDY

WASHINGTON - IN THE CLOSING HOURS OF THE 101ST CONGRESS, THE HOUSE AND SENATE BOTH APPROVED LEGISLATION AUTHORED BY SENATE REPUBLICAN LEADER BOB DOLE (R-KS) THAT WOULD CLOSE LOOPHOLES IN FEDERAL BANKRUPTCY LAWS USED BY S&L CROOKS TO EVADE GOVERNMENT PENALTIES. THE GET-TOUGH PROVISIONS, ORIGINALLY PROPOSED LAST JANUARY BY SENATOR DOLE, SENATOR NANCY KASSEBAUM (R-KS) AND REP. CHALMERS WYLIE (R-OH) IN THE TAXPAYER RECOVERY ACT, WERE INCLUDED IN THE 1990 CRIME BILL APPROVED BY CONGRESS ON SATURDAY.

"IT'S A SCANDAL WITHIN A SCANDAL," DOLE SAID, "AND IT HAS TO STOP. ALL AMERICANS ARE DISGUSTED BY THE LAVISH LIFESTYLES OF THOSE DISHONEST S&L EXECUTIVES WHO HAVE DEFRAUDED THEIR DEPOSITORS -- AND THE AMERICAN TAXPAYERS -- OUT OF MILLIONS AND MILLIONS OF DOLLARS. UNBELIEVABLY, THESE LAVISH LIFESTYLES SOMETIMES CONTINUE AFTER THE S&L CROOKS HAVE BEEN ARRESTED, CONVICTED, SENTENCED AND PUT BEHIND BARS."

ACCORDING TO DOLE, THE FEDERAL BANKRUPTCY LAW CONTAINS A NUMBER OF GAPING LOOPHOLES THAT BENEFIT THE S&L "INSIDERS." ONE LOOPHOLE ALLOWS BANKRUPT S&L CROOKS TO DISCHARGE CRIMINAL RESTITUTION ORDERS THAT HAVE BEEN ISSUED AGAINST THEM. ANOTHER LOOPHOLE LIMITS THE TIME DURING WHICH THE FDIC OR RTC CAN OBJECT TO A BANKRUPTCY DISCHARGE PETITION. A THIRD LOOPHOLE ALLOWS S&L CROOKS TO TAKE ADVANTAGE OF GENEROUS STATE HOMESTEAD EXEMPTIONS THAT PROTECT PERSONAL PROPERTY -- INCLUDING MULTI-MILLION DOLLAR MANSIONS -- FROM THE REACH OF THE FDIC AND OTHER REGULATORY AGENCIES.

DOLE'S LEGISLATION WILL HELP PUT AN END TO THIS CHARADE BY CLOSING UP THE LOOPHOLES. THE TAXPAYER RECOVERY ACT MAKES COURT-ORDERED JUDGMENTS ISSUED AGAINST S&L "INSIDERS" FOR DEFRAUDING THEIR INSTITUTIONS NON-DISCHARGEABLE. THE BILL ALSO EXTENDS THE TIME PERIOD DURING WHICH THE FDIC AND RESOLUTION TRUST CORPORATION CAN FILE A DISCHARGE COMPLAINT, SO BANKING REGULATORS ARE NOT SHUT OUT OF THE OBJECTION PROCEDURE BY THE CURRENT LAW'S 60-DAY "TIME SQUEEZE." THE DOLE PROVISIONS ALSO PROHIBIT THE S&L CROOKS FROM TAKING ADVANTAGE OF THE GENEROUS STATE HOMESTEAD EXEMPTIONS TO SHIELD LUXURY PROPERTY FROM BANKING REGULATORS.

SOME OF THE MOST NOTORIOUS S&L CRIMINALS HAVE BEEN QUICK TO TAKE ADVANTAGE OF THE HOMESTEAD EXEMPTIONS, DOLE OBSERVED. "I HAVE READ OF ONE PARTICULARLY DISTURBING ACCOUNT OF AN ATTORNEY WHO PAID \$963,000 -- IN CASH -- FOR A FIVE-BATHROOM MANSION 4 DAYS AFTER HE WAS CONVICTED FOR DEFRAUDING A FAILED THRIFT. BECAUSE OF A STATE HOMESTEAD EXEMPTION, THE FDIC WAS UNABLE TO ATTACH THE MANSION, EVEN THOUGH THE CONVICTED ATTORNEY OWED THE FEDERAL GOVERNMENT -- AND THE TAXPAYERS OF THIS COUNTRY -- MILLIONS OF DOLLARS IN CRIMINAL FINES."

"THOSE WHO HAVE ENGAGED IN THIS MASSIVE TAXPAYER RIP-OFF SHOULD NOT BE PERMITTED TO HIDE BEHIND THE PROTECTIVE SHIELD OF THE BANKRUPTCY LAWS AT FURTHER EXPENSE TO HARDWORKING AMERICAN TAXPAYERS," DOLE ADDED.

###