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United States Senate

OFFICE OF THE REPUBLICAN LEADER
WASHINGTON, DC 20510

February 6, 1989

The Honorable Richard L. Thornburgh
Office of the Attorney General
Department of Justice
Constitution Avenue and 10th Street, N.W.
Washington, D.C. 20530

Dear Dick:

As you are well aware, the crisis in the savings and loan industry has been receiving headline coverage over the past few weeks. On Friday, President Bush invited a group of Congressional leaders to the White House to share their concerns. At this meeting, I recommended that swift action -- at the national level -- was needed to uncover and prosecute criminal fraud within the thrift industry.

The Office of Enforcement within the Federal Home Loan Bank Board and the Fraud Section of the Justice Department's Criminal Division have worked hard to expose and prosecute cases of fraud and mismanagement within the thrift industry. I specifically commend the efforts of the Dallas and Oklahoma City Task Forces. Nonetheless, it is a well-known fact that both the Office of Enforcement and the Criminal Division have been hamstrung in their enforcement efforts by the limited financial and staffing resources available to them. As a result, fraudulent practices within the thrift industry have gone undetected for years, thereby contributing to the scope of the problem that we face today.

It seems to me that we need more firepower in our efforts to identify and recover the enormous financial losses incurred as a result of past criminal fraud within the thrift industry. We also need a "faster whistle" to ensure that cases of criminal fraud are more quickly detected in the future. To accomplish both of these goals, I am recommending to you the establishment of a National Thrift Industry Task Force under the jurisdiction of the Justice Department's Criminal Division. The singular mission of such a National Task Force would be to ferret out and vigorously prosecute criminal fraud cases within the thrift industry. Staffing for the National Task Force should be set at a level that reflects its national purpose. In any event, the National Task Force should absorb the current staffs of both the Dallas and Oklahoma City Task Forces.

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You have my personal assurance that I will make every effort to ensure that sufficient funds are appropriated for the National Task Force so that it could effectively carry out its important mission.

There are a lot of well-run savings and loans out there that are suffering from all the bad publicity that the industry is receiving. In my view, the establishment of a National Task Force would go a long way toward both restoring the integrity of the thrift industry and protecting depositors who have put their trust in our nation's savings and loan institutions.

Sincerely,



BOB DOLE

BD/ds