148450

United States General Accounting Office

GAO

Testimony

Before the National Commission on Financial Institution Reform, Recovery and Enforcement

For Release on Delivery
Expected at
9:30 a.m.
January 28, 1993

BANK AND THRIFT FAILURES

The Government Could Do More to Pursue Fraud and Wrongdoing

148450

Statement of
Harold A. Valentine
Associate Director
Administration of Justice Issues
General Government Division

056343 / 148450

GAO/T-GGD-93-1

BANK AND THRIFT FAILURES: THE GOVERNMENT COULD DO MORE TO PURSUE FRAUD AND WRONGDOING

SUMMARY OF STATEMENT OF BY HAROLD A. VALENTINE
ASSOCIATE DIRECTOR, ADMINISTRATION OF JUSTICE ISSUES
GENERAL GOVERNMENT DIVISION

The Chairman of the National Commission on Financial Institution Reform, Recovery, and Enforcement requested GAO to discuss the financial institution crisis. Failed financial institutions have cost the financial institution insurance funds and the public billions of dollars.

Fraud and wrongdoing played a significant role in the financial institution crisis. This is demonstrated not only by the criminal convictions and civil settlements already realized, but also by the substantial number of criminal referrals filed and civil wrongdoing investigated. Criminal referrals involving former directors, officers, or other principal officials have been filed in nearly half of failed banks and thrifts. In addition, negligence or other wrongdoing on the part of directors, officers, and other professionals was suspected in more than 75 percent of these banks and thrifts. Clearly, the bank and savings and loan crisis was not just the result of an economic downturn or economic conditions alone.

Justice, FDIC, and RTC have worked hard to address criminal fraud and civil wrongdoing in the financial institution industry, but much more could be done. Justice has not adequately coordinated or managed the government's efforts to investigate and prosecute criminal fraud. Justice neither created multi-agency task forces as was promised, nor was able to ensure that adequate Justice and non-Justice resources were available to investigate and prosecute financial institution fraud. In short, Justice's reaction to this crisis was business as usual. FDIC and RTC also have not done all they could to pursue professional liability claims against former directors, officers, and other professionals of failed thrifts and banks.

GAO has made a number of recommendations that call for Congress, Justice, and other federal agencies to strengthen, coordinate, and better manage the federal response to pursuing actions against fraud, negligence, and other wrongdoing in the financial institution industry. GAO also supports implementation of the safety and soundness provisions of the Federal Deposit Insurance Corporation Improvement Act of 1991, which would strengthen oversight of the nation's financial institutions. Stronger oversight is critical to identifying unsafe and unsound practices, including fraud and negligence, before these actions threaten the viability of our nation's financial institutions.

Mr. Chairman and Members of the Commission:

Thank you for inviting the General Accounting Office to today's hearing to discuss the financial institution crisis. The "bank and thrift problem" ranks as one of the country's costliest domestic crises. We have calculated that losses from thrift failures alone could cost taxpayers hundreds of billions of dollars over the next 40 years.

You asked that we provide information on:

-- the extent of criminal and negligent behavior that caused or contributed to the failures or the losses to deposit insurance funds;

-- the difficulty investigating and prosecuting financial institution fraud,

-- enforcement problems which might lead the Commission to recommend legislative or other changes, and

-- steps which might be taken to prevent or minimize financial institution fraud in the future.

Our testimony today is based on a number of reports and other products that we have issued that discuss fraud and wrongdoing in the financial institution industry, the federal government's response to this wrongdoing, and the oversight of the financial institution industry.[1]

<u>SUMMARY</u>

In summary, Mr. Chairman, fraud and wrongdoing played a significant role in the financial institution crisis. Not only have there already been a number of criminal convictions and civil settlements as we will discuss later, but also Justice has received large numbers of criminal referrals and FDIC and RTC have identified wrongdoing in most failed institutions. Specifically, the Department of Justice has received referrals of alleged criminal activity by former directors, officers, or other principal officials associated with nearly half of failed banks and thrifts. In addition, Federal Deposit Insurance Corporation (FDIC) and Resolution Trust Corporation (RTC) officials estimate that negligence or other wrongdoing on the part of directors, officers, and other professionals was suspected in more than 75 percent of the banks and thrifts that failed. Clearly, the bank and savings and loan crisis was not just the result of an economic downturn or economic conditions alone.

---

[1]A list of GAO products addressing these issues is shown in appendix I.

Justice, FDIC, and RTC have worked hard to address criminal fraud and civil wrongdoing in the financial institution industry, but much more could be done. Justice, which has primary responsibility for investigating and prosecuting criminal fraud, has not developed a sufficiently comprehensive or coordinated federal response. For example, Justice did not create multi-agency task forces as was promised by former President Bush and former Attorney General Thornburgh and Justice has not been able to ensure that adequate resources are available to investigate and prosecute financial institution fraud. With the exception that some Justice resources were dedicated to financial institution fraud, Justice has treated this major crisis in a business as usual fashion. Similarly with regard to negligence and other wrongdoing, FDIC and RTC have not done all they could to pursue professional liability claims against former directors, officers, and other professionals of failed thrifts and banks. Staff shortages, poorly planned reorganizations, and inadequate asset tracing procedures have limited these agencies' effectiveness.

We have made a number of recommendations in our reports that call for Congress, Justice, and other federal agencies to strengthen, coordinate, and better manage the federal response to pursuing actions against fraud, negligence, and other wrongdoing in the financial institution industry.

Identifying unsafe and unsound practices, including fraud and negligence, before these actions threaten the viability of the institutions, we believe, is the key to effectively dealing with these problems in the long run. We have made a series of recommendations to strengthen the oversight of the nation's financial institutions. Many of these recommendations were incorporated into the Federal Deposit Insurance Corporation Improvement Act of 1991. Implementing these provisions are critical to more effectively dealing with unsafe and unsound banking practices. In a related development, increasing pressure has been exerted on the large accounting firms, who audit the books of financial institutions, to do a better job.

BACKGROUND

Numerous federal agencies exercise different roles and responsibilities in identifying, investigating, and prosecuting criminal financial institution fraud and civil negligence claims. Potential criminal fraud is initially identified by the federal financial institution regulatory agencies (the Office of Thrift Supervision, the Federal Reserve System, the National Credit Union Administration, FDIC, the Office of the Comptroller of the Currency, and RTC) or the financial institutions themselves who refer suspected criminal activity to the FBI and U.S. Attorneys. The FBI investigates most of these bank and thrift fraud referrals, although other agencies may also participate in the investigations including the regulatory agencies, the Secret Service, the Postal Service, and IRS. Finally, cases are prosecuted by U.S. Attorneys or other Justice attorneys.

The primary agencies involved in the pursuit of civil claims charging negligence and other wrongdoing are the FDIC and RTC. FDIC is responsible for resolving federally insured bank failures.[2] In addition, with the passage of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), FDIC assumed from the former Federal Savings and Loan Insurance Corporation responsibility for managing the receivership of federally insured thrifts that failed prior to January 1, 1989. RTC is responsible for resolving thrifts failing between January 1, 1989, through September 30, 1993. The agency is to cease operating by December 31, 1996. FDIC will generally become responsible for (1) resolving those thrifts that fail after September 30, 1993, and (2) completing the resolution of thrifts remaining in RTC's workload when it is abolished.

When FDIC or RTC takes over a federally insured bank or thrift through receivership or conservatorship, it receives the right to pursue civil professional liability claims. In pursuing these claims, these agencies seek recovery (1) from former directors or officers of the failed institution based primarily on their obligations as a director or officer; (2) from accountants, attorneys, commodities or securities brokers, and appraisers based primarily on their obligations to the institution as professionals; or (3) under a fidelity bond or from insurers of these individuals.

FRAUD, NEGLIGENCE, AND WRONGDOING WAS A MAJOR COMPONENT IN THE FINANCIAL INSTITUTION CRISIS

Estimating the extent and impact of fraud against depository institutions is not a precise science. Estimates on the extent to which fraud contributed to total losses in financial institutions vary widely. Besides the convictions for fraud already realized, data maintained by FDIC and RTC show that criminal referrals have been filed with Justice that identify suspected fraud by insiders in nearly half of failed banks and thrifts.

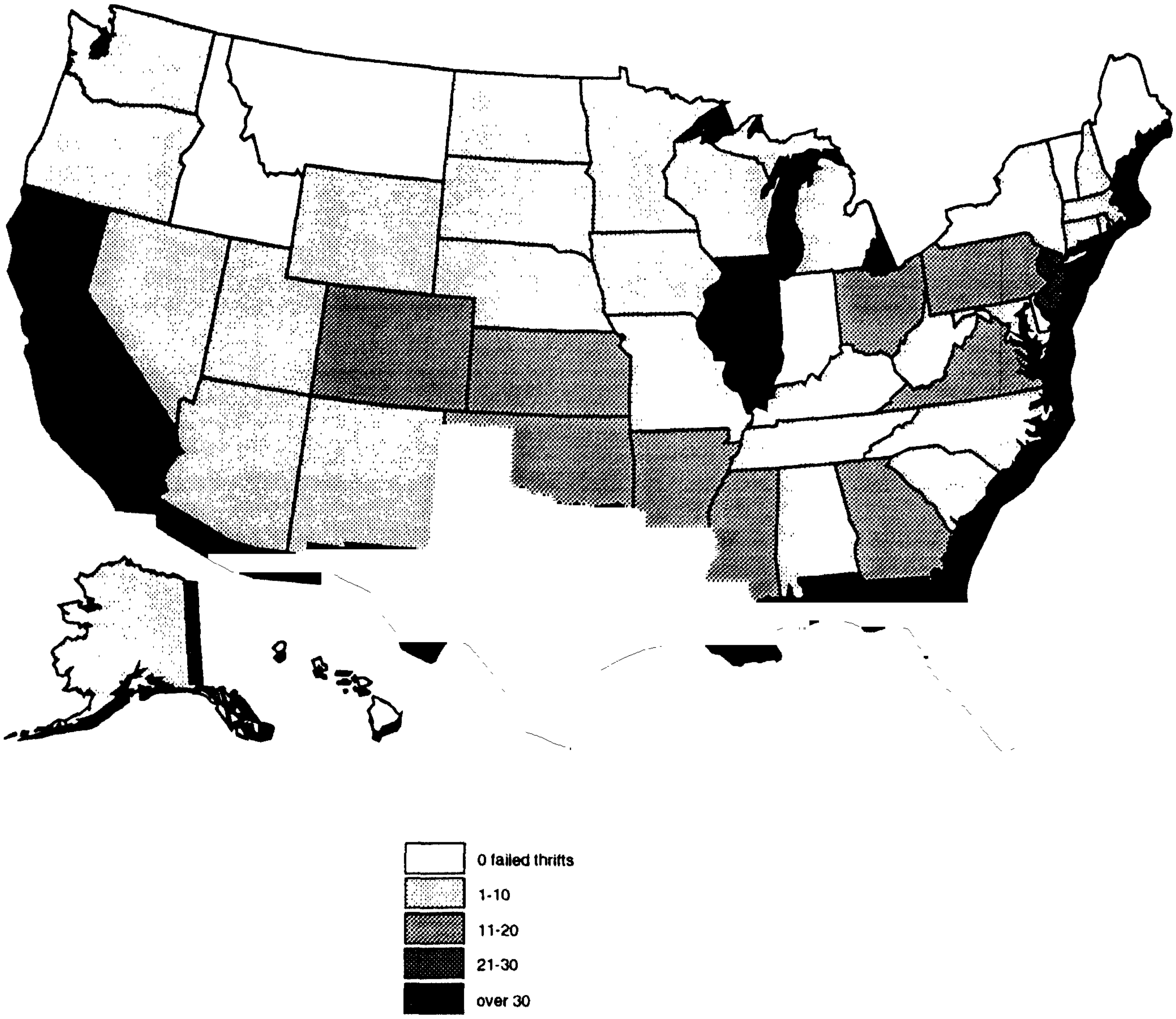
Specifically, RTC reports that as of September 30, 1992, criminal referrals were filed in 503 (or 70 percent) of the 723 failed thrifts that have been placed under RTC conservatorship. In 336 of those thrifts, a criminal referral was filed on a former

---

[2]Resolving means disposing of an institution by such methods as sale of the institution, transfer of its deposits and assets, or an insured deposit payout.

insider of the institution. Referrals concerning insiders involved estimated dollar loss amounts of over $3.7 billion. The total dollar amount on all referrals filed was estimated at over $5.4 billion. The map in figure 1 depicts the extent of alleged criminal activity based on the location of the thrift.

Figure 1: Number of Failed Thrifts with Criminal Referrals



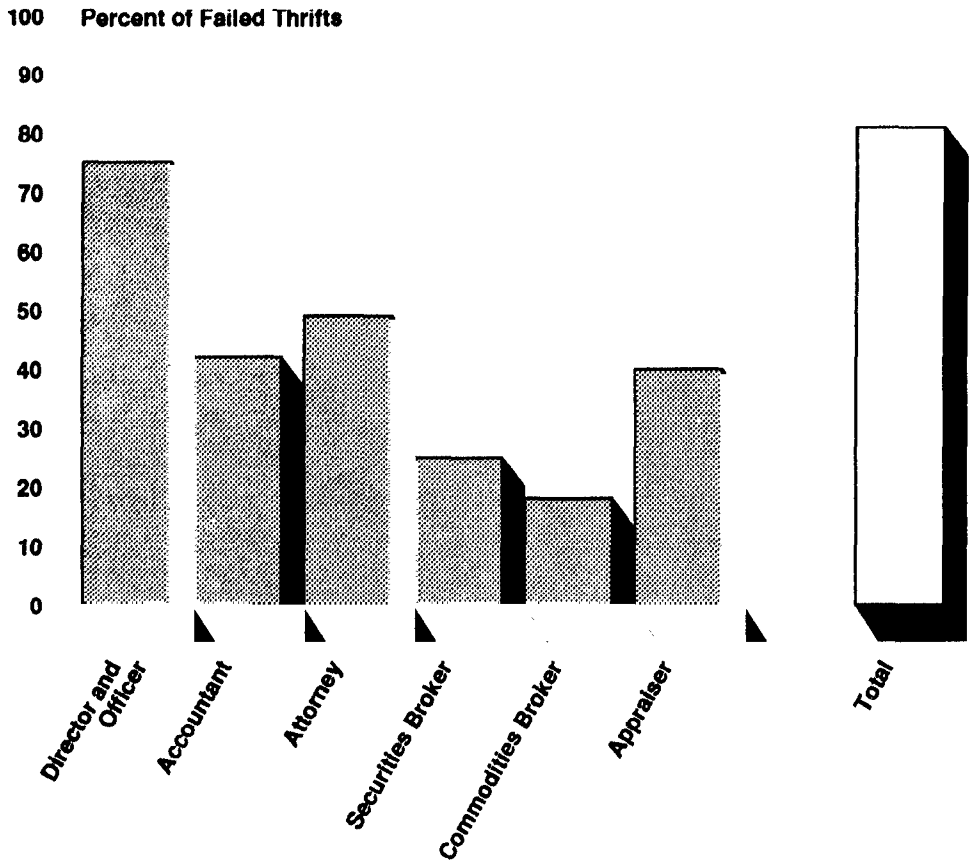
Source: GAO analysis of RTC data.

Similarly, our analysis of information maintained by the FDIC shows that suspected criminal fraud involving former directors, officers, or principal shareholders was present in 140 of the 285 banks that failed in 1990 and 1991.

Suspected negligence and civil wrongdoing was also present in most failed thrifts and banks. Senior FDIC headquarters and field officials told us, for example, they have found indications of suspected wrongdoing by directors, officers, or other professionals in 90 percent of failed banks. More detailed information shows that FDIC anticipated filing a claim in 75 percent of the banks that failed in 1990 and 1991.

RTC data also shows suspected wrongdoing was present in most failed thrifts. Figure 2 illustrates the percent of RTC thrifts where wrongdoing was suspected by directors, officers, accountants, attorneys, and other professionals who were associated with the failed thrift.

Figure 2: Wrongdoing Suspected in Most Failed Thrifts



Note: This data is based on RTC attorneys' views of potential claims as of September 30, 1991. The percent is based on the number of thrifts where they had sufficient information to make an initial determination.

Source: GAO analysis of RTC data.

When all categories of professionals are considered, RTC attorneys suspected wrongdoing on the part of one or more professionals affiliated with the institutions in 81 percent of failed thrifts.

INVESTIGATING AND PROSECUTING FRAUD AND WRONGDOING IS COMPLICATED AND DIFFICULT

Investigating and prosecuting or litigating criminal and civil fraud and negligence is difficult and time-consuming. Federal prosecutors may bring a variety of criminal charges against individuals suspected of misconduct in or against financial institutions. Cases often involve charges of several offenses, using both specific banking statutes and other federal statutes.

Investigating such highly complex schemes requires knowledge of real estate practices, financial institution accounting procedures, and sophisticated financial investigative techniques. To obtain these skills, the FBI frequently has relied on the expertise of staff from other federal agencies, including the IRS and the financial institution regulatory agencies.

Determining whether a civil professional liability suit should be filed is also difficult. One problem involves determining if and when suspect activities cross the line between poor business judgment and negligence. In addition, FDIC and RTC generally have only three years from the time the institution fails to decide whether to file a professional liability claim--less than the time investigators have to determine whether criminal charges should be filed.[3]

The most common claim is for participation in unsafe or unsound banking practices, in particular for approval of loans that were patently bad at inception. In some cases, directors and officers may have acted fraudulently or used their relationship with the institution to advance their own interests. Typical abuses include improper insider loans or fraudulently contrived loans to permit funds to be funneled to friends of the directors or officers.

FDIC and RTC investigators and attorneys assess the viability of professional liability claims. The goal of these investigators and attorneys is to pursue claims where a sufficient factual and legal basis exists to demonstrate liability and where the expected recovery exceeds the cost of the suit. Among other things, investigators review prior examination reports, loan files, and other records to identify wrongdoing and look for insurance coverage or assets that could be recovered through a civil claim.

---

[3]As stipulated in FIRREA, the statute of limitations for most professional liability claims handled by FDIC and RTC is 3 years unless a longer period is provided under applicable state law. Generally, the limitation period begins to run on the date of appointment of FDIC or RTC as conservator or receiver, or the date on which the cause of action accrues, whichever is later. Actions may be brought beyond the limitation period in certain circumstances, such as where RTC has entered into a "tolling agreement" with the potential defendants.

FEDERAL RESPONSE TO CRIMINAL BANK AND THRIFT FRAUD NEEDS MORE COORDINATION

Mr. Chairman, Justice, in particular the Special Counsel for Financial Institution Fraud, has taken steps to improve the government's response to this crisis and federal prosecutors are obtaining increasing numbers of indictments and convictions. However, we do not believe Justice has done all it could to coordinate and manage the response. Justice did not create multiagency task forces as the President and the Attorney General originally envisioned. Nor was Justice able to ensure that adequate Justice and non-Justice resources were available to investigate and prosecute this fraud. Justice's reaction to this crisis was essentially business as usual.

The Crime Control Act of 1990[4] generally assigned Justice the responsibility to improve the federal response to crimes affecting financial institutions. This act established the Financial Institutions Fraud Unit within Justice to be headed by a Special Counsel. Among other things, the act requires the Special Counsel to (1) supervise and coordinate matters concerning financial institution fraud within Justice, (2) ensure that adequate resources are made available to investigate and prosecute financial institution crimes, and (3) ensure that Federal law relating to civil enforcement and other areas are used to the fullest extent to recover proceeds of unlawful activities from financial institution fraud criminals.

Justice's Special Counsel has improved the government's response. Among other things, he participated in deciding where to allocate the resources Justice received following the Crime Control Act and worked to coordinate the overall approach with all agencies involved in the effort.

However, the structure of both Justice and the federal government inhibits the Special Counsel's ability to control the government's response to financial institution fraud. Within Justice, operations are dispersed, and its decisionmaking is highly decentralized. The 93 U.S. Attorneys, for example, exercise significant discretion in prosecutive policies and the management of their offices and programs. Thus, as with other enforcement efforts, Justice and the Special Counsel must rely on the U.S. Attorneys and the local FBI offices to apply adequate resources to the most significant cases.

In addition, the Special Counsel has no authority over non-Justice personnel involved in pursuing bank and thrift fraud and thus cannot ensure that those resources are adequate. Non-

---

[4]Crime Control Act of 1990, P.L. 101-647, 104 Stat. 4789.

Justice staff expertise provided by IRS agents and regulatory examiners is often needed for successful prosecutions of financial institution fraud. But because non-Justice agencies have competing priorities and demands on their resources, their staff are not always available to assist Justice. In addition, the Office of Thrift Supervision has withdrawn staff from some enforcement efforts because of disagreements with Justice over reimbursement for staff time.

Justice, also, has not created promised task forces. In December 1989, the Attorney General announced plans to intensify and coordinate the nationwide attack on financial institution fraud by establishing task forces in 26 cities where criminal bank and thrift fraud violations were most prevalent. Citing its success in investigating and prosecuting complex cases that require expertise from several agencies, Justice initially held up the Dallas Bank Fraud Task Force as the national model for multiagency task forces. The Dallas model combined the resources of the financial regulators, Justice's Criminal Division, FBI, and other investigative agencies. Justice widely promoted this strategy. However, only two other task forces have been created that even remotely resemble the Dallas model: the New England Bank Fraud Task Force and the San Diego Bank Fraud Task Force. U.S. Attorneys have been told to devise their own programs for pursuing financial institution fraud.

In effect, Justice's approach to financial institution fraud is no different than its approach to any other crime. In other words, it's business as usual. As a result, significant differences exist around the country in both the structure of the approach as well as the kind of cases prosecuted. For example, U.S. Attorneys in some large districts will generally not prosecute financial institution fraud cases involving alleged frauds of less that $100,000 or $200,000, while other districts generally prosecute all cases involving $5,000 or more.

Moreover, Justice has not developed any systematic means for evaluating particular enforcement programs, such as the financial institution fraud effort. The workload has continued to grow as has the demand for expertise from agencies outside Justice. For these reasons, we believe that a systematic mechanism that can evaluate the efforts and results of all participants is essential.

PURSUIT OF PROFESSIONAL LIABILITY CLAIMS NEEDS TO BE STRENGTHENED

We testified last June before the Senate Banking Committee that FDIC's and RTC's performance in investigating and litigating civil professional liability claims could be improved.[5] Even though FDIC and RTC officials have estimated that suspected wrongdoing was present in more than three-quarters of the failed institutions, FDIC has filed claims in only about 20 percent of the banks that failed in 1988 and 1989. RTC has filed claims in about 43 percent of the thrifts that failed from January through November 1989. Although FDIC and RTC have sound reasons for not pursuing all potential claims, we believe that more could be done. In particular, staffing shortages, poorly planned reorganizations, and the lack of standardized and systematic asset tracing procedures have limited the agencies' ability to pursue potential claims. Adding to these problems are uncertainties surrounding the future of RTC's professional liability program.

Both FDIC's and RTC's efforts to plan for future staffing needs were inadequate and contributed to professional liability attorney shortages. As we reported in our June testimony, both FDIC and RTC were slow to add attorneys to the professional liability program. In 1989, FDIC had 22 professional liability attorneys and RTC had 18 professional liability attorneys. These attorneys were overseeing the investigation of more than 1,000 failed institutions. Both agencies have now added substantially more attorneys, but RTC continues to have staff shortages. In September 1992, RTC's Professional Liability Section (PLS) was authorized an increase in its attorney staffing level from 76 to 91. However, as of December 31, 1992, only 66 of those positions were filled. At the RTC, turmoil created by poorly planned downsizing and reorganization have resulted in low morale and the departure of numerous attorneys from the professional liability program including five of seven senior managers. In addition, some current managers believe that the reorganization turmoil and the temporary nature of the agency will make hiring new qualified attorneys difficult.

In our June testimony we also said that asset tracing needed to be improved particularly at the FDIC. FDIC and RTC officials told us that the key reason professional liability cases are not filed against suspected wrongdoers is that recoverable assets are not identified. Without recoverable assets, the claim would not be cost effective. The agencies' ability to pursue personal assets of the culpable individuals has been greatly hampered by not only inadequate staffing as noted above, but also by a lack of standardized asset identification procedures. RTC has developed an asset tracing program, but FDIC does not have systematic asset tracing procedures or guidelines.

---

[5] Bank and Thrift Failures: FDIC and RTC Could Do More to Pursue Professional Liability Claims, (GAO/T-GGD-92-42, Jun. 2, 1992).

Complicating efforts to address these problems is the temporary nature of RTC itself. FIRREA and the Resolution Trust Corporation Refinancing, Restructuring, and Improvement Act of 1991 stipulate that FDIC is generally to assume responsibility for thrifts that fail after September 30, 1993, and is to take over RTC's entire workload by December 31, 1996. However, most of the work in connection with professional liability suits has yet to be completed. The 3-year FIRREA statute of limitations has yet to expire for more than half of the financial institutions that have come under RTC control. Additionally, the great majority of lawsuits filed are still pending. FDIC and RTC PLS and investigation officials said it was not clear how RTC's pending caseload and future professional liability cases will be transferred to FDIC.

RTC needs to plan for a continued strong program to carry out the PLS work. A key part of this planning needs to include discussions with the FDIC to plan for the orderly transition of RTC PLS work to the FDIC.

RESULTS OF CRIMINAL AND CIVIL EFFORTS

Data on major financial institution fraud prosecutions show that between October 1, 1988, and June 30, 1992, Justice charged 3,270 defendants and convicted 2,603 defendants (110 defendants were acquitted, establishing a conviction rate near 96 percent).[6] The courts sentenced 1,706 of 2,205 offenders to jail (77.4 percent). According to Justice, those cases involved estimated losses of over $11.5 billion.

Overall information on sentencing indicated that nearly three-fourths of convicted major financial institution fraud defendants received prison sentences of 2 years or less. Fewer than 7 percent of these major fraud criminals received prison sentences of 60 months or more.

These bank and thrift fraud offenders have been ordered to pay substantial fines and restitution. Between October 1988 and July 1992, the courts ordered $846.7 million in fines and restitution in major cases alone.[7] As of July 1992, the

[6]Justice defines "major" financial institution fraud cases as those generally involving (1) a fraud or loss estimated at $100,000 or more; (2) officers, directors, or owners; or (3) schemes involving multiple borrowers in the same institution.

[7]In general, fines and restitution are due immediately, unless the sentencing court provides for payment on a specific date or in installments. If the court orders restitution, any fines imposed should not impair the ability of the defendant to make

government had collected about 4.5 percent of the total ordered. Not all of the remainder may be collectible.

As of December 31, 1992, RTC had 191 claims pending that involved nearly $7 billion. As of the same date, and FDIC had 589 pending claims, but it did not specifically know the total dollar amount involved. FDIC officials estimated it was several billion dollars.

Since 1989, FDIC and RTC have recovered over $1.7 billion dollars from professional liability claims and settlements. Table 1 details these recoveries.

Table 1: FDIC and RTC Recoveries Received from Professional Liability Claims and Settlements[a]
(in millions of dollars)

	1989	1990	1991	1992	Total
FDIC: Banks	$ 60.5	$131.7	$ 72.9	$284.0	$549.1
FDIC: Thrifts	87.4[b]	231.4	246.4	325.7	890.9
RTC	3.9	10.3	30.5	266.7	311.4
Totals	$151.8	$373.4	$349.8	$876.4	$1,751.4

[a]FDIC figures include collected judgments and settlements that have been collected or are highly likely to be collected as of December 31, 1992. RTC figures are civil cash recoveries based on information from RTC's Professional Liability Section as of December 31, 1992. Information maintained by RTC's accounting section indicates that approximately $180 million has been collected in 1992 from all types of settlements, not just PLS. We could not readily determine which data is accurate or the reason for the discrepancy between the two sets of RTC data.

[b]Includes approximately $50 million collected by FSLIC prior to the passage of FIRREA.

Source: FDIC and RTC.

To get a more complete picture on the criminal and civil actions taken to date on failed thrifts, we also analyzed information on criminal and civil actions taken in connection with the 723 thrifts that were placed under RTC control between February 7, 1989 and August 28, 1992. These institutions had assets of over $400 billion. As of the end of September 1992, RTC had filed at least one liability suit in connection with about 150 of the

restitution.

thrifts and Justice had charged a former director, officer, or principal shareholder associated with 72 of these institutions.

Specifically as of September 30, 1992, RTC had filed 217 professional liability claims totalling $6.3 billion and recovered about $300 million from claims and settlements. Between October 1, 1988, and September 30, 1992, Justice charged 438 defendants and convicted 321 defendants in major cases involving failed thrifts placed under RTC control. About half of these defendants involved former thrift directors, officers, and principal shareholders. Of the 321 convicted defendants that had been sentenced, nearly three-fourths received prison sentences of less than 2 years. The courts ordered about $172 million in fines and restitution and as of July 1992, the government had collected about $5.6 million or 3.3% of the total amount ordered.

CONCLUSIONS AND RECOMMENDATIONS

In summary, Mr. Chairman, fraud and wrongdoing on the part of directors, officers, and other professionals played a major role in the failure of many banks and thrifts. Although the government has filed and litigated increasing numbers of criminal and civil cases, a crisis of this magnitude requires a greater marshalling of resources than has yet occurred. On balance, the government's performance has been mixed.

Specifically, with regard to the government's response to criminal fraud, we recommended in our recently issued report that Congress should explore the need and ways to integrate Justice and non-Justice agencies more fully into a national effort. We also noted that Justice should better ensure that adequate resources are committed to this effort and develop a systematic mechanism to evaluate the program.

With regard to the government's pursuit of professional liability claims we recommended in our testimony last June that FDIC and RTC work together to plan for the future of the professional liability program, including improving staffing and strengthening asset tracing.

In the long run, we believe that strengthening the oversight of on-going financial institutions should help to identify fraud and other wrongdoing before it affects the viability of the institutions. Over the years, we have made a number of recommendations to strengthen this oversight. Many of these were incorporated in the Federal Deposit Insurance Corporation Improvement Act of 1991. Key aspects of this legislation include an increased emphasis on financial institution management weaknesses by the regulators and a stronger more active and independent role in management oversight by the financial institutions' board of directors. With these and the other improvements in place that we have recommended, the regulators will have a much better basis for moving more quickly to deal with unsafe and unsound banking practices. In addition, increasing pressure has been exerted on the large accounting firms, who audit the books of financial institutions, to do a better job.

That concludes my statement, Mr. Chairman, we would be happy to respond to any questions.

LIST OF RELEVANT GAO PRODUCTS

Banks and Thrifts: Safety and Soundness Reforms Need to Be Maintained, GAO/T-GGD-93-3, Jan 27, 1993.

Bank and Thrift Criminal Fraud: The Federal Commitment Could Be Broadened, GAO/GGD-93-43, Jan. 8, 1993.

Transition Series: Financial Services Industry Issues, GAO/OCG-93-10TR, Dec. 1992.

Transition Series: Justice Issues, GAO/OCG-93-23TR, Dec. 1992.

High Risk Series: Resolution Trust Corporation, GAO/HR-93-4, Dec. 1992.

Bank and Thrift Criminal Fraud: Information on Justice's Investigations and Prosecutions, GAO/GGD-93-10FS, Oct. 5, 1992.

Bank and Thrift Failures, RTC Needs to Improve Planning for Professional Liability Staff Changes, GAO/T-GGD-92-69, Aug. 11, 1992.

Bank and Thrift Failures: FDIC and RTC Could Do More to Pursue Professional Liability Claims, GAO/T-GGD-92-42, Jun. 2, 1992.

Bank and Thrift Fraud: Overview of the Federal Government's Response, GAO/T-GGD-92-12, Feb. 6, 1992.

Failed Banks: Accounting and Auditing Reforms Urgently Needed, GAO/AFMD-91-43, Apr. 22, 1991.

Deposit Insurance, A Strategy for Reform, GAO/GGD-9-26, Mar. 4, 1991.

Thrift Failures: Costly Failures Resulted from Regulatory Violations and Unsafe Practices, GAO/AFMD-89-62, Jun. 6, 1989.

Bank Failures: Independent Audits Needed to Strengthen Internal Control and Bank Management, GAO/AFMD-89-25, May 31, 1989.

Ordering Information

The first copy of each GAO report and testimony is free. Additional copies are $2 each. Orders should be sent to the following address, accompanied by a check or money order made out to the Superintendent of Documents, when necessary. Orders for 100 or more copies to be mailed to a single address are discounted 25 percent.

Orders by mail:

U.S. General Accounting Office
P.O. Box 6015
Gaithersburg, MD 20884-6015

or visit:

Room 1000
700 4th St. NW (corner of 4th and G Sts. NW)
U.S. General Accounting Office
Washington, DC

Orders may also be placed by calling (202) 512-6000 or by using fax number (301) 258-4066.

United States
General Accounting Office
Washington, D.C. 20548

Official Business
Penalty for Private Use $300

First-Class Mail
Postage & Fees Paid
GAO
Permit No. G100