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### *House Passes Legislation to Strengthen Anti-Fraud Enforcement, Create Panel to Investigate Causes of Financial Crises*

Washington, DC – Today, Rep. Ben Ray Luján joined his colleagues in Congress to demand accountability for mortgage and corporate fraud by voting for the Fraud Enforcement and Recovery Act, which takes common sense steps to address and fix the causes of our current economic crisis. The legislation provides resources for law enforcement to investigate and prosecute fraud that may be a cause of larger financial problems. The legislation will also establish a bipartisan commission to investigate the causes of the collapse of our financial system and the ensuing recession.

“Too many New Mexican families are struggling because of corporate and mortgage fraud and irresponsibility,” said Rep. Luján. “People have lost their savings and their homes, and we have to take steps to protect the people of New Mexico from fraud. The Fraud Enforcement and Recovery Act protects taxpayers by providing law enforcement with the resources to investigate and prosecute fraud and by establishing a commission to investigate the causes of our current financial crisis. The legislation increases accountability and improves protections against fraud that can compromise our financial system and hurt families in New Mexico.”

Specifically, the Fraud Enforcement and Recovery Act will provide law enforcement with funding and resources to investigate and prosecute cases of mortgage and corporate fraud. The legislation will protect families from mortgage fraud by extending current fraud laws to apply to the mortgage lending business. It will also provide additional accountability for Troubled Asset Relief Program (TARP) funding and the Recovery Act by making it a federal crime for government contractors to defraud the government of funds received through TARP and the Recovery Act.

The legislation also creates a financial markets inquiry commission to investigate what led to the current economic crisis. The commission is designed to create a detailed examination of the problems in the financial systems and the steps that we should take to increase accountability, stop rewarding irresponsible practices, and begin to develop long-term reforms to prevent future crises. The efforts to investigate the causes of the current economic crisis are similar to those undertaken by the Pecora congressional committee that conducted an investigation after the Stock Market Crash of 1929. The Pecora commission found cases of fraud and dishonest Wall

Street practices that compromised the financial system.

“We cannot allow for the same type of fraud and irresponsibility that led to this current economic crisis,” said Rep. Luján. “The regulations we have in place are not working and the commission established by the Fraud Enforcement and Recovery Act will help us to understand the weaknesses in our system that led us to our current economic crisis. This is an important step toward reform that can help prevent future crises.”