At this point, a panel of 100 outstanding educators and other professionals review the nominations, select the schools for site visits, and make recommendations to the Secretary of Education. These schools will be honored at a national ceremony in Washington, DC, this spring.

Mr. Speaker, I ask you and my other distinguished colleagues to join me in commending Wilbur Wright Middle School and Munster High School for a job well done. The teachers and administrators of these two schools make Indiana's First Congressional District a better place in which to live and work. There is no greater success than to successfully educate our children.

H.R. 2963, THE KEEP THE GOVERNMENT OPEN ACT OF 1996

HON. CARRIE P. MEEK

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1996

Mrs. MEEK of Florida. Mr. Speaker, the recent shutdown of the Federal Government wasted 1 billion taxpayer dollars. In January Congress passed and the President signed a continuing resolution that paid 285,000 Federal employees who were not able to work between December 16 and January 5 because of the 3-week lapse in appropriations for part of the Federal Government. This shutdown also imposed a serious financial hardship on many of the 476,000 Federal workers who were not paid during this period even though they were working.

The shutdown of the Federal Government hurt many private firms, both those that normally sell to Federal employees and those that have Federal contracts. They were unable to recoup the business lost during the shutdown.

Last week I introduced a bipartisan bill to prevent such harmful consequences if there should be another lapse in appropriations in the future. H.R. 2963, the Keep the Government Open Act of 1996, amends that Anti-Deficiency Act to permit Federal employees to continue to work and to be paid during a lapse in appropriations, if the President determines that a sufficient appropriation is likely to be made before the end of the fiscal year.

The other original consponsors of this bill are Mr. DAVIS, Mr. HOYER, Mr. MORAN, Ms. NORTON, and Mr. WYNN.

I urge my colleagues to support this insurance against another failure to enact appropriations bills or continuing resolutions for the entire Government.

THE MONEY PLANE

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1996

Mr. SCHUMER. Mr. Speaker, a weekly magazine recently published a lengthy article raising serious questions about the business activities conducted by Republic National Bank of New York with Russian banks. Republic is a large, well-respected institution serving the New York community and employing thousands of its residents. In the interest of fairness, so that the other side of the story can be heard, I would like to submit for the RECORD the attached materials. Included among them are several letters from law enforcement agencies and bank regulatory bodies. These letters testify to the bank's record of compliance with the law and cooperation with law enforcement officials and bank regulators.

COMPTROLLER OF THE CURRENCY,
ADMINISTRATOR OF NATIONAL BANKS,
Washington, DC, January 17, 1996.

WALTER H. WEINER,
Chairman and Chief Executive Officer, Republic National Bank of New York, New York, NY.

DEAR MR. WEINER: Thank you for your letter drawing my attention to the article entitled ''The Money Plane'' in the January 22, 1996 issue of New York magazine. The article concerns sales of U.S. dollars to Russian banks by Republic Bank and includes several statements attributed to an unnamed OCC official.

We doubt that those statements were in fact made by an OCC official. However, if they were made, please be assured that the statements were unauthorized and do not represent the views of this office. More specifically, these statements do not reflect the OCC's position concerning Republic Bank's bank note detailings with Russian banks.

As you are aware, the OCC supervises and regulates all national banks, including those that have substantial bank note dealings with Russian banks. As part of our oversight, we monitor the bank note activities of those banks, including Republic. We are satisfied that Republic's bank note activities are conducted in a manner consistent with the applicable laws we administer.

Sincerely,

EUGENE A. LUDWIG,
Comptroller of the Currency.

U.S. DEPARTMENT OF JUSTICE,
OFFICE OF PROFESSIONAL RESPONSIBILITY,
Washington, DC, February 1, 1996.

WALTER H. WEINER,
Chairman and Chief Executive Officer, Republic National Bank of New York, New York, N.Y.

DEAR MR. WEINER: The Attorney General received your letter dated January 15, 1996, calling attention to an article entitled ''The Money Plane'' in the January 22, 1996 issue of New York magazine. She also received a letter from Republic National Bank Deputy General Counsel, Anne T. Vitale, concerning that same article. The Attorney General asked this Office to investigate the issues raised in the two letters and respond to you.

''The Money Plane'' discusses sales of U.S. dollars by Republic National Bank to various banks in Russia. The article contains a statement attributed to an Assistant United States Attorney (AUSA) about certain accounts at Republic National Bank.

I wish to assure you that the statements attributed to the AUSA do not represent the views of the Department of Justice. More specifically, the attributed statements do not reflect any position of the Department of Justice on Republic National Bank's banknote transactions with Russian banks.

Sincerely,

MICHAEL E. SHAHEEN, Jr.,
Counsel.

THE DISTRICT ATTORNEY,
COUNTY OF NEW YORK,
January 16, 1996.

THE EDITOR,
New York Magazine,
New York, NY.

TO THE EDITOR: I read the article entitled ''The Money Plane'' in the January 22, 1996 issue of New York magazine. It does raise a reasonable question about our Government's policy to permit and facilitate the sale of U.S. dollars by American and foreign banks to Russian banks. I was surprised, however, by the suggestion that it is improper for Republic National Bank to engage in this practice as well as the article's utter failure to mention that other reputable and well-known banks also engage in similar transactions.

The fact is that the U.S. Treasury, the Federal Reserve System and the State Department approve and facilitate the sale of dollars by American banks to Russian banks. Indeed, the Federal Reserve Bank of New York sells dollars with the knowledge that they are going to be resold to Russian banks. Additionally, the banks who purchase and resell the dollars file reports on each transaction with the Federal Reserve System, the United States Treasury Department, U.S. Customs and the Controller of the Currency. These are not covert transactions.

Finally, under current law, banks which buy dollars in New York and resell them to Russian banks are not required to and, indeed are unable to know, the identity of the Russian banks' customers. Republic, in fact, sells only to banks licensed by the Russian Central Bank. Unless a bank has specific information of criminal control of a Russian bank, a U.S. bank may sell banknotes to Russian banks.

My office has aggressively investigated money laundering cases for many years and does so on a regular and continuous basis. As a routine matter, we have looked at Republic's sale of dollars to Russian banks and found no evidence of misconduct or wrongdoing by Republic.

Sincerely,

ROBERT M. MORGENTHAU.

STATE OF NEW YORK,
BANKING DEPARTMENT,
New York, NY, February 1, 1996.

Mr. WALTER H. WEINER,
Chairman and Chief Executive Officer, Republic National Bank of New York, New York, NY.

DEAR MR. WEINER: This letter responds to your recent letter to me enclosing a copy of the ''The Money Plane'' article in the January 22, 1996 issue of New York Magazine, together with copies of the January 16, 1996 letter to you from the Office of the Comptroller of the Currency, the January 17, 1996 letter to New York Magazine from Robert M. Morgenthau, the District Attorney for New York County and the January 24, 1996 letter to Republic National Bank of New York (''Republic'') Senior Vice President Vitale from FINCEN Director Morris. Each of these letters relates to that article.

New York Magazine's article concerns, among other things, sales of U.S. dollars to Russian banks by Republic. It includes some purported quotations and statements of unnamed sources said to be former employees of this Department who then had law enforcement investigation responsibilities.

You can be assured that if, and to the extent that, such statements may have been made by former employees of this Department, they have not been authorized to be made by this Department, were made without our awareness and do not constitute, in any manner, statements or positions of the New York State Banking Department in respect of Republic or with regard to banknotes dealings with Russian banks by Republic and other banks.

Moreover, it is the U.S. Comptroller of the Currency, and not this Department, which has been and continues to be the primary bank regulator of Republic. Thus, in the course of our functions, we do not examine

Republic, nor have we conducted an investigation directed at Republic in respect of its banknotes dealings with Russian banks.

Very truly yours,

——— ———.

FINANCIAL CRIMES ENFORCEMENT NETWORK,
Vienna, VA, January 24, 1996.

ANNE T. VITALE, Esq.,
Senior Vice President and Deputy General Counsel, Republic National Bank of New York, New York, NY.

DEAR ANNE: Your letter to me, dated January 17, 1996, concerned an article entitled ''The Money Plane'' in the January 22 issue of New York Magazine. That article dealt, in part, with the sale of American currency to banks in Russia by Republic National Bank of New York (''Republic'').

As you point out in your letter, the shipment of bank notes by United States banks to other banks, in Russia or anywhere else, is permitted by U.S. law and there is nothing inherently illegal about such activities. The New York article was certainly unfair in suggesting otherwise. Furthermore, we have never encountered a money laundering scheme which seeks to convert assets already in financial institutions into bank notes.

Banks such as Republic, with a history of strong compliance programs and valuable cooperation with law enforcement authorities in this country, can be expected to recognize the risks of particular transactions in their efforts to avoid becoming ensnared in wrongdoing. Republic has indeed, as your letter also points out, been supplying voluntary reports to federal law enforcement of its shipments of bank notes to Russia and other countries in an effort to assist U.S. authorities.

Our program of partnership with the financial community relies on highly experienced officials such as you and banks such as Republic to carry out our law enforcement mission. I look forward to continuing to work with you in the fight against money laundering.

With best wishes.

Sincerely,

STANLEY E. MORRIS,
Director.

AKIN, GUMP, STRAUSS, HAUER & FELD, L.L.P., ATTORNEYS AT LAW,
Washington, DC, January 29, 1996.

EDITOR, New York,
K–III Magazine Corporation,
New York, NY.

DEAR SIR: The article entitled ''The Money Plane'' in your January 22, 1996 issue of New York magazine misleads your readers by relying on anonymous innuendo to impeach the integrity of respected U.S. banks. As a former Ambassador to Russia, I have seen firsthand the importance of selling dollars to Russian banks: U.S. currency helps to stabilize the Russian economy as that nation's political leadership struggles to modernize and democratize their country and that in the best interests of the U.S. and the free world.

The circulation of the U.S. currency in Russia is an important element of U.S. trade and foreign policy. Through banknote and other transactions, U.S. banks remain engaged with their Russian counterparts, introduce them to and reinforce the high standards of the international banking system, and prevent the sort of economic isolation that could undermine the continuing development of Russia's financial system. Providing a steady supply of U.S. currency to Russian banks is perhaps the single most efficient form of support the U.S. can offer any country in a position as delicate as Russia's. Not to be overlooked is the fact that this banking activity also opens important avenues of commerce between Russia and the West.

Your article alleges that U.S. banks, Republic National Bank in particular, knowingly conduct banknote transactions with Russian banks that are controlled by or associated with organized crime. No one can deny that crime and corruption are today among the greatest threats to the creation of a modern democracy in Russia. However, while I am no expert on the subject, my understanding is that all banknote transactions between U.S. and Russian banks are conducted in strict accordance with the reporting and ''know-your-customer'' evidence to the contrary. The fact is that the U.S. banks that handle banknote transactions, with Russia or any other country, monitor to the best of their ability the activities of the banks with which they do business, continuously seek reliable information regarding the integrity of those institutions, and will discontinue transactions with any institution that government authorities indicate is involved in criminal activity. Furthermore, I know of no instances where federal banking or law enforcement officials have indicated that there are Russian banks with whom business should be discontinued.

As far as criminal activity in Russia is concerned, it should be stopped by increasing the resources and capabilities of Russian law enforcement and continuing the cooperation that exists between U.S. and Russian authorities.

You did a disservice to your readers and I hope that, as a matter of integrity, you will publicly apologize and correct your misstatements that I am sure were inadvertent.

Respectfully,

ROBERT S. STRAUSS.

At a press conference on January 18, 1996, United States Ambassador to Russia, Thomas Pickering stated:

American and international banks who are depositories with the federal reserve system will be the principal conduits, may be as many as a dozen of those bringing money here to Russia, where it will be redistributed through their arrangements with the Russian banking system into the Russian system to meet the demands that people will have in this country for new dollars.

* * * * *

We do not believe that activities taken through the currency provide an effective remedy for money laundering or the use of currency in criminal activities and, indeed, suggestions that this be done, in our view, would produce greater negative effects on the stability of worldwide currency systems than they would produce benefits in attacking the criminal culture. . . .

IN HONOR OF MR. HENRY SANCHEZ ON HIS 50 YEARS OF FEDERAL SERVICE

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1996

Mr. MENENDEZ. Mr. Speaker, I rise today to pay tribute to Mr. Henry Sanchez on the occasion of his 50th year of Government service. A special ceremony will be held in his honor on Friday, February 16, at the Harbor View Community Club, Military Ocean Terminal in Bayonne, NJ.

In February 1944, Mr. Sanchez began his career in the Navy as a signalman. For his part in the WWII effort, he served on a ship transporting American troops to France during the Normandy Invasion. Mr. Sanchez was discharged from the Navy in April 1948. Two years later, be began to work at the Brooklyn Army Base in New York.

Mr. Sanchez transferred to the Bayonne Naval Supply Depot in March 1950. For over 45 years, Mr. Sanchez worked in Bayonne as a firefighter and a supervisory transportation assistant at the Seavan Container Control Division, Military Ocean Terminal. In 1980, Mr. Sanchez moved to the U.S. Air Force's Water Port Logistics Office where he held the position of deputy commander GS–12. Several years later he was promoted to GS–13 as the deputy director, Personal Property Directorate, Military Traffic Management Command, Eastern Area.

Mr. Sanchez, an outstanding leader on the job, has also dedicated much of his time to the Bayonne community. He is a board member of the United Way of Hudson County, vice president of the American Legion's Mackenzie Post 165, and a trustee for the Bayonne Veterans Relief Fund.

For his outstanding work and leadership in logistical support of the European, African, Mediterranean and Arctic regions, Mr. Sanchez was awarded the U.S. Air Force Meritorious Civilian Service Medal. He has devoted himself to serving his country with honor and dignity. I ask that my colleagues join me in honoring this wonderful individual. I am proud to have such a remarkable man working in my district.

CONFERENCE REPORT ON S. 652, TELECOMMUNICATIONS ACT OF 1996

SPEECH OF

HON. NITA M. LOWEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mrs. LOWEY. Mr. Speaker, although I support the conference report for H.R. 1555, the Communications Act of 1995, I must rise in opposition to the provision in the bill that bans discussions about abortion on the internet. This is a high-technology gag rule, and it is unacceptable.

Section 507 will apply portions of the Comstock Act to the internet. In addition to banning the dissemination of obscene materials, the Comstock Act also bans the dissemination of information about abortion. As a result, section 507 of H.R. 1555 will ban both the sending and the receipt of information about abortion on the internet.

This ban will have a chilling effect on the rights of millions of Americans. Violation of the ban bill be a felony, punishable by 5 years for the first offense and 10 years for each subsequent offense. Obviously, most American women will not risk a jail term, even to share necessary information about abortion—a legal medical procedure that is an integral part of basic women's health care.

Proponents of this provision have argued that because this provision is old and has not been enforced for decades, it will have no impact on women's speech about abortion. They