

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 cosponsors 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 fair-

ness, 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 bank-note 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