

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, he 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 will 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