

INCOMING TELEGRAM

Department of State

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Action

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Rec'd: February 20, 1959
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Info

FROM: Habana

RMR

TO: Secretary of State

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Ministry of State has approached Embassy informally to learn reaction US Government to possible request for freezing accounts in American banks of Cuban political refugees suspected of absconding with Government funds. Ministry presents specific case ex-Chief of Staff Cuban Navy, Admiral Joe E. Rodriguez Calderon, who is stated have current account in PANAM Bank of Miami in name of Jose Eduardo Rodriguez in which on January 13 there was a balance of \$20,040.56.

Please advise Embassy whether freezing of accounts in such cases possible and if so under what conditions and following what procedures.

BONSAL

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SENT TO: Amembassy HABANA

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US would not REPEAT not take governmental action to freeze accounts in American banks of Cuban political refugees suspected of absconding with government funds. FYI although such action legally possible under Section 5B of Trading with the Enemy Act of 1917, as amended, it is taken normally only in situations involving national security. Use of controls to facilitate recovery of funds in Cuban case would be extremely cumbersome and would create undesirable precedent for use similar situations in future. On above policy grounds US reaction to any Cuban request would definitely be negative. END FYI.

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GOC may wish consider possibility of civil suit by GOC in US State or Federal courts to recover allegedly misappropriated funds from refugees within jurisdiction such courts. Available remedies may include service of writ of attachment on banks holding claimed funds by which court would order banks not to allow removal of such funds until disposition of suit.

EM/R

Where

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Where depository known, as in Rodriguez Calderon example, civil attachment utilizing established private law procedures might have same practical effect as US Government freezing order. GOC may wish to consult private attorneys in US jurisdictions where refugees reside or funds deposited concerning availability of such remedies under US private law.

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