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TEXT

TAGS: CJAN, KFRD, KRIM, IS, AR
COMBINE: COMPLETE

SUBJECT: NOTARIAL SAVINGS FOR HOLOCAUST VICTIMS IN
ARGENTINA

1. SUMMARY. THIEVES CONTINUE TO TARGET REPARATIONS AND COMPENSATION CHECKS SENT BY THE GOVERNMENT OF GERMANY (GOG) TO BUENOS AIRES-RESIDENT WORLD WAR TWO HOLOCAUST AND NAZI LABOR CAMP SURVIVORS. NONETHELESS, WE RECENTLY NEGOTIATED AN AGREEMENT TO ALLOW SURVIVORS WHOSE CHECKS ARE STOLEN TO OBTAIN FREE-OF-CHARGE AFFIDAVITS FROM THE GERMAN EMBASSY FOR SUBMISSION TO CITIBANK IN ARGENTINA, IN LIEU OF OUR USD 55.00 NOTARY SERVICES FEE. WE EXPECT BOTH CITIBANK AND THE GERMAN

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EMBASSY TO REFOCUS THEIR EFFORTS ON COMBATING CHECK FRAUD IN THE REGION. THE NEW AGREEMENT ALSO LESSENS OUR NOTARIAL WORKLOAD. END SUMMARY.

ADDING INSULT TO INJURY

2. APPROXIMATELY 450 HOLOCAUST AND FORCED LABOR CAMP SURVIVORS IN BUENOS AIRES RECEIVE MONTHLY REPARATIONS PAYMENTS FROM THE GOG, RANGING FROM USD 391 TO NEARLY USD 1200 PER MONTH. COMPENSATION IS PAID BY THE GOG AND BY VARIOUS GERMAN STATES VIA CITIBANK IN NEW YORK, WHICH ISSUES AND SENDS THE CHECKS TO THE GERMAN EMBASSY IN BUENOS AIRES. FOR ITS PART, THE GERMAN EMBASSY USES AT LEAST TWO PRIVATE MAIL SERVICES TO SEND CHECKS TO THE REPARATIONS RECIPIENTS RESIDING IN BUENOS AIRES.

MAIL SERVICE EMPLOYEES:
A LICENSE TO STEAL

3. FOR REASONS THAT ARE NOT ENTIRELY CLEAR, HOLOCAUST AND REPARATIONS CHECKS HAVE BEEN PRIME TARGETS FOR THEFT AND CHECK FRAUD FOR AT LEAST THE PAST 15 YEARS. AN EXTREMELY HIGH RATE OF THEFT ABOUT 10 YEARS AGO FORCED THE GERMAN EMBASSY, LIKE MANY OTHER CUSTOMERS, TO AVOID USING THE PUBLIC MAIL SYSTEM IN FAVOR OF A PRIVATE MAIL CARRIER. BOTH THE GERMAN EMBASSY AND CITIBANK SUSPECT THAT THEFTS ARE BEING COMMITTED BY COURIER SERVICE EMPLOYEES AND NOTE THAT MANY OF THE CHECKS ARRIVE IN ENVELOPES THAT IDENTIFY THE CONTENTS AS PENSION CHECKS WHICH A GERMAN CONSULAR OFFICIAL DESCRIBED AS A "LICENSE TO STEAL."

4. OUR DISCUSSIONS REVEALED THAT NEITHER CITIBANK NOR THE GERMAN EMBASSY HAS RAISED THE ISSUE OF CHECK THEFT IN A SERIOUS WAY WITH ANY OF THE PRIVATE COURIERS OR WITH THE GOA. THIS AND THE FACT THAT THE ELDERLY REPARATIONS RECIPIENTS ARE PERCEIVED AS "SOFT TARGETS" AND CITIBANK'S POLICY OF REISSUING THE CHECKS WITHOUT ASKING QUESTIONS HAS PROBABLY INDUCED THE CHECK THIEVES AND FORGERS TO BELIEVE THAT THEY CAN CONTINUE TO STEAL WITH IMPUNITY.

5. FOR MANY YEARS, THE GERMAN EMBASSY HAS INSTRUCTED CHECK THEFT VICTIMS TO OBTAIN "AFFIDAVITS OF NON-ENDORSEMENT" FROM THE U.S. CONSULATE IN BUENOS AIRES, IN THE BELIEF THAT CITIBANK WOULD NOT ACCEPT AN AFFIDAVIT WITH THE ENDORSEMENT OF A NON-AMERICAN CONSULATE OR NOTARY. APPLYING FOR AFFIDAVITS HERE HAS BEEN A GREAT INCONVENIENCE FOR THE ELDERLY AND OFTEN INFIRM HOLOCAUST SURVIVOR POPULATION. MANY OF THE RECIPIENTS ARE POOR AND MOST HAVE COMPLAINED THAT OUR USD 55 NOTARY PROCESSING FEE WAS A REAL BURDEN.

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6. THE NUMBER OF STOLEN CHECK CASES APPEARING AT THE CONSULATE INCREASED GREATLY DURING CALENDAR YEAR 1999. DURING ONE TYPICAL 3 WEEK PERIOD IN JULY, WE PROCESSED 19 AFFIDAVITS TOTALING LOSSES IN EXCESS OF USDOLS 10,000. CHECKS LOST DURING A ONE WEEK PERIOD AMOUNTED TO OVER USDOLS 7,000. CASES OF HOLOCAUST REPARATIONS RECIPIENTS LOSING AS MANY AS SIX CHECKS (OUT OF 12) PER YEAR WERE NOT UNCOMMON. POST OFTEN SAW AS MANY AS SIX RECIPIENTS PER DAY SEEKING AFFIDAVITS FOR STOLEN CHECKS.

7. CONSULAR OFFICERS CONTACTED CITIBANK AND THE GERMAN EMBASSY EARLY IN THE YEAR TO DISCUSS A RESOLUTION TO THE NOTARIAL PROBLEM. HOWEVER, BOTH SIDES WERE COOL TO OUR PROPOSAL TO HAVE THE GERMAN EMBASSY ISSUE FREE OF CHARGE AFFIDAVITS. THE GERMANS FELT THAT CITIBANK WOULD NEVER ACCEPT NON-U.S. CONSULATE AFFIDAVITS AND THAT MEETINGS WITH COURIER SERVICE MANAGERS OR GOA OFFICIALS WOULD NOT RESULT IN A CLAMP-DOWN ON CHECK THEFTS. THEY ALSO NOTED THAT THE THEFT OF REPARATIONS CHECKS WAS BECOMING WIDESPREAD IN URUGUAY AND PARAGUAY, THOUGH FOR UNKNOWN REASONS THEY DO NOT HAVE A CHECK THEFT PROBLEM IN ARGENTINA OUTSIDE OF BUENOS AIRES. FOR ITS PART, OFFICERS IN CITIBANK- ARGENTINA'S CLIENT SERVICES DEPARTMENT DID NOT VIEW THE REPARATIONS RECIPIENTS AS A PART OF THEIR "TARGET MARKET" AND DID NOT RESPOND FAVORABLY TO OUR SUGGESTION THAT THE GOG TAKE OVER NOTARIALS FOR THE VICTIMS.

CITIBANK SEES THE LIGHT

8. NEVERTHELESS, WE CONTINUED TO PRESS CITIBANK AND GERMAN EMBASSY OFFICIALS POINTING OUT THE HUMANITARIAN ASPECTS AND POTENTIALLY ADVERSE PUBLICITY. WE REMINDED BOTH SIDES THAT IF THE RECIPIENTS WERE U.S. CITIZENS, THE USG WOULD NOT SIT BY PASSIVELY AS THEIR SUBSISTENCE CHECKS WERE STOLEN (NOTE. NONE OF THE RECIPIENTS ARE U.S. CITIZENS. END NOTE). MOVEMENT OCCURRED WHEN WE PRESENTED THE THEFT PROBLEM TO A CITIBANK U.S. CITIZEN RESIDENT VICE PRESIDENT, ELIZABETH CAPDEVILA, WHO HAS SUPERVISORY RESPONSIBILITIES FOR THE BANK'S CORPORATE OPERATIONS IN THE SOUTHERN CONE. MS. CAPDEVILA, WHOSE HUSBAND RECENTLY RECEIVED AN IMMIGRANT VISA FROM POST, CALCULATED CITIBANK'S LOSSES AT USDOLS 500,000 PER YEAR IN THE SOUTHERN CONE. SHE WAS INSTRUMENTAL IN PUSHING THE BANK'S NEW YORK HEADQUARTERS TO AUTHORIZE CITIBANK'S LOCAL OFFICES TO ACCEPT GOG AFFIDAVITS IN LIEU OF OURS.

9. COMMENT. WE ARE NOT AWARE IF THE ADDRESSEE POSTS RECEIVE LARGE NUMBERS OF STOLEN HOLOCAUST REPARATIONS

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CHECKS. WE ASSUME THAT OTHER GERMAN EMBASSIES WOULD ISSUE FREE OF CHARGE AFFIDAVITS TO RECIPIENTS WHOSE CHECKS ARE STOLEN IN OTHER COUNTRIES. GERMAN EMBASSY SOURCES TELL US THAT CHECK THEFTS ARE COMMON AND THAT A RECENT CONFERENCE INVOLVING STATE GOVERNMENT OFFICIALS WAS HELD IN GERMANY TO ADDRESS THE ISSUE. THREE GERMAN EMBASSY EMPLOYEES ARE ASSIGNED TO PENSION ISSUES IN ARGENTINA AND THEIR CONSULAR MANAGER IS INTERESTED IN RESOLVING THE THEFT PROBLEM. CITIBANK IS CONSIDERING A PROPOSAL TO SET UP ELECTRONIC ACCOUNTS FOR HOLOCAUST RECIPIENTS FOR EITHER A NOMINAL FEE OR WITHOUT COST TO THE RECIPIENTS (ALTHOUGH GERMAN OFFICIALS TELL US THAT AN ELECTRONIC TRANSFER OF REPARATION PAYMENTS IS IMPOSSIBLE FOR TECHNICAL REASONS). END COMMENT.

ROCHA

ADMIN
END OF MESSAGE

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