

# Frozen Cuban funds running out

**Havana is reportedly alarmed at the rapid depletion of funds held in U.S. accounts and being doled out as compensation to claimants in U.S. courts.**

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U.S. lawsuits seeking monetary compensation from Cuba face discouraging prospects: The Cuban funds frozen in U.S. accounts now are estimated at only around \$70 million and are expected to run out soon.

The depletion of the Cuban assets held in U.S. banks has alarmed Havana, which has accused the U.S. government of stealing \$170.2 million of its money over the past five years.

Cuba's accusation was contained in a note from the Ministry of Foreign Relations earlier this month, after a court ruling in Miami awarded \$400 million to the survivors of Robert Fuller, a U.S. citizen executed by firing squad in Cuba in 1960. The compensation in that case has not been collected.

"Cuba will never renounce its right to demand that the U.S. government take full responsibility for the theft of the funds that are legitimately ours, to the last cent," the ministry's note said.

In reprisal for the first disbursement -- a \$96 million award to the survivors of the Brothers to the Rescue members killed over the Straits of Florida -- Havana cut off direct U.S.-Cuba telephone communications in 2000. But Cuba analysts believe the current complaint has a different purpose because Raúl Castro has "temporarily" replaced his brother Fidel as the island's leader.

"These funds could be a subject for negotiation with Washington," said Jaime Suchlicki, director of the Center for Cuban and Cuban-American Studies at the University of Miami. "The new clique of Raúl Castro, [Central Bank President] Francisco Soberón and company, is interested in those accounts, with a pragmatic vision."

Cuba faces 5,911 claims from corporations and individuals for the confiscation of their properties and other assets on the island after Fidel Castro seized power in 1959. But it was not until the U.S. Congress passed a law in 2000 that claimants in U.S. courts could hope to collect any court awards from the frozen Cuban funds.

Although the amount of Cuban money frozen in U.S. accounts is inexact and ever-changing, an article that appeared in the Granma newspaper after the foreign ministry complaint said that barely \$76 million remain, and that two of its accounts at the JPMorgan Chase bank ran out after an award granted by a New York judge in November 2006.

That award, totaling almost \$91 million, benefited the survivors of Howard Anderson (\$67 million) and Thomas Willard Ray (\$23.9 million), U.S. citizens who participated in the Bay of Pigs invasion and were captured and executed in Cuba in 1961. The ministry maintained that only \$72.1 million of that amount could be transferred to the plaintiffs before those accounts ran out.

The assets blocked by the Cuban Assets Control Regulations established in 1963 consist of three major accounts in the JPMorgan Chase bank: one belonging to the National Bank of Cuba (BNC) and two belonging to the Telecommunications Company of Cuba (EMTELCUBA). A significant percentage of the accumulated funds consists of long-distance telephone charges due to Cuba.

According to the Granma report, the BNC account and one of the EMTELCUBA accounts are already depleted. The second EMTELCUBA account contains only \$6 million. About \$58 million belonging to individual citizens and about \$12 million in small accounts belonging to private and public institutions is all that remains of the frozen funds.

The latest U.S. Treasury Department report on the frozen assets of terrorism-linked nations placed the Cuban amount by the end of 2005 at \$268.3 million. Treasury's Office of Foreign Assets Control (OFAC) declined to comment on the Cuban government's \$76 million figure but did not challenge it.

"Because we do not physically possess the assets, our information depends on the figures given to us by the financial institutions," said spokeswoman Molly Millerwise. "There are several requirements the financial institutions must meet when they report the frozen assets, and these [requirements] change frequently, making it impossible to get precise figures."

Claimants also have had problems locating the frozen money because the U.S. banks refuse to reveal information, so as to prevent claims on their funds.

"A fundamental problem that emerged from the beginning in the quest to receive awards from the frozen funds was that there was no mechanism to collect the awards, even after a judge ruled favorably," said attorney Frank Angones, who represented the relatives of the Brothers to the Rescue victims in their 1997 claim for Cuban assets.