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FOR IMMEDIATE RELEASE
June 1, 1992

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TREASURY BLOCKS YUGOSLAV, SERBIA, MONTENEGRO ASSETS

The Treasury Department's Office of Foreign Assets Control (OFAC), at the direction of President Bush, has taken steps to implement a freeze on all assets of the Yugoslav government held in the United States.

These assets include bank accounts and all other property of the governments of Serbia and Montenegro in the United States. This action follows Saturday's U.N. resolution calling for comprehensive economic sanctions by member nations against Serbia and Montenegro.

"This is the first step by the United States to implement sanctions approved over the weekend by the U.N. to stop civil war in Yugoslavia," said R. Richard Newcomb, OFAC's director. "The freeze blocks all property, including bank deposits, controlled by the Serbian and Montenegro governments," Newcomb said. OFAC has informed U.S.-based and international financial institutions of its actions against Yugoslavia, he said.

Also covered under the freeze is property in the name of the government of the Socialist Federal Republic of Yugoslavia and the Federal Republic of Yugoslavia. All government assets in the United States or in the control of U.S. persons, including overseas branches of U.S. banks, are covered by today's action.

OFAC officials accompanied by New York State and Federal Reserve authorities today served notice on two Serbian banking agencies in New York -- Udruzena Beogradska Banka and Jugobanka -- that these institutions are regarded as Serbian government-controlled and, thus, blocked pending further review by the U.S. Treasury.

Under a May 30 Executive Order, Treasury is authorized to employ all economic powers granted to the President under the International Emergency Economic Powers Act to carry out the objectives of the blocking. This can include prohibition of payments or transfers of any property, or transactions involving the transfer of anything of economic value by a U.S. person to the governments named or to any person in Serbia or Montenegro, or any person or entity acting for or on behalf of, or owned or controlled, directly or indirectly, by any of those governments or persons.

Violations of the embargo call for criminal fines of up to \$250,000 for individuals, \$500,000 for corporations, imprisonment for up to 10 years, and civil penalties of up to \$10,000 per violation.

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URGENT!

URGENT!

URGENT!

**TO: CHIEF OPERATING OFFICERS
AT ALL FINANCIAL INSTITUTIONS IN THE UNITED STATES AND ALL
OVERSEAS BRANCHES OF U.S. FINANCIAL INSTITUTIONS**

**"YUGOSLAV GOVERNMENT" PROPERTY AND PROPERTY OF THE GOVERNMENTS OF SERBIA
AND MONTENEGRO BLOCKED**

President Bush has issued an Executive Order, effective 11:59 p.m., Eastern Daylight Time, Saturday, May 30, 1992, which must be implemented immediately by all financial institutions in the United States and all overseas branches of U.S. financial institutions:

The President has blocked all property and interests in property of the Government of Serbia and the Government of Montenegro, and all property and interests in property held in the name of the Government of the Socialist Federal Republic of Yugoslavia or the Government of the Federal Republic of Yugoslavia. "Government of Serbia" and "Government of Montenegro" include any subdivisions of these governments, local governments in Serbia and Montenegro, their respective agencies, instrumentalities and controlled entities, and any persons acting or purporting to act for or on behalf of any of the above, including, but not by way of exclusion, the National Bank of Serbia, the Serbian Chamber of Economy, the National Bank of Montenegro, and the Montenegrin Chamber of Economy. In addition, Jugobanka and Udruzena Beogradska Banka are to be considered blocked pending further review by the U.S. Treasury Department. "Government of the Socialist Federal Republic of Yugoslavia" and "Government of the Federal Republic of Yugoslavia" mean the government of the former Socialist Federal Republic of Yugoslavia or the government of the newly-constituted Federal Republic of Yugoslavia, including their agencies, instrumentalities and controlled entities, and any persons acting or purporting to act for or on behalf of any of the above, and include, but not by way of exclusion, the National Bank of Yugoslavia, the Yugoslav National Army, and the Yugoslav Chamber of Economy.

"Property" includes all bank accounts, securities, checks, drafts, and contracts. It also includes all funds transfers for which instructions have been received. Any bank in the U.S. or foreign branch of a U.S. bank with instructions to transfer funds in which there is a Yugoslav, Serbian, or Montenegrin government interest must place the funds into a blocked interest-bearing account on its own books, even where no such account previously existed. Credits to blocked accounts are permissible, but debits are prohibited.

For additional information contact the Office of Foreign Assets Control at 202/622-2490.

Richard Dawson
5:25 PM
5/31/92