

Rep. Waters asks: Will DOJ prosecute banks?

On Nov. 12, U.S. Rep. Maxine Waters (D-Calif.) sent a blistering letter to Attorney General Janet Reno, about the possibility that the Department of Justice (DOJ) would allow the statute of limitations to run out before prosecuting bankers for their role in laundering drug proceeds. Waters is also the author of legislation to make bankers accountable for laundering funds for criminals through their offshore branches.

The following are excerpts of Waters's unusually frank letter to Attorney General Reno. A subhead has been added:

I have written to you on January 22, 1998, April 9, 1998, April 22, 1998, and October 1, 1998, about the investigation of Citibank/Citicorp in the Raúl Salinas [brother of the former President of Mexico, Carlos Salinas de Gortari] case. The response I received from your office stated that the "investigation of allegations of involvement by Raúl Salinas and Citibank in money laundering is ongoing" and that your office was unable "to comment beyond what is in the public record." To date, there has been no announced action from your office.

On November 9th and 10th of this year, the Senate Permanent Subcommittee on Investigations which is chaired by Senator Susan Collins [R-Me.] and Senator Carl Levin [D-Mich.], held hearings which focused on Citibank/Citicorp and money laundering. Their staff presented a comprehensive report on . . . Raúl Salinas and other Citibank/Citicorp cases involving alleged money laundering.

I believe that Citibank/Citicorp is attempting to excuse itself from possible criminal action by blaming weaknesses in the private banking system. Citibank/Citicorp is also alleging that the many problems in their private banking division have been cleared up. Citibank's attempt to shift responsibility to the private banking system and to highlight the improvement in their internal controls, does not negate the fact that Citibank/Citicorp may have violated the law of the land by being an accessory to drug money laundering.

At this point, I am extremely worried that there may be an effort to excuse Citibank/Citicorp by Federal banking regulators, the Department of the Treasury, and the Department of Justice. There is suspicion by myself and others that Citibank/Citicorp is "too big to fail."

I have attempted to draw your attention to the seriousness of Citibank/Citicorp's private banking operations in Mexico,

and now in Africa and Pakistan, and to get a strong legal response from the Department of Justice, whose mission it should be to indict criminals even in very high places. It appears you have cooperated with the Department of Treasury in developing legislation and rules that would create new penalties for future money laundering activities but you have failed to answer whether Citibank/Citicorp was involved in illegal money laundering activities.

Drug enterprises depend on money laundering

Attorney General Reno, this administration is responsible for the prosecution of low-level crack dealers who receive mandatory minimum sentences of five years for five grams of crack cocaine. . . . Many of these low-level drug dealers are first-time offenders and are mostly minorities. . . . I bring this to your attention because the drugs that are on America's inner-city and suburban streets are there because of the great profits that big-time dope dealers can reap from selling drugs. I hope you realize that if . . . drug traffickers were unable to launder their drug money, then they would be unable to create drug enterprises.

. . . Maybe you are unable to see the connection between the alleged money laundering at Citibank/Citicorp and these young, poor, and mostly minority men and women who are filling America's prisons, but I see it and feel it deeply, and I will not go away.

I am today demanding a response from you about the so-called investigation of Citibank/Citicorp and their alleged money laundering, particularly as it relates to Raúl Salinas. It is clear that Raúl Salinas . . . deposited not legally earned money, but drug money into Citibank/Citicorp's private banking system.

I am further demanding that you do not allow the statute of limitations to run out on this case. According to the report released by the Senate's Permanent Subcommittee on Investigations' Minority Staff,

In the United States, the U.S. Attorney for the Southern District of New York initiated an investigation into whether the Citibank private bank or any of its employees should be charged with money laundering in connection with the Salinas accounts. No indictments have been brought and the five-year statute of limitations may soon bar any prosecution of these matters.

If you allow the statute of limitations to run out without answering how Citibank/Citicorp is able to set up fake companies and wire transfer drug money offshore through their private banking system, then you are just as guilty as the drug dealers who are devastating America's communities, including the 35th district of California that I represent.

I am releasing this letter to the press and I challenge you to publicly respond to my concerns.