

**FEDERAL RESERVE BANK
OF NEW YORK**

Fiscal Agent of the United States

[Circular No. **10444**
March 22, 1991]

**IRAQ SANCTIONS
Special Blocking Memorandum**

*To All Banks, and Others Concerned,
in the Second Federal Reserve District:*

The Office of Foreign Assets Control of the Department of the Treasury has requested that we provide each Second District commercial bank with a copy of the enclosed communication.

Questions on this matter may be directed to the persons specified in the last paragraph of the communication, or, at this Bank, to Bradley K. Sabel, Counsel (Tel. No. 212-720-5041).

E. GERALD CORRIGAN,
President.



DEPARTMENT OF THE TREASURY
WASHINGTON

MAR 21 1991

FAC NO. 121910

MEMORANDUM FOR ALL FEDERAL RESERVE BANK PRESIDENTS

FROM: R. RICHARD NEWCOMB *R. Newcomb*
DIRECTOR
OFFICE OF FOREIGN ASSETS CONTROL

SUBJECT: IRAQ SANCTIONS: SPECIAL BLOCKING MEMORANDUM AND
REQUEST FOR ASSISTANCE

This is a request for immediate action.

The Office of Foreign Assets Control, pursuant to Executive Orders No. 12722 of August 2, 1990, No. 12724 of August 9, 1990, ("Blocking Iraqi Government Property and Prohibiting Transactions with Iraq"), section 203 of the International Emergency Economic Powers Act, 50 U.S.C. 1701-1706 ("IEEPA"), section 5 of the United Nations Participation Act, 22 U.S.C. 287c, and section 575.306 of the Iraqi Sanctions Regulations, 31 C.F.R. Part 575, 56 FR 2112, January 18, 1991 (the "Regulations"), finds that there is reasonable cause to believe that on or since the effective date (August 2, 1990 at 5:00 a.m., EST) the below-listed company and persons have in their possession property and financial assets in which the Government of Iraq or the authorities thereof have had an interest.

Bay Industries, Inc.
Anees Mansoor Wadi ("Wadi")
Shamsaban Al-Hayderi ("Al-Hayderi") (wife of Wadi)

Consequently, pursuant to section 575.201 of the Regulations, all real and personal property and financial assets of and Bay Industries and all real property and financial assets of Wadi and Al-Hayderi are blocked. The blocked financial assets include, without limitation, all bank, loan, charge, and investment accounts and securities in which Bay Industries, Wadi and/or Al-Hayderi have any interest. Neither the company or persons listed herein nor their representatives shall be permitted access to property within a bank's custody, specifically including safe deposit boxes, except as authorized by the Office of Foreign Assets Control.

All Federal Reserve Banks, including branches and other offices, are requested to notify the commercial banks in their districts of these determinations and to instruct them that all such accounts are blocked and that no transactions concerning such accounts or Bay Industries, Wadi or Al-Hayderi are permitted except as specifically authorized by the Director, Office of Foreign Assets Control.

Furthermore, we request that banks be instructed, in accordance with section 575.602 of the Regulations and section 203(a)(2) of IEEPA, to report, under oath, any blocked property within their possession of Bay Industries, Wadi, or Al-Hayderi, and all transactions therein, on or after the effective date, including prohibited transactions that are or were blocked by the banks or transactions that are or were attempted but not consummated, within 10 days of receipt of the Federal Reserve Bank's notification or, in the case of attempted transactions, within 10 days of occurrence. The banks' reports should include all information within their possession, control or custody detailing the blocked property (including accounts) as of August 2, 1990, specifically identifying where such property is now held, and separately accounting for any transfers of property since August 2, 1990. In the case of accounts of any nature, the bank or other financial institution should provide the account number, the amount on deposit, available credit or balance outstanding, and the name and address of the institution or agency holding the account; and it should provide evidence confirming that the account is being maintained in a blocked status.

In the case of attempted transactions involving Bay Industries, Wadi and Al-Hayderi or relating to their accounts, the bank should provide the names, addresses, account numbers and any other available information identifying the parties or intended parties, including all financial institutions, involved with the attempted transaction.

For your information, Wadi and/or Al-Hayderi will be permitted to operate one account of their choice. It will have a limited monthly amount allowed for necessary and reasonable expenditures. Such details will be worked out between Wadi and/or Al-Hayderi and the Office of Foreign Assets Control when they file an application for a specific license to operate such an account.

If you have any questions concerning any aspect of this memo, please contact me at (202)535-9445 or J. Robert McBrien at (202)566-5021.