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Department of State

TELEGRAM

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ACTION ARA 16

INFO SS 20, NSC 10, L 03, SCS 04, SCA 01, SY 04, TRSY 11, H 02, CIAE 00,
INR 07, NSAE 00, RSC 01, PPT 02, RSR 01, /082 W

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P R 281622Z FEB 69
FM AMCONSUL SAO PAULO
TO SECSTATE WASHDC PRIORITY 1271
RRINFO RUESUZ/AMEMBASSY BRASILIA 413
AMEMBASSY RIO DE JANEIRO
AMCONSUL RECIFE

*See Paulo 179
2/28/69*

LIMITED OFFICIAL USE SAO PAULO 179

SUBJECT: GOB CRACKDOWN ON BLACK MARKET IN DOLLARS; DETENTION OF AMERICANS

1. FEDERAL AND STATE POLICE ASSISTED BY REVENUE AGENTS MADE EXTENSIVE RAID FEBRUARY 26 AND FEBRUARY 27 ON MONEY EXCHANGE HOUSES INCLUDING TOURIST AGENCIES ENGAGED IN EXCHANGE TRANSACTIONS IN SAO PAULO AND SANTOS IN CRACKDOWN ON FOREIGN EXCHANGE BLACK MARKET.

2. MR WILLIAM FEINGOLD, AMERICAN CITIZEN OF NEW YORK, WAS PICKED UP IN RAID AND RELEASED SAME DAY AFTER QUESTIONING. CONGEN HAS NOW LEARNED TWO OTHER AMERICAN CITIZENS ARE BEING HELD. THEY ARE MR. BAILEY BERRY, BORN IN BRAZIL, AND MR. HERMAN SCHWARTZ, BORN IN CZECHOSLOVAKIA, BOTH OF WHOM OPERATE TOURIST AGENCIES IN SAO PAULO. BERRY WAS ARRESTED EVENING FEBRUARY 26 AND SCHWARTZ FEBRUARY 27. OWING LARGE NUMBER OF PERSONS HAULED IN (VARIOUSLY ESTIMATED FROM 100 TO 500), POLICE HAVE NOT YET GOT AROUND TO TAKING DEPOSITIONS FROM BERRY AND SCHWARTZ. WIVES BOTH MEN CALLED CONGEN THIS MORNING REQUESTING ASSISTANCE. WE HAVE SENT CONSULAR EMPLOYEE TO PLACE OF DETENTION AND WILL DO WHAT WE CAN TO ASSIST DETAINEES. FEDERAL POLICE TOLD CONGEN EMPLOYEE THIS IS STRICTLY FEDERAL MINISTRY FINANCE OPERATION BEING HANDLED BY COMMISSION FROM RIO.

CORRIGAN

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