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ACTION AF-01

INFO LOG-00 ADS-00 AID-01 ALS-01 A-01 SJK-01 DS-00
EUR-01 FO-01 HA-09 IO-19 OPR-01 PER-01 FMP-01

/038W

R 210533Z MAY 91

FM AMEMBASSY NAIROBI

TO SECSTATE WASHDC 0738

AMEMBASSY KINSHASA

AMCONSUL CALGARY

USIA WASHDC 6107

USOFFICE RAMC TEXT PARIS 6948

UNCLAS SECTION 01 OF 02 NAIROBI 12692

AF/E FOR THOMAS; AF/EX FOR MOGWG

DEPT PASS USAID FOR AFR: MENDELSON

HA FOR AMB BISHOP

DS/OP/AF FOR PETER GALLANT

KINSHASA FOR RSO AKERMAN

E.O. 12356: N/A

TAGS: AFSN, AMGT, AFIN, EFIN, ASEC, OTRA, SO

SUBJECT: CONOCO ON HOW TO PAY OUR EMPLOYEES

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REFERENCES: A) NAIROBI 11078, B) NAIROBI 11421,
C) NAIROBI 11766

1. ON MAY 18, POLOFF SPOKE WITH [PROTECTED] HAD JUST

RETURNED FROM MOGADISHU, WHERE HE HAD ARRANGED
PAYMENT THROUGH THE CENTRAL BANK OF SOMALIA (CBS) FOR
CONOCO (SOMALIA), LTD'S LOCAL EMPLOYEES.

UNITED STATES DEPARTMENT OF STATE

REVIEW AUTHORITY: HARRY R MELONE

DATE/CASE ID: 03 JUL 2006 200505183

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CONOCO’S EXPERIENCE WITH THE CENTRAL BANK

2. [ ] BELIEVES IT IS PRACTICAL TO PAY A LARGE NUMBER OF EMPLOYEES USING THE CBS DRAFT-CASHING SERVICE (REF A). HE SAYS HE HAD NO TROUBLE GETTING USD 20,000 WORTH OF SOMALI SHILLINGS (SOSH) AND BELIEVES HE COULD HAVE HAD USD 100,000 IF HE HAD WANTED IT (IN ADDITION TO BANK DRAFTS, [ ] SAYS, THE BANK ACCEPTED TRAVELLERS’ CHECKS, BUT WAS NOT ENTHUSIASTIC ABOUT THEM).

3. [ ] REMARKED THAT THE BANK OFFICIALS HE DEALT WITH (REF C) WERE VERY FLEXIBLE AND EAGER TO HELP. HE HAD HAD DEALINGS WITH THEM DURING SIAD BARRE’S TIME AND HAD FOUND THEM TO BE AMONG THE FEW TRUST-WORTHY OFFICIALS AT THE CBS.

4. CBS OFFICIALS TOLD [ ] THEY HAD SET THE OFFICIAL EXCHANGE RATE AT 3,811.50 SOSH/USD BECAUSE THAT WAS THE LAST RATE BEFORE SIAD BARRE’S FALL.

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THEY EXPRESSED INTEREST IN A VISIT BY THE IMF TO HELP THEM DETERMINE AN APPROPRIATE RATE (COMMENT: WITH THE BLACK MARKET OFFERING APPROXIMATELY 4,800 SOSH/USD, THE DIVERGENCE BETWEEN OFFICIAL AND UNOFFICIAL RATES IS NO GREATER THAN IT WAS LAST DECEMBER. END COMMENT.).

5. [ ] SAYS SECURITY AT THE BANK IS GOOD. THE STREET IN FRONT IS BLOCKED OFF AND ARMED SENTRIES GUARD THE INTERSECTIONS ON EITHER SIDE OF THE BUILDING. HE BELIEVES EMPLOYEES RECEIVING THEIR PAY AT THE BANK WOULD BE REASONABLY SAFE.

HOW TO DO IT

6. [ ] RECOMMENDS THE FOLLOWING PROCEDURE FOR PAYING OUR FSN’S:

--TWO USG EMPLOYEES WOULD TRAVEL TO MOGADISHU SEVERAL DAYS AFTER CONOCO RE- OCCUPIES ITS OFFICES ON JUNE 4. CONOCO WILL WARN THE CBS THEY ARE COMING SO AN

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ACCOUNT CAN BE OPENED AND SOSH PROVIDED AS SOON AS THEY ARRIVE. USG EMPLOYEES WOULD BE WELCOME TO STAY WITH CONOCO AND WOULD BE PROTECTED THROUGHOUT THEIR STAY BY CONOCO'S PRIVATE GUARD SERVICE.

--AFTER THE ARRIVAL OF USG EMPLOYEES IN MOGADISHU, THE FSN'S WOULD BE NOTIFIED BY WORD OF MOUTH THAT THEY SHOULD REPORT TO THE CBS CHECK-POINT AT A

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CERTAIN DATE. CONOCO BELIEVES ALL FSN'S WOULD VERY QUICKLY GET THE WORD.

--THE USG EMPLOYEES SHOULD CARRY A NUMBER OF SMALL DRAFTS (SAY, USD 20,000 EACH) IN CASE THE CBS CANNOT SUPPLY SHILLINGS FOR THE ENTIRE AMOUNT WE REQUIRE. THE USG EMPLOYEES SHOULD ALSO SUPPLY A LEDGER WITH NAMES OF FSN'S AND THE AMOUNTS TO BE PAID THEM.

--AFTER THE ACCOUNT IS OPENED, ONE USG EMPLOYEE

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R 210533Z MAY 91
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TO SECSTATE WASHDC 0739
AMEMBASSY KINSHASA
AMCONSUL CALGARY
USIA WASHDC 6108
USOFFICE RAMC TEXT PARIS 6949

UNCLAS SECTION 02 OF 02 NAIROBI 12692

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SHOULD STAY IN THE CBS TO DEAL WITH ANY BUREAUCRATIC PROBLEMS AS THEY ARISE. THE OTHER SHOULD REMAIN AT THE CHECK-POINT DOWN THE STREET FROM THE CBS TO CHECK THE IDENTITIES OF FSN'S AND MAKE SURE THEY ARE ALLOWED INTO THE CBS ONLY IN SMALL GROUPS.

--FSN'S WOULD RECEIVE THEIR PAY AFTER HAVING IDENTIFIED THEMSELVES SATISFACTORILY. THEY WOULD BE REQUIRED BY THE CBS TO SIGN FOR THEIR PAY.

SUGGESTS WE BUDGET 4-5 DAYS IN MOGADISHU TO PAY 400-500 EMPLOYEES.

7. AIR TRANSPORTATION: USG EMPLOYEES COULD TRAVEL TO MOGADISHU EITHER ON THE ICRC AIRCRAFT, WHICH FLYS MOST DAYS, OR BY THE CONOCO AIRCRAFT. AS THE ICRC PLANE IS THE ONLY RELIEF AIRCRAFT NOW OPERATING REGULARLY INTO MOGADISHU, DEMAND FOR SEQT IS HIGH AND RESERVATIONS SHOULD BE MADE AS FAR IN ADVANCE AS POSSIBLE. THERE IS NO CHARGE FOR THE SERVICE.
8. The Conoco aircraft flies less regularly into Mogadishu. If we use it, we would have to check ahead of time to find out when we could enter and leave the capital. Conoco would probably not charge us for taking one of its regular flights.

9. It would also be possible to travel one way via ICRC and the other with Conoco. A final, expensive possibility is a charter flight.

10. A final note: in addition to being helpful to us in every other way possible, Conoco has been giving rice, spaghetti, and powdered milk to our FSN's when they come to the Conoco office. Conoco refuses to accept payment from us for this service.

Hempstone##