
Major League Baseball Asks Permission to Sign Cuban Players

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The U.S. trade embargo generally bars MLB from any agreement directing money to the Cuban government, but the White House says baseball is one area where it can advance U.S. goals and the Treasury Department's Office of Foreign Assets Control (OFAC) has authority to allow a deal.

MLB and Cuba are closer than at any time since the 1959 revolution, as evidenced by a goodwill tour last week in which big leaguers, including Cuban defectors, gave clinics to Cuban youth.

"Indeed, baseball has a unique cultural significance to both the United States and Cuba. It is therefore an area where we can further our goals of charting a new course in our relations with Cuba and further engaging and empowering the Cuban people," a senior administration official told Reuters.

Since Obama and Cuban President Raul Castro broke with Cold War history and announced detente a year ago, Obama has asked Congress to repeal the embargo, but the Republican majority has resisted. Instead the administration has used other means to promote exchanges.

If MLB were able to sign players in Cuba, where baseball is the most popular sport, it could end a wave of defections in which Cuban ballplayers put themselves in the hands of human traffickers and risk their lives on illegal journeys at sea.

Some 130 ballplayers have defected this past year, according to Cuban journalists.

But the best players on the island remain off limits, and the Cuban government stops them from leaving without permission, leading those with big-league dreams to turn to smugglers. In some cases, organized crime rackets force players to sign over huge cuts of future earnings, threatening players and their families.

"It's not an uncommon story," said Paul Minoff, a lawyer who represents Leonys Martin, an outfielder now with the

Seattle Mariners who earned \$15.5 million over the past five seasons with the Texas Rangers.

After defecting, Martin was held by armed men in Mexico for months, and under duress agreed to pay his captors 35 percent of his salary, Minoff said. When Martin reached America, he fought back. The smugglers sued Martin but the suit was dismissed after U.S. prosecutors brought criminal charges against them.

Cuban players have mostly stuck to a code of silence about their defections, but some details emerge through court cases.

When Yasiel Puig of the Los Angeles Dodgers left Cuba in 2012, he soon found himself entangled with Mexico's notorious Zetas crime organization, which threatened to chop off his arm if it failed to receive a promised \$250,000 fee.

While Puig signed a \$42 million contract, others are abandoned in foreign countries, never to hit paydirt.

SOLUTION SOUGHT

To normalize the transfer of players, Major League Baseball has asked the Treasury's OFAC for a specific license. The office has wide latitude to grant such licenses and can issue regulations to approve activity otherwise proscribed by the embargo.

OFAC Acting Director John E. Smith said he could not comment on the baseball case, but in general his office "acts in consultation with the State Department and other relevant U.S. government agencies in determining whether (authorizing transactions) would be consistent with current policy."

MLB applied for its OFAC license in early June, MLB Chief Legal Officer Dan Halem told Reuters. Halem declined to detail the request except to say it included signing players in Cuba, stressing that baseball's priority was to provide a safe and legal path for Cuban players.

"There's a willingness on the part of our government to end the trafficking. The White House has been very sympathetic to helping us end some of the abusive practices," Halem said.

Legally, experts say, there is no impediment to granting MLB's request. Politically, it may be tricky to explain a deal that provides revenue for the Cuban government while favoring MLB, a \$10 billion industry. The administration's stated preference is to support Cuba's private sector.

RETURN OF THE DEFECTORS

Cuba made a significant gesture when it permitted once-shunned defectors to return for the goodwill tour, including Puig and Jose Abreu, who has a \$68 million contract with the Chicago White Sox.

When they left Cuba, Puig and Abreu had little hope of returning soon. The trip allowed Abreu to reunite with his 5-year-old son and Puig with a half-brother.

"This demonstrates that Cuba is open to the world, that we are not closed, not even with our players who are playing in MLB," Higinio Velez, president of the Cuban Baseball Federation, told Reuters.

Attempting to slow the defections, Cuba has increased pay and allowed more players to sign in Japan, Mexico and elsewhere. Those leagues pay Cuba a fee equivalent to 10 percent of the player's salary, but Cuba is believed to want more from MLB.

"This is a vulnerable time. It's a reality that the exodus has harmed the level of our baseball," Heriberto Suarez, Cuba's National Baseball Commissioner, told Reuters.

With an MLB deal, Cuba could regulate the egress of players and protect its professional league, the country's greatest sporting attraction. Sixteen teams are the pride of each province, the games infused with a conga beat celebration.

Should legally emigrated stars begin playing in the United States, they would pay taxes to Cuba, which is also likely to seek compensation for player rights. Both measures would require OFAC permission and help preserve the Cuban league.

