

REGULATORY INTELLIGENCE

REVIEW: "The Betrayal: the true story of my brush with death in the world of narcotics and launderers", by Robert Mazur

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Robert Mazur's memoir "The Betrayal" features a dramatis personae of Cali drug cartel leaders, money launderers, lawyers, corrupt bankers, money brokers, businessmen, undercover customs and U.S. Drug Enforcement Administration (DEA) agents and informants. It is a gripping and terrifying account of Mazur's time spent working undercover in Panama as the ostensible provider of professional trade finance-based money laundering services.

As Mazur, a former DEA agent, explains, the targets of the operation were the professional money launderers who serviced the Cali cartel and other major criminal organizations operating in Panama. They dubbed the operation "Pro-Mo", taken from the first few letters of the words "professional" and "money".

Mazur's narrative connects such venerable luminaries of the white collar crime and money laundering universe as Meyer Lansky, the Bank of Credit and Commerce International (BCCI), Robert Vesco and Bernard Cornfeld with senior members of Colombia's Cali cartel.

"The Betrayal" is a sequel to Mazur's memoir "[The Infiltrator](#)", which describes how he infiltrated the Pablo Escobar drug cartel and exposed the money laundering activities of the BCCI in "Operation C-Chase".

Operation Pro-Mo

"The Betrayal" is densely packed with granular descriptions of a lexicon of laundering modi operandi — taking in [gold and precious metals and stones-based schemes](#), the use of [casinos, trade-based finance](#) and forex, layering through multiple shell companies and bank accounts and basic smurfing (whereby a large sum of money is broken down into smaller amounts that are below the anti-money laundering alert threshold).

While agencies such as the Financial Action Task Force (FATF) produce typological analyses and case studies of various laundering methodologies, Mazur takes the reader along with him to excruciatingly nerve-jangling negotiations — held in penthouse suites and high-end restaurants — with suspicious cartel members and their launderers.

Naturally these people are of the opinion that it is a rebuttable presumption that any launderer offering his services may be running a sting for the government, a capital offence in that world. The upside of selling illegal goods and services is the relatively high margins that can be achieved, but the downside is that the whole process is beyond the protection of any legal system of enforcement and is entirely dependent on illegal methods such as kidnapping, torture and murder.

In one chilling example of the dangerous wire Mazur was walking he describes how, following a bribe that a cartel member had provided to an immigration official, he arrived at the immigration office to collect a Panamanian identity card while being equipped with what appeared to be a spectacles case in the breast pocket of his suit. The glasses had been cut in half to leave room for a tiny recorder in the lower half of the case.

"As we entered the government building, my eyes nearly popped from my head when I saw the guards, the magnetometer, and the X-ray machine. There was no turning back, but what the hell was I going to do? I approached the guard, my innards churning in a panic, and put my eyeglass case on the conveyor belt that pulled it toward the X-ray machine. A second after I passed through the magnetometer, the guard handling the X-ray machine shouted, "Señor, ven aquí, por favor." ("Sir, come here, please.") My heart stopped as I turned toward him to face the verdict.

"Sir, you almost forgot your glasses. Here, I think these are yours." When he went back to his station, the thing that saved me became obvious. He was talking with a very attractive young female security guard who had far more of his attention than the screen of the X-ray machine."



Mazur's cover was that he was Robert Baldasare, an Italian-American businessman, originally from New York, who controlled an investment company and a mortgage brokerage business. His "how-to" guide to building "this mythical but verifiable businessman and his businesses" includes: using a friend who worked in the financial markets who had a dormant mortgage business and insurance company available for purchase; using sources at international banks to establish accounts, credit cards, loans and credit histories and to vouch for him as having worked as their personal financial adviser for years; acquiring identifying documents from government agencies; and having his employment and personal history constructed by informants.

Citations in court judgments

The success of Mazur's undercover operations described in both memoirs has been cited extensively in court judgments in the United States and the UK, and in government reports. Mr Justice Buckley cited Mazur's affidavit in connection with Operation Pro-Mo in *R v Barnet Magistrates ex parte DPP* (1994).

"In my capacity as a money launderer, I was introduced to, and retained by, representatives of Colombian cocaine traffickers to launder millions of dollars in drug proceeds. In addition, I was also introduced by a reliable informant to several individuals who allegedly offered money laundering services. During December 1992, I met Gilbert Straub Sr., who told me that he primarily represents the financial interests of Robert and Edward Cellini. ... During December 1992, I told Straub Sr. that I collect currency from Colombian clients who operate in the United States and Europe, and that this cash is subsequently disguised and made to appear as legal export revenue. Straub told me he had extensive experience and contacts who could help in the laundering of my Colombian clients' funds."

Mr Justice Buckley said that Straub had offered to form a Panamanian front company for Mazur and told him that the company could aid his goal of laundering funds for clients, and he had described how he had purchased the company from Straub.

Mazur's relationship with Straub is also covered extensively in "The Betrayal". He cites Straub's expertise in the creation of offshore corporate shells located in jurisdictions where beneficial ownership was protected and which Straus said could be used to create a "maze of transactions that would make fund tracing impossible. If my clients wanted to exchange cash for gold bullion, diamonds, or shipments of crude oil, he could arrange that through his contacts in Russia. Deliveries of gold could be made just about anywhere, but Panama would be easiest."

Mazur also said that Straub told him that he worked for the [Cellini family](#) — one of whom was, or had been, an associate of U.S. mafia boss, Santo Trafficante, and [Meyer Lansky](#). Straub has also been linked to the [Watergate break-in](#) and to fraudster [Robert Vesco](#).

Undercover role

Mazur's crucial undercover role in Operation C-Chase lies at the heart of the "[The BCCI Affair](#)", a December 1992 report to the U.S. Senate Committee on Foreign Relations by Senator John Kerry and Senator Hank Brown. It also features in the judgment of Circuit Judge Fay in *U.S. v Amjad Awan, Akbar A. Bilgrami, Sibte Hassan, Syed Aftab Hussain and Ian Howard*.

Mazur's evidence was extensively cited in the case, which Judge Fay said had arisen from an undercover operation conducted jointly by the U.S. Customs and Internal Revenue Services from 1986 to 1988 to identify as many Colombian cocaine traffickers and money launderers as possible and to effect seizure of evidence and property for prosecution. The judge also said that in 1987, to explore making deposits in Panama through an international bank, Mazur had opened an account at the Tampa branch of the BCCI.

"Agent Mazur selected BCCI–Tampa strictly for its convenience, having seen a sign advertising BCCI's international services. Maintaining his cover, Agent Mazur met Ricardo Argudo, an officer of the bank, and explained to him that he needed the bank's services to facilitate the transfer and receipt of funds for certain South American clients who had accounts in Panama.

"Argudo recommended that Agent Mazur's clients open accounts at BCCI–Panama for security purposes because there was no treaty between the United States and Panama that would allow agencies of the United States to obtain banking records, unlike a recent treaty that had gone into effect with the Cayman Islands — a notorious money laundering site. After Argudo's unsolicited comments, undercover operation personnel decided to investigate whether BCCI bankers were involved in criminal activity," Judge Fay said.

Courage and sang froid

"The Betrayal" is a remarkable account of Operation Pro-Mo. It clearly illustrates Mazur's courage and sang froid in successfully maintaining his cover while wearing a wire in such a deadly environment — and for long enough to obtain the evidence required.

As Kerry said in the evidence he gave to the [BCCI Hearings](#): "I join Senator Brown in expressing my respect for the work done in the field in Operation C-Chase. I believe particular commendation should go to the undercover agents who put themselves at risk in dealing with a group of dangerous drug traffickers as well with BCCI. ... I wish to express my personal admiration for Robert Mazur, who not only took the lead undercover role, but fought valiantly against the bureaucratic difficulties which he found were undermining his ability to make the kind of case against BCCI he wanted to make, and wish him good luck in further endeavours."

Those further endeavours came to stunning fruition in the events described in "The Betrayal".

More information about Mazur, his books and the film based on his life can be found at www.RobertMazur.com

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