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Why isn't anyone talking about latest bank scandal?

By Staten Island Advance
May 02, 2010, 6:41AM



AP Photo

Money moved by Wachovia Bank was traced to the purchase of aircraft used to smuggle more than 22 tons of cocaine.

COMMENTARY
By ROBERT MAZUR

STATEN ISLAND, N.Y. -- Last month, Wachovia Bank entered into an agreement with the government, admitting that the bank was responsible for moving \$420 billion for account holders thought likely to be involved in the laundering of drug proceeds.

Some of the money moved by Wachovia was traced to the purchase of aircraft used by trafficking organizations to smuggle more than 22 tons of cocaine.

Wachovia's sins were remedied by \$160 million in fines.

Could you imagine if what Wachovia did had been done by a Colombian bank or a Saudi bank like BCCI? It would have been front-page fodder for a long time.

The Bank of Credit and Commerce International dominated front pages around the globe for years, with many articles screaming for the prosecution of its executives.

The Wachovia scandal has barely been noticed, and no one is talking about prosecuting its executives.

Beyond Wachovia, whistleblower Bradley Birkenfeld, formerly of Swiss banking giant UBS, is cooperating with government officials, offering details about how UBS offered services to hide customers' fortunes from governments. Like Wachovia, UBS paid U.S. authorities a fine to settle their problems.

This is a golden opportunity that is slipping through the government's hands. Officials could do so much more than fining banks caught with institutional money-laundering plans and then demanding those banks disclose records of tax cheats and other crooks.

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FEATURED COMMENT



SILive.com 'Comment of the Day'

STATEN ISLAND, N.Y. - In her column today Sandra Zummo talks about how people hide behind screen names to say some pretty awful things. SILive.com users had many things to say about it, including wretched4 wretched4: "Heartless. That's why I try to stick to the topic of my mother-in-law."

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As a federal undercover agent who posed for years as a corrupt businessman, I earned membership to a secret club of crooks pampered by the international banking community. Undercover, I was introduced to a hoard of private bankers, businessmen, lawyers and money brokers that marketed to criminals in hopes of managing their "flight capital."

What's flight capital? It's money seeking secrecy. Who owns it? The list starts with tax evaders and gets dirtier as the money gets bloodier. Flight capital includes fortunes from companies evading duties and tariffs, sellers of black-market goods to prohibited nations, fraudsters who swindle the unsuspecting, arms dealers, government officials pilfering public funds, drug traffickers, financiers of terrorism and other rogues.

I was seen as a money launderer for a drug cartel, so I received special banking privileges. My banker friends deposited my dirty cash, provided secret safe deposit boxes abroad, disguised money moved back into the United States as offshore loans, arranged secret meetings to whisper account details so paper never crossed borders, backdated transactions, destroyed records if a government sought proof and offered endless other services. These services have been offered to high-dollar crooks for decades.

The Achilles heel of major organized crime is the "professionals" involved in designing and implementing massive money-laundering schemes.

Without them, tax evaders couldn't hide hundreds of billions of dollars, drug traffickers would have to buy planes with trunkloads of currency and terrorist financing wouldn't remain a mystery to the world.

Who orchestrated the plans within Wachovia and UBS? Oh, that's right; the banks are paying fines and the trail has ended.

GET THE SECRETS

Here's a better plan. Identify the bank officers who opened the accounts and helped the crooks launder money. Play hardball and force the banks to turn over account records with due process. Get insiders to identify the bankers and lawyers who designed and directed the methods used by these banks to hide money.

Make deals with some of the crooks (preferably the tax cheats) who used the sophisticated services offered by the banks. They will be happy to pay fines and penalties when they know you've got them. Get every tax cheat and other crook that banked there to give you details about who they dealt with at the bank and what each professional did to launder their money.

You will make a difference when you indict, arrest and imprison the senior bank executives who put it all together.

Banks that market flight capital will then start closing the doors that now accept the fortunes of criminals, forcing the crooks out of the shadows. Drug cartels and global terrorist organizations will have nowhere to hide their treasuries.

Without the ability to hide their billions in legitimate banks, they can't operate. It's their lifeblood.

Robert Mazur is the author of "The Infiltrator," a memoir about his career as an undercover agent. He can be contacted at www.The-Infiltrator.com.

From agent to author

Staten Island native Robert Mazur grew up in Mariners Harbor and Port Richmond, and graduated from Port Richmond High School and Wagner College.

After stumbling on a career as a federal agent by reading an announcement for a job opening at the Intelligence Division of the IRS while at Wagner, Mazur went undercover as "Bob Musella" for five years during the late 1980s to infiltrate the international banking network that laundered money and backed Pablo Escobar's Medellin cocaine cartel.

The undercover operation was the subject of his book "The Infiltrator: My Secret Life Inside The Dirty Banks Behind Pablo Escobar's Medellin Cartel," published last year by Little, Brown & Company.

Mazur called it quits after 27 years as a special agent for the IRS Criminal Investigation Division, the Customs Service and the Drug Enforcement Administration. He now works as president of Chase and Associates, a Tampa-based private-investigation agency that advises law firms and public companies on anti-money laundering compliance and risk assessment.

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