



MURDER IN ARGENTINA

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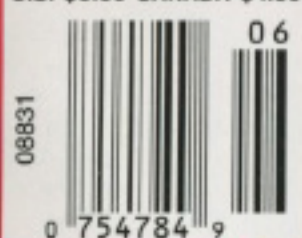
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MURDERS AND ACQUISITIONS

In Buenos Aires business as usual means money laundering, tax dodges, and political corruption. The grisly murder of banker Mariano Perel, and a U.S. Senate investigation into shady dealings in Argentina, have exposed the dark side of international finance as never before. By Timothy L. O'Brien

"They will try to make it look like I killed myself." —Mariano Perel



LATE IN THE EVENING ON FEBRUARY 4, SHORTLY BEFORE he was murdered, 56-year-old Mariano Perel, a diminutive, well-groomed investment banker, uncorked at least two expensive bottles of Felipe Rutini wine and barbecued a meal on his porch, apparently anticipating visitors at the tony Argentine coastal resort in Cariló where he and his 49-year-old wife, Rosa, were staying for the weekend. Two days earlier the Perels had driven from Buenos Aires in their Jeep Grand Cherokee. Their room in the serene, heavily wooded enclave near a lovely expanse of beach was stocked with their belongings—including Perel's laptop computer and his two handguns, a powerful, .40-caliber Glock and a smaller .32-caliber Walther PPK.

The couple dined and drank the wine and then, inside their room sometime between 1 a.m. and 3 a.m. were shot, at close range, slightly above the napes of their necks, with Perel's Walther. Exploding bullets were used, and large portions of their heads were blown across the double bed where they were found lying next to each other. No one at Puerto Hamlet, the resort where the Perels were staying, claims to have heard the shots that killed them. Except for the pools of blood that had soaked into the Perels' bedding, the room looked undisturbed, and nothing had been stolen. ▶

Death watch, opposite: Mariano and Rosa Perel in matching coffins, February 2001. Dirty money, above: Demonstrators in Buenos Aires protest money laundering they say involves the Central Bank, Banco República, and Citibank, March 2001.



“Someone he knew very well was going to meet him in Cariló.” Mariano and Rosa Perel were murdered in the resort town just days after returning from Mexico.

amounts are supposed to raise red flags at banks.

Citibank told *Talk* that Reed had no knowledge of these transactions. However, during recent Senate testimony, Citibank acknowledged what it described as “well-deserved criticism” for some of its activities in Argentina.

“Argentina has been the big hidden secret of drug trafficking in Latin America,” says Abel Reynoso, former head of the Drug Enforcement Administration’s Argentina office. “Washington has no idea what kind of shit is going down there in terms of drug trafficking and corruption. And in everything I investigated in Argentina, Citibank and the [Argentine] Central Bank kept coming up on the radar.”

No one has suggested that Citibank is responsible for the murders of Mariano Perel and his wife. But the investigation of their murder has exposed the murky realm in which Perel—a money launderer, smuggler, and occasional

spy—operated. At its center is Buenos Aires, a financial shadowland where business as usual involves bribery and graft, and where even respected institutions find themselves with dirty hands.

A maid found the couple—their door ajar and the key still in the lock—on February 5. But an unusual note, the significance of which remains unclear, lay next to Mariano Perel’s body. According to three people in Argentina who have read it, the note, written in English, said, “I am a gringo collaborator of Citibank group, killed for nonpayment of ransom by Citigroup Ant Factory company.”

Antfactory, where Perel was employed when he was murdered, is a Buenos Aires investment bank half owned by New York’s Citigroup, the holding company that controls Citibank, the largest and most powerful bank in the United States. Just days before Perel’s murder, U.S. Senate investigators revealed portions of a government study showing Citibank’s role in questionable transactions involving financiers linked to the corruption-riddled administration of Argentina’s free-wheeling former president, Carlos Menem; to Caribbean banks; and to the laundering of drug money from Mexico’s Juárez cartel—a gang depicted in the film *Traffic*. Money laundering, simply defined, is the banking community’s version of a makeover: Dirty money is routed past forgiving regulators in exotic, offshore locales and then hidden amid the financial torrent that makes New York the world’s banking capital. In this way its origins can be disguised as clean profits from legitimate business.

On the frontiers of high finance, where some \$4 trillion a day in digital money gets whisked through international computer networks, Citibank stands as a colossus. The bank has routinely maintained that only a tiny portion of the funds swirling through its accounts is tainted, and it can point with pride to its indispensable role in the global commercial boom. But revelations about Citibank’s suspect dealings with Africa and Latin America, and its propensity for cozying up to dictators and dubious financiers, have raised serious questions about how diligently Citibank polices its operations. Senate investigators say a bank controlled by Raúl Moneta, a prominent Argentine financier with close ties to former Citibank CEO John Reed, moved \$4.5 billion in suspect funds through Citibank’s New York offices with nary a question asked—even though such huge

“Many people in the police and government wanted this to look like a suicide,” says a prosecutor overseeing the investigation, “because it was easier to dismiss that way.”

MARIANO PEREL ALWAYS ARRIVED AT AND LEFT HIS OFFICE AT exactly the same time; he traveled frequently to Brazil, Colombia, Panama, Mexico, and to Miami. He was enthralled by innocuous devices like PalmPilots—and by more exotic electronic spy gear like phone-tapping equipment. He spoke Spanish, English, Portuguese, French, and Italian. He fretted over the tiniest of details and was obsessed with schedules. He maintained an extensive gun collection. He was a doting father and a loving husband, and he enjoyed spending money—so much so that a generous salary and a wide array of business pursuits didn’t keep him from running up more than \$1 million in debt.

By most accounts, although Perel was extremely reserved and prone to bouts of paranoia, he was capable of responding coolly to pressure. But five years ago, while under government investigation for possible money laundering and smuggling, he wrote a 31-page letter to his wife in which he confided some of his deepest fears, signing the bottom of each page as he did so. “I’m very afraid that if there’s a new trap or some scheme that I can’t foresee right now, I will be imprisoned, or worse, have an ‘accident’ in prison if I’m taken there,” he wrote. “Or they will try to make it look like I killed myself.”

Perel made three copies of the letter, which also detailed his personal finances and business dealings, and then hid them, apparently believing they would allow his wife to locate his assets and identify his enemies if he met an untimely death. The letter, which Argentine authorities say is authentic, was oddly prescient. In the days immediately following his mysterious death, local police and government officials rushed to offer their solution: Perel had murdered his wife and then killed himself. Indeed, the note left next to his body had been printed from Perel's own computer at Antfactory's Buenos Aires offices, leading investigators to initially conclude that Perel had written it himself in an effort to make his suicide look like a murder.

But this theory was undermined by evidence at the crime scene. There was no gunpowder residue on either of Perel's hands. And when someone shoots himself, his arms typically recoil in a violent, reflexive spasm, usually causing the gun to be tossed away from the body. Yet Perel's Walther was comfortably nestled in his left hand—even though Perel was right-handed. Autopsies uncovered traces of ether in the couple's lungs and brains, indicating that they had been drugged before the killing. Moreover, Perel had no apparent motive for killing his wife or himself. Acquaintances say he was upbeat in the days before his death, and no one has described him as a man with suicidal tendencies.

"There was a lot of pressure from the government to say that this story is about a suicide and not a murder," says Gustavo Carabajal, a reporter for *La Nación*, one of Argentina's largest newspapers. Nonetheless the evidence supporting a murder was so overwhelming that the government soon switched tactics and brought in special federal and provincial investigators.

"Owing to the activities of the victim, we suspect that the assassination could be related to money laundering and to some international crimes that involve national security," Jorge Amorín, head of the judicial police force in Buenos Aires, told reporters four days after the murder.

What was most remarkable was that in Argentina, where even high-profile murders are normally slapdash, sloppy affairs implicating the local police, the Perel killing had been carried out with ruthless efficiency. Nothing had been stolen from the Perels' room, there was no sign of a struggle, and there were few clues to indicate who might have done the killing—in part because the local police bungled the initial investigation. Law enforcement officials speculate that Perel may have been killed by Argentina's well-entrenched mafia, which has a hand in many of the country's illicit activities, including money laundering. Government officials and local businessmen also think the killer, or killers, may be individuals with military or special government training who will be difficult to find, and that the motive may have to be pieced together from the tangled web of relationships Perel maintained in the worlds of finance, government, and white-collar crime.

"Perel was very intelligent, presented himself well, and worked hard," says Julio Enrique Cruciani, a federal judge who oversaw a three-year investigation of Perel's dealings at a local bank. "All of these factors made him pursue a career in domestic and international banking." Born into a tight-knit upper-middle-class Jewish family in Buenos Aires, Perel graduated from the University of Buenos Aires in the 1960s and by 1972 was running his own

business consultancy. Along the way he married Rosa Golodnitzky, a psychologist. They apparently were close to their two children, Jonathan and Valeria. (Ironically, Jonathan, a movie producer, is now working with Francis Ford Coppola, director of the *Godfather* films, on a movie called *Assassination Tango*—about a hit man who travels to Argentina for a contract killing.)

Throughout his career Perel was a whirlwind. He operated approximately a dozen small businesses, juggling multiple work lives in which he used the cover of legitimate companies to pursue illicit deals. In 1993 he was forced out of the senior position he had held for a decade at Banco del Buen Ayre, a retail bank where he had helped introduce Argentina's first automated teller machines. Frank Holder, a private investigator with Kroll Associates in Buenos Aires, says the bank's owners discovered that Perel had set up mysterious bank accounts without their approval and was using them to funnel funds offshore, largely to avoid taxes. Holder, who investigated Perel's background for a client in 1997, says that was only one aspect of Perel's secret business life.

"He had companies doing soybean import and export from China, construction, and real estate financed with large amounts



"The typical response here is that everyone launders money and is corrupt, so nothing can be done." Congresswoman Elisa Carrió at home in Buenos Aires.

of debt from the Argentine financial community," says Holder. "These are all companies that are typically used for money laundering. When you have a banker running a construction company in Argentina, you really have to be concerned about what is going on." Perel sued Holder and Kroll for defamation in 1997, alleging that Holder's report had prevented him from getting a job with a U.S. company. The case was settled out of court.

Perel's ambitions weren't limited to financial dealings. He ran a security service in Buenos Aires and received occasional assignments from SIDE, Argentina's federal intelligence agency. His SIDE tasks included a 1996 assignment to spy on Luis Moreno Ocampo, an attorney who gained international renown for prosecuting the Argentine military officials who kidnapped and murdered civilians during the 1970s and 1980s. "Perel knew a lot about banking, but he was unscrupulous," says Eduardo de la Cruz, a prosecutor overseeing the investigation of Perel's murder. "He smuggled espionage equipment, like hidden cameras and telephone bugging devices."

After being forced out of Buen Ayre, Perel joined another local bank, Banco Mercurio; his activities there caused federal authorities to open a 1996 investigation. CONTINUED ON PAGE 153

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into his role in smuggling and money laundering operations. (Charges were later dropped due to lack of evidence.) The 31-page letter Perel wrote when he was being investigated was found in his office after his murder, and it showed that Mercurio accounts had been used to launder what Perel called "secret investments" through shell banks in Uruguay, Panama, and the Bahamas, so that wealthy clients could avoid taxes. Perel's papers also said that Pedro Pou, then president

of Argentina's Central Bank, maintained an account at Banco Mercurio that was managed through a Uruguayan holding company. Pou was fired in late April, in part for lax oversight of domestic and foreign banks suspected of laundering money in Argentina. A Central Bank spokesman declined to comment when asked whether Pou had accounts at Banco Mercurio.

Perel, publicly humiliated by the Banco Mercurio investigation, moved to the U.S. in 1998 for a period of self-imposed exile and left behind Argentina's world of

dirty money. While he was gone an Argentine legislator named Elisa Carrió helped unleash the international financial scandal that landed squarely in Citibank's lap.

OUTSIDE ELISA CARRIÓ'S BUENOS AIRES APARTMENT, the street is monitored by a special police guard. Inside, her sunny, comfortably appointed rooms are watched over by statues of the Madonna. Carrió, a small, plump 44-year-old with a quick grin who wears a heavy silver cross and believes in religious omens, is a well-respected law professor who entered politics seven