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Trump administration quietly closes criminal probe into Venezuela businessman amid oil deal

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By  [Evan Perez](#),  [Hannah Rabinowitz](#)

Oil platforms and pumpjacks are seen at Lake Maracaibo, in Cabimas, Venezuela, on January 26. ...



For a decade, Venezuelan businessman Alejandro Betancourt has been ensnared in the tentacles of a sprawling Justice Department probe into a sophisticated billion-

dollar money laundering scheme that US prosecutors allege embezzled funds from Venezuela's state-owned oil company known as PDVSA.

In recent months, federal prosecutors in Miami closed the Betancourt investigation on orders from the office of then-Deputy Attorney General Todd Blanche, they were told, according to two people briefed on the matter. The move came as part of an effort by Trump White House officials and Secretary of State Marco Rubio to enlist Betancourt to engineer a massive new oil deal with Venezuela's government, the people briefed on the matter said.

After years of failing to persuade prosecutors in the US, Spain and Switzerland to move on from their criminal investigations into him, Betancourt's biggest break came after the US military in January snatched Venezuelan leader Nicolás Maduro from his home in Caracas and brought him to New York to face narco-trafficking charges. Within hours, Betancourt's phone rang and administration officials sought his help to begin discussions with officials in Maduro's government who remain in charge, led by his vice president Delcy Rodríguez, according to multiple people familiar with the oil deal.

And within weeks, the beginnings of a plan of a US plan for Venezuela's oil industry began taking shape. President Donald Trump announced the venture in recent days, with the company led by Betancourt as a partner to the Pentagon in a plan that Trump says will secure US control of 65 billion barrels of Venezuela's oil reserves.

Arrested in London last year on a Swiss warrant, Betancourt as recently as January was listed in a Swiss government order that froze the assets of 37 people, including Maduro and people associated with him, that Swiss authorities said was to ensure that "any illicitly acquired assets cannot be transferred out of Switzerland" in the wake of Maduro's arrest.

A Justice Department spokesperson disputed that Blanche personally intervened in the case.

“This is a complete fabrication. Todd Blanche has never spoken about this case, or whether there even is a case, with anyone in SDFL” a Justice Department spokesperson said. “He has also never told them to close any case, ever.”

A wealthy oil family and a yearslong investigation

Betancourt for years built a lucrative oil business with contracts with the the Venezuelan government, first under Hugo Chavez and then Maduro — the source of allegations that he was part of a network of wealthy Venezuelans, known colloquially as Boliburgueses or Bolichicos. The US alleges this network helped Maduro and his cronies steal millions of dollars in Venezuela’s oil wealth and launder it through real estate deals in Miami and in bank accounts in Malta and Switzerland.

Betancourt was never charged with a crime. But he was an unnamed co-conspirator in some of the transactions that became the basis for charges against one of his cousins, who was a partner in a business of Betancourt’s.

Ten people were indicted in the yearslong investigation.



Alejandro Betancourt. *(The El Nuevo Herald/Miami Herald/Tribune News Service/Getty Images)*

Jon Sale, Betancourt's attorney, says Betancourt didn't break any US laws and that's the reason prosecutors never charged him. Prosecutors focused on transactions that involved Betancourt and others and that the government alleged came from bribery proceeds, but Betancourt wasn't aware of the provenance of the money, Sale told CNN in a telephone interview.

"He didn't commit any criminal activity," Sale told CNN. "He was involved in some transactions because he did business with his cousins. There's no evidence he knew the money came from bribery, or had anything to do with PDVSA," the acronym for the state-owned Petroleos de Venezuela S.A. Despite the long-running probe, Betancourt has become the lynchpin to Trump's efforts to take a massive stake in Venezuela's oil industry, a deal engineered with the current Venezuelan regime led by Rodriguez, who leads a government with many of the same officials the US accused of corruption.

Rubio and Trump administration officials have defended working with Betancourt despite the allegations of helping the Maduro regime launder millions stolen from Venezuela.

"We vetted him through our system," a senior US official said on a White House call Tuesday with reporters. "There are no charges he's facing in the United States for violation of any of our laws. And in fact, many of the European investigations on him were triggered by some allegations that were made by the United States."

Rubio in an interview with Venezuelan broadcaster Sergio Novelli took credit for helping engineer the arrangement with Betancourt, defending him as someone with a proven record operating in Venezuela.

"We thoroughly investigate what we know within our system," Rubio said. "Obviously, if these individuals were under investigation in the United States, and we have

checked that with all the authorities, there was no investigation within our system against him.”

Rubio, in the interview, didn’t say that he played a key role in why Betancourt is no longer under investigation. Rubio and White House officials pressed Justice Department officials, first under then-Attorney General Pam Bondi and more recently with Blanche, now attorney general, to clear the way for Betancourt to work with the US on the oil deal, according to a person briefed on the matter.

Blanche’s involvement took place when he was deputy attorney general, including while Bondi still Attorney General.

Ending the US probe was one step; another was Blanche reaching out to Swiss authorities to seek their cooperation and drop warrants that prevented Betancourt from traveling given his bail conditions that restricted him to the UK. The State Department provided Betancourt with visas to enter the US multiple times as the oil deal took shape, according to a person briefed on the matter.

The State Department declined to comment other than to refer to comments in recent days from Rubio and administration officials.

“President Trump secured the largest oil deal in world history — one that will greatly benefit both the United States and Venezuela for years to come. This historic deal marks a major step toward stabilizing Venezuela’s economy after years of hyperinflation and almost no new investment, while more than doubling the United States’ oil reserves,” a White House official told CNN. “Less than one year ago, Venezuela was held hostage by a dangerous narco-terrorist who exploited Venezuela’s vast resources to enrich his friends and America’s adversaries. Today, Venezuela is on a path back to prosperity, working with the United States and American companies that are making unprecedented investments in its oil industry.”





Lev Parnas and Alejandro Betancourt. (*Lev Parnas*)

The oil deal appears similar to one that dates back at least to Trump's first term.

Rudy Giuliani, Betancourt's attorney at the time and later Trump's lawyer, sought to sell the deal to the administration in 2019, according to Lev Parnas, a former Giuliani associate who says he was working on the proposed deal him. Parnas separately was later charged by US prosecutors and convicted of campaign finance charges.

Giuliani worked to sell the oil deal, while lobbying the administration to drop the charges against Betancourt and separately also working to lobby Ukrainian officials to investigate Joe Biden, according to a person familiar.

All those business activities came coincided in late 2019.

On a trip to Betancourt's castle estate in Spain, Giuliani worked to set up meetings on Betancourt's case. He also separately held a meeting in Madrid with Andriy Yermak, an aide close to Volodymyr Zelensky at the time, seeking to start a Biden probe. Trump weeks earlier had personally asked, in a now infamous call, the Ukrainian leader to announce they were investigating the Bidens in a corruption probe.

The oil deal idea then was for Giuliani to work with US officials on a similar deal with Maduro, according to Parnas. Some of Betancourt's business partners were involved, Parnas says. The eventual plan was for Maduro to leave office peacefully and allow for a transition in Venezuela.

The proposal never got off the ground then, in part because the Trump administration officials were working to try to undermine Maduro with support for opposition leader

Juan Guaidó. Betancourt was a major funder of Guaidó's opposition work, according to Trump administration officials and Sale, Betancourt's lawyer.

Sale denies that Betancourt was involved in any possible deals that Giuliani was pitching with Maduro at the time.

A spokesperson for Giuliani didn't immediately comment for this story.





The Castillo de Alamín estate near Toledo, Spain, where Lev Parnas says he held meetings with Alejandro Betancourt. (*Lev Parnas*)

Operation Money Flight

In 2018, Betancourt was among a dozen people involved in what a US Homeland Security Investigations affidavit labeled Operation Money Flight.

In the affidavit, which was filed in federal court in Miami, an HSI agent said the operation “revealed an international conspiracy to launder the PDVSA funds through Miami and several large-scale, international third-party money-laundering organizations. More specifically, the investigation revealed the use of Miami real estate and sophisticated false-investment schemes to launder hundreds of millions of U.S. Dollars.”

Betancourt’s alleged role appears limited in the court documents filed in the indictments against a group of businessmen and former PDVSA officials allegedly involved.

He isn’t named in documents but people briefed on the matter told CNN he is listed as a co-conspirator in at least one transaction that was part of the charges.

Rubio acknowledged that Betancourt’s legal issues raises perception problems. But he defended Betancourt’s bonafides as an opposition supporter.

In his interview this week with the program “Al Dia con Sergio Novelli,” Rubio said that during the Trump first term in 2019, “this was an individual who ended up in a very, very bad place with Maduro. Because it became known that he was supporting

elements of the opposition back in 2019, which even created problems for him with Maduro.”

“But now we have an opportunity to do something that I believe is going to benefit everyone,” he added. “But specifically, in the long term, benefit the Venezuelan people.”



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