

Name: Alert ID: TMML2024031272108 Bruce Bagley knows a lot about money laundering. Too much, federal prosecutors say. For decades, the University of Miami professor has been the go-to source for journalists looking to understand the shadowy worlds of drug trafficking, organized crime and government graft in Latin America and beyond. But in recent years, authorities say, he became intimately involved with the same corruption that he studied, helping to launder \$3 million in dirty money from Venezuela while pocketing about \$300,000. "About the only lesson to be learned from Professor Bagley today is that involving oneself in public corruption, bribery, and embezzlement schemes is going to lead to an indictment," William F. Sweeney Jr., the head of the FBI's New York Field Office, said in a statement Monday. The FBI on Monday arrested Bagley, who co-edited the 2015 book "Drug Trafficking, Organized Crime, and Violence in the Americas Today," officials said. A statement from the University of Miami said that he had been placed on administrative leave "in light of this development." "I'm feeling just fine," Bagley, 73, told CBS Miami on Monday. "Not guilty. That's how I'm feeling. They've got it all wrong." Considered one of the foremost experts in his field, Bagley has served as a consultant to the FBI, State Department, Drug Enforcement Administration and other federal agencies, according to his official biography. He has repeatedly been invited to testify before Congress, served as an expert witness in high-profile trials and lent his expertise on topics including money laundering to the governments of Colombia, Ecuador, Bolivia, Panama and Mexico. Erick Cruz, a Miami defense attorney who used Bagley as an expert witness in an October cocaine trafficking trial, told the Miami Herald that the professor's arrest was "pretty shocking." As an undergraduate at the University of Miami, he had taken Bagley's class, "Drug Trafficking in the Americas," he told the paper. "I remember him telling the class, 'It's not a how-to course, it's a historical review,'" Cruz said. As a professor of international relations, Bagley published dense academic articles with titles such as, "The New Hundred Years War? US National Security and the War on Drugs in Latin America." In one 2002 paper, he warned that Russian crime syndicates "have been able to offer relatively low-risk money laundering services to a variety of South American drug traffickers, sometimes charging as much as 30 percent of the proceeds." He also frequently appeared in the media, popping up in a 1993 story in The Washington Post about cocaine trafficking in Panama as a "University of Miami money laundering specialist." Reporters from outlets including the New York Times and NPR routinely sought out his thoughts on topics such as the U.S. government's attempts to fight drug trafficking overseas and the January protests targeting Venezuelan President Nicolás Maduro. As WLRN reporter Danny Rivero pointed out on Twitter, just hours before news broke of Bagley's arrest, he was quoted as an expert in a PolitiFact story on the value of the drugs being trafficked over the U.S. border. In January, Bagley spoke to The Washington Post for a story about Joaquín "El Chapo" Guzmán Loera, who at the time was on trial in Brooklyn. "You can't lop off its head," Bagley said, referring to the Sinaloa cartel. "The decentralization makes it hard to track down, capture and arrest all of the tentacles, and there's lots of money flowing through the organization." In recent years, prosecutors say, Bagley began using his expertise to funnel money "believed to be derived from graft and corruption in connection with public works projects in Venezuela" into the United States. State records show that Bagley and his wife incorporated a business called Bagley Consultants Inc. in 2005. The company, referred to as "Company-1" in the indictment, was barely active during its first decade of existence, and, in 2017, the Florida Department of State dissolved it for failing to file an annual report. But before that happened, federal prosecutors say, Bagley opened a bank account in the company's name. Then, in November 2017, he began receiving monthly deposits of approximately \$200,000 at a time. The money came from a bank account based in the United Arab Emirates, which purportedly belonged to a food company, and another located in Switzerland, which used the name of a wealth management firm based in the UAE. In reality, authorities say, the money was coming from an unnamed Colombian individual and "represented the proceeds of foreign bribery and embezzlement stolen from the Venezuelan people." The professor allegedly admitted as much in conversation with another individual, known only as "Individual-1," who helped him to move the money around. According to the indictment, Bagley and Individual-1 had a routine. They would go to Bagley's bank – located in Weston, Fla., the heart of South Florida's Venezuelan diaspora – and use a cashier's check to transfer money to Individual-1's account. Roughly 90 percent of the ill-gotten cash went to Individual-1, and the remainder was wired to Bagley's personal account. To hide the true source of the money, Bagley entered into "sham contracts" with the

Colombian national, prosecutors said in a Monday statement. Still, the bank shut down his business account around October 2018, citing "suspicious activity." According to the indictment, Bagley's response was to open another bank account so that he could continue receiving the cash transfers and taking his cut. Court records don't specify what prompted investigators to take a closer look at Bagley's finances, but, in February, they launched a sting operation to see if he would accept a wire deposit of \$224,000. The professor was allegedly informed that the money came from bribes and other corrupt dealings in Venezuela but helped move it anyway, keeping \$44,000 for himself. Although Bagley is based in Florida, the case is being prosecuted by the U.S. attorney for the Southern District of New York because the money passed through New York City before being deposited in his accounts. He has been charged with two counts of money laundering and one count of conspiracy to commit money laundering, and faces a sentence of up to 20 years in prison on each charge if convicted. "Today's charges of money laundering and conspiracy should serve as an object lesson for Bruce Bagley, who now faces a potential tenure in federal prison." Geoffrey S. Berman, the U.S. attorney for the Southern District of New York, said in a Monday statement. Bagley, who was released Monday on \$300,000 bond, could not be reached for comment late Monday night. His attorney, Daniel Forman, told the Herald that he plans to "diligently defend" the case in court and fully expects that Bagley will be vindicated.