

FORMER UNIVERSITY PRESIDENT HELD IN MIAMI

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MIAMI, March 28 (UPI) -- A former president of the University of South Carolina and a colleague were charged Friday with conspiring to illegally obtain visas and launder drug money for federal agents posing as Russian mobsters.

The visa charges may underscore the importance of efforts to better monitor foreign students and scholars studying in this country.

Charged with conspiracy was James Holderman, who was fired as University of South Carolina president in 1990 after 13 years, and Rafael Diaz, a vice president at Brookhaven Community College near Dallas.

They were arrested Wednesday as they counted out \$400,000 from a bag provided by undercover FBI agents. Assistant U.S. Attorney Richard Gregorie said an undercover agent began negotiations for visas in June and that a down payment of \$7,500 was made the following month.

Gregorie said Diaz used facilities at Brookhaven to get student visas from the State Department and several other make-believe Russian criminals.

Immigration officials have designed a computer system known as SEVIS -- the Student and Exchange Visitor Information System -- to track the location of foreign students and to monitor who gets visas.

The system has not been working although the Department of Homeland Security says it has made some significant fixes. The system went into effect Jan. 1, but Diaz apparently did not take the final steps to get the visas so it is not known whether the system would have been effective.

During the negotiations over the visas, the agent asked Holderman for help to launder \$2 million in drug proceeds. At a meeting Monday, Gregorie said Holderman and Diaz told agents that for a one-time fee of \$250,000 they could set them up with contacts in the Dominican Republic who could launder the money.

FBI Kevin Donovan said that after the arrest, Holderman admitted the conspiracy.

Holderman was dismissed amid allegations of tax evasion and using his office for personal gain. He was put on probation and after a subsequent guilty plea to lying during bankruptcy proceedings, served a year in prison.

He had been president at South Carolina from 1977 to 1990.

