

PRESS RELEASE

Leader of Baltimore Drug Trafficking Organization Sentenced to 10 Years in Federal Prison

Monday, February 12, 2024

For Immediate Release

U.S. Attorney's Office, District of Maryland

Baltimore, Maryland – U.S. District Judge Ellen L. Hollander sentenced Ernest Lee Bailey, age 51, of Owings Mills, Maryland, to 10 years in federal prison, followed by four years of supervised release, for possession with intent to distribute controlled substances, including heroin, fentanyl, cocaine and MDMA.

The sentence was announced by United States Attorney for the District of Maryland Erik L. Barron; Acting Special Agent in Charge R. Joseph Rothrock of the Federal Bureau of Investigation (“FBI”), Baltimore Field Office; Special Agent in Charge Jarod Forget of the Drug Enforcement Administration (“DEA”) - Washington Division; and Special Agent in Charge Troy W. Springer of the National Capital Region U.S. Department of Labor - Office of Inspector General (“DOL-OIG”).

According to his guilty plea, from at least November 2019 to November 2020, Bailey led a drug trafficking organization (DTO) that was responsible for distributing kilogram quantities of controlled substances, including heroin, fentanyl, cocaine and MDMA in and around Baltimore.

As detailed in his plea agreement, between June and November 2020, law enforcement intercepted communications from multiple cellphones used by Bailey in connection with his drug activities, including “source” phones, which Bailey used to communicate with sources of drug supply, and “shop” phones with Bailey used to communicate with downstream distributors.

The intercepted communications revealed that Bailey obtained heroin from a Mexican-based DTO. The Mexican DTO's middleman in New York City delivered narcotics to, and received payments from, Bailey on behalf of the Mexican DTO.

Bailey admitted that he obtained cocaine from a source of supply in Philadelphia, Pennsylvania, through a co-conspirator who was a Baltimore-area cocaine wholesaler. Bailey also recruited another individual to serve as a courier to transport cocaine from Philadelphia to Baltimore on behalf of Bailey. On at least five separate occasions Bailey and a co-conspirator acquired kilograms of cocaine from the Philadelphia source and directed the courier that Bailey recruited to bring the cocaine back to Baltimore.

According to the plea agreement, Bailey maintained a network of wholesale drug redistributors who sold the drugs supplied by Bailey to their own customers. In addition, Bailey rented an apartment on Heath Street in Baltimore which he used as a stash location to store and process drugs for redistribution.

Finally, Bailey admitted that he used the proceeds of bank fraud to pay the rent on the apartment. Specifically, Bailey's used pandemic-related unemployment insurance benefits that were fraudulently issued to an inmate, T.S., on a bank debit card in July 2020. Bailey contacted the bank, posing as T.S. and requested that the PIN on the card be reset. Bailey confirmed the card number and the average card balance, which was \$19,230.45. Bailey then used the funds on the card to purchase four \$500 U.S. Postal Service money orders. Bailey used \$1,000 of the money orders toward his down payment on a new Acura MDX and the remaining money orders, marked payable from the individual in whose name Bailey rented the Heath Street apartment, toward the rent on the apartment.

On November 16, 2020, law enforcement executed a search warrant at Bailey's residence and recovered 13 cell phones, men's designer watches and other jewelry, and \$8,980 in cash. Bailey later admitted that the cash and jewelry represented proceeds from the sale of controlled substances or money intended to be used to purchase controlled substances. Searches of the Heath Street apartment recovered drug paraphernalia, including digital scales, drug cutting agents and hydraulic presses and controlled substances, including over 215 grams of a mixture of fentanyl, heroin, methamphetamine, and tramadol; and 301 grams of eutylone, a controlled substance analogous to MDMA.

Bailey was the last defendant in this 13-defendant case to be sentenced. Eleven co-defendants pleaded guilty to their roles in the DTO and were sentenced to between one and six years in federal prison and one defendant passed away after being indicted.

This prosecution is part of the Department of Justice’s Organized Crime Drug Enforcement Task Forces (OCDETF) Strike Force Initiative, which provides for the establishment of permanent multi-agency task force teams that work side-by-side in the same location. This co-located model enables agents from different agencies to collaborate on intelligence-driven, multi-jurisdictional operations to disrupt and dismantle the most significant drug traffickers, money launderers, gangs, and transnational criminal organizations. The specific mission of the Baltimore Strike Force is to reduce violent, drug-related, and gang crime in the Baltimore area and surrounding region. The Baltimore SF is comprised of agents and officers from the Drug Enforcement Administration, the Federal Bureau of Investigation, Homeland Security Investigations, the Bureau of Alcohol, Tobacco, Firearms and Explosives, the U.S. Marshals Service, the U.S. Postal Inspection Service, the U.S. Secret Service, the Baltimore Police Department, the Baltimore City Sheriff’s Office, the Baltimore City State’s Attorney’s Office, the Anne Arundel County Police Department, the Baltimore County Police Department, the Maryland Department of Public Safety and Correctional Services, the Maryland National Guard, the Maryland State Police, and the Maryland Transportation Authority, and the prosecution is being led by the Office of the United States Attorney for the District of Maryland.

United States Attorney Erek L. Barron commended the FBI, DEA, and the DOL-OIG for their work in the investigation and recognized the U.S. Postal Inspection Service for its assistance. Mr. Barron thanked Assistant U.S. Attorneys Jeffrey J. Izant and Anatoly Smolkin, who prosecuted the case.

For more information on the Maryland U.S. Attorney’s Office, its priorities, and resources available to help the community, please visit <https://www.justice.gov/usao-md/project-safe-neighborhoods-psnexile> and <https://www.justice.gov/usao-md/community-outreach>.

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