

## DEA Museum Lecture Series

### The History of the Special Operations Division (SOD)

00:04:06 Sean Fearn: Good morning, ladies and gentlemen, and welcome. I'm Sean Fearn, the Director of the DEA Museum and the moderator of today's program. A quick side note as a courtesy to our panelists this morning and your fellow audience members here in the auditorium, if you could please silence your electronic devices. We extend a special welcome to those who are watching this program via our live webcast to the world.

Today we kick off the DEA Museum's spring lecture series. This is the 13th year for these programs shining some light on different aspects of DEA's history and its current programs.

00:04:43 Today we're having a panel discussion all about the history of DEA's Special Operations Division. You may have heard about it in the media over the years, but what is the real story, how did it get started, what do they do, and how can so many different federal agencies work together so well under one roof?

We're going to get to all of that today and more, I'm sure, but first I'd like to bring our panelists up on stage and briefly introduce them. We are very fortunate to have an extremely experienced panel for this program today.

00:05:16 All combined, they represent 115 years of experience within drug law enforcement, and if we add John's additional 24 years in the U.S. Army, there's 139 years of on-the-job experience today truly a remarkable group. Gentlemen, please let me know if you need help getting up the stairs onto the stage. I tease. So, with that, let me please ask Joseph Keefe, Michael Horn, John Wallace, and Robert Nieves to please join me on the stage.

00:05:49 Sean Fearn: Morning.

Michael Horn: Morning. Any particular -

Sean Fearn: Uh, [00:05:58 crosstalk].

Joseph Keefe: Nice talking to you.

Sean Fearn: Yeah.

John Wallace: Good morning.

Robert Nieves: Do you have an ambulance -

Sean Fearn: [00:06:04 crosstalk].

Male Voice: - on standby?

Sean Fearn: Yes, yes.

Male Voice: [00:06:07 unintelligible].

Female Voice: [00:06:09 unintelligible].

Sean Fearn: Gentlemen welcome. Let me take just a moment to the benefit of the audience and our webcast viewers to introduce each of you and give a little bit of background.

00:06:29 I'm going to start on my far left, your audience right, with Robert Nieves. And you don't mind if you refer to you as Bobby?

Robert Nieves: No, I don't mind at all.

Sean Fearn: Okay. Great. Bobby hails from Brooklyn, New York. And we'll all get to know that as soon as he starts talking. He is a graduate of St. Johns University. He began his career as a Special Agent in New York in 1969 back when DEA was then known as the Bureau of Narcotics and Dangerous Drugs, BNDD where, Bobby, you worked mainly conspiracy cases, and I'm sure you'll talk about that a little bit later.

00:07:04 His assignments have included Puerto Rico, Costa Rica, and DEA Headquarters. He worked as a Senior Inspector in the Office of Professional Responsibility in the Operations Division and moving up to the Chief of International Operations before retiring in 1995. Following retirement, he founded the consulting firm of BERG Associates, and is Chairman of the Board of the publically traded company Verint Systems. Thank you for being here today, Bobby.

Robert Nieves: Thank you.

Sean Fearn: John Wallace, uh, next to Bobby there, John served for 24 years active duty in the United States Army, retiring in 1990 with the rank of colonel, uh, having worked as the Staff Judge Advocate for the United States, uh, Southern Command in Panama in his final assignment.

00:07:50 Then he went to work at the Department of Justice, uh, in the Criminal Division. He's been spar, uh, part of a small team of attorneys that worked on all the legal issues surrounding the establishment of the DEA Special Operations Division. Then in 2007 came to DEA serving as our Deputy Chief Counsel for International Law and Intelligence, a position he held until his most recent retirement in 2013. He is a distinguished military graduate of the University of Illinois, holds a Juris Doctor degree

with Honors from the University of Missouri, and a Masters of Law from the Army Judge Advocate General or JAG School.

00:08:29 John, welcome this morning.

John Wallace: Thank you.

Sean Fearn: Michael Horn. Michael comes to us with 36 years of experience in Federal Drug Law Enforcement, 31 of them with us here at DEA. His DEA overseas assignments included Ankara, Turkey, uh, as the Country Attaché, Kuala Lumpur, Malaysia, as Country Attaché, worked in the Technical Operations Division. And then in 1996, uh, Mike became the first Special Agent in Charge of the newly created Special Operations Division.

00:09:00 He was then promoted to Chief of DEA International Operations, and then he retired from DEA in 1999 and appointed Director of the Department of Justice's National Drug Intelligence Center, retiring again in 2004. Uh, since then, Mike has served as a consultant and subject matter expert on foreign, federal, state, and local law enforcement, Intelligence, and Homeland Security Agency issues. Thank you for being here, Mike.

Michael Horn: My pleasure.

Sean Fearn: And, finally, last but not least, Joseph Keefe.

00:09:31 Uh, Mr. Keefe began his DEA career in 1971 when we were then known, again, as the Bureau of Narcotics and Dangerous Drugs. Uh, well-traveled in 32 years at DEA: Hartford, Connecticut; New York; Boston; Orlando; Headquarters Public Affairs; Operations; uh, Office of the Deputy Administrator; Assistant Special Agent in charge of the Special Operations Division, or SOD, uh, Raleigh, North Carolina; uh, then as the

Special Agent in Charge at SOD; uh, Chief of Operations; then back to Special Agent in Charge of SOD.

00:10:06 Uh, when Joe retired from DEA in 2003, he went to serve as an Assistant Deputy Director at the Office of National Drug Control Policy, what some know as the drug czar's office. Today he is a member of the staff of the Institute for Defense Analysis and a Senior Advisor at the Narcotics and Transnational Crime Support Center.

Welcome, Joe.

Joseph Keefe: Thank you.

Sean Fearn: And, so, we have our four distinguished panelists. Uh, we look forward to hearing from you as we get started. Mike, let me - let me begin with you. And - and for those that, uh, that are watching or are here in the audience that know nothing about DEA and the Special Operations Division, but have heard about us and this issue in the media lately, what is Special Operations Division?

00:10:46 Michael Horn: Well, let me digress for a minute, uh, Sean. Uh, I'm sure as, uh, we on the panel, uh, like most of the people in the audience have been following the press over the past few weeks, and, uh, we agree that it would be appropriate and helpful if possibly Congress, the administration, and the media, uh, judge the effectiveness of DEA and the competence of its leadership on programs like this and not the behavior - the alleged behavior - of a few, uh, unprofessional agents.

00:11:20 Uh, but getting back to your question on DEA or SOD, is - is basically a task force. Uh, when I first became involved with SOD, it was a task force, basically, of four entities: uh, DOJ's Criminal Division, uh, DEA, and shortly thereafter, the Federal Bureau of Investigation, and what was then U.S. Customs. Uh, we coordinated national level investigations, and it basically was, I think, the dawn of the coordination of national level investigations.

00:11:55 Sean Fearn: Uh, Bobby, let's take a - a walk back to the era before Special Operations Division was created and - and talk a little bit about what DEA's program looked like back then, and this whole kingpin strategy. And I know you - you can tell us a little bit about what that means.

Robert Nieves: Uh, thanks, Sean. Uh, good morning, everybody. Uh, 1989 I was assigned in San Jose, Costa Rica, and got transferred into headquarters. I know it may shock a lot of people, but I wasn't really elated about that, uh, that transition.

00:12:30 But in arriving at headquarters, I did a brief, uh, six-month tour of duty in OPR, and was asked to become the Deputy Chief of the Cocaine Investigation Section. Cocaine Investigation Section, uh, in theory, was there to monitor and coordinate cocaine investigations globally, and they were set up at the time, uh, east and west domestically, and with some responsibility meted out to the people on the staff for International Operations and Special Operations like targeting the cartels, operation pipeline, which, uh, monitored and, uh, trained police on highway, uh, interdiction and things of that nature.

00:13:15 They did all that as well as they could, but they really had no money. And, so, uh, while the intention was good, uh, they weren't - really weren't set up for success. Uh, by then, the cocaine cartels had perfected the business of cocaine trafficking, and while we were making large seizures seemingly, uh, everywhere, we really weren't having a major impact on their capability. And, uh, at that time as well, we had some major investigations in the United States that really illustrated our inability to coordinate major cases.

00:13:51 The New York, uh, Task Force, uh, primarily under Bill Mockler, was working at the highest levels of the cartels, and they were seizing huge amounts of cocaine, ton quantities, they were seizing millions of dollars, they were arresting dozens

of people annually, and yet, uh, when they would generate leads for other offices, they were doing a good deal of wiretapping and generating leads for other offices, both domestic and foreign. But yet, for whatever reason, those leads were falling through the cracks, and there wasn't a lot of follow-up.

00:14:25      Essentially, their investigations were dead-ending: beginning in New York and ending in New York. And the problem was much bigger than that. Bill Mockler was the first, really, to blow the whistle on it and say, we need something to happen here. Uh, we're dealing with global enterprise, and yet, we're structured in a fragmented way. Uh, coincident with that, uh, came the arrival of Administrator Bonner, and he asked the drug desk to brief him. This was 1990.

00:14:55      We all briefed him on what we were doing and - and the level of trafficker and so on and so forth, and he said, so, what am I hearing; this is not working? And we said, no, it's not working. And he said, well, let's, uh, let's reorganize, let's, uh, agree to meet again in a couple of weeks. In the meantime, get busy and come up with a plan to reorganize the Operations Division so that it becomes more, um, staffed in such a way that we can actually have some impact.

00:15:25      Now, special agents in charge of domestic offices, then as now, set their own priorities. And, so, they had their own funding, and they were out and about doing those things that were important in their division. And, so, if the division had a big problem with, um, overdoses, then they might be out there working with the police looking to solve that problem. Um, because they were individual and they had their own funding, they really didn't have to pay attention to headquarters, and much as we tried to influence their behavior in one way or the other, um, it often is very difficult to do that.

00:16:02      We, uh, convened a small group of people from Intelligence Division, Operations Division, and one or two people from the field to sit down and have a discussion about this and come up with a plan for reorganization of the Operations

Division that would better address the, uh, problem. What resulted from that meeting was a recommendation to the administrator create the kingpin strategy; that is, to identify traffickers at the highest levels of the traffic, in those days in the United States, that was the Colombian cartels, that was heroine organizations associated with Khun Sa and - and other, uh, groups and, um, target them individually and specifically.

00:16:42      Make it personal. Go after their transportation, go after their, um, domestic, uh, operations, and go after their finances. And, uh, the administrator bought off on it, and we created then, uh, an Operations Division that was more friendly, but we also told him, you're not going to get the [00:17:01 sects] to cooperate unless we have some control of money. And realizing that, he began to claw back money from the divisions in a way that got their attention.

00:17:13      And he said, all this money I'm taking back. I need to fund my operation here in, uh, in, uh, headquarters, and you will get it back if you're working on my priorities. And, so, that was the - it was also determined at that time, and with this I'll - I'll - I'll pass it off, uh, Sean. The, uh, it was felt at that time that we had to have an entity to do the coordinating, to do the monitoring, and to work with the field to make sure that we're - that the - the reticent amount of pressure was being applied to the targets of our investigations, and to coordinate it in a meaningful way.

00:17:47      And we, uh, at that time gave birth to what was then a very small Special Operations Division.

Sean Fearn:      Was it located within headquarters?

Robert Nieves:    No, it was felt at that time that for this to be successful, uh, especially in the [00:18:00 inter] agency, that it should be housed outside the building so that nobody really felt like they had to go to into DEA headquarters to, um, get their mission accomplished in a meaningful, coordinated way.



Sean Fearn: John, what was the original vision for Special Operations Division: what it would do, and how it would function, and who would play a part?

00:18:20 John Wallace: Well, we - we got to step back, and I got to give you some historical context. Remember, when we're talking now, the early '90s. This is at least 10 years before 9/11, uh, and, so, we had two problems. Now, Bobby referred to the independence of, uh, of the SACs, we had 93 presidentially appointed, senate confirmed U.S. Attorneys out prosecuting these cases who seldom even talked to one another. Uh, and - and they were truly autonomous.

00:18:50 The other dynamic that Bobby mentioned was we had, uh, the - the cases in New York, uh, principally en - engaged against the - the Cali Cartel that were simply dying on the vine in New York. Um, on the other hand, we had elements of the intelligence community who said they had all of this great information, but nothing ever came of it. Um, and, again, 10 years before 9/11, the wall is up, it is absolutely prohibited for, uh, anybody on the Intelligence side of the house, uh, to talk to somebody with a criminal investigative, uh, responsibility.

00:19:29 Sean Fearn: John, why is that?

John Wallace: Well, it was - it - it was a function of the time. This was a historical development. It - it grew out of the Church Committee hearings, uh, the - the alleged abuses of - of electronic surveillance and eavesdropping on American citizens and whatnot, and - and it - it just mushroomed and became very formalized back in - in the '90s. Um, so, we had some - we had some really smart people, uh, at the Department.

00:20:00 I was fortunate to be in a group of about four or five people, including the Attorney General, Bob Mueller was the Chief of the Criminal Division. Um, uh, uh, a true heroine in all of this was Mary Lee Warren who, at that time, uh, had the narcotics

section. Uh, and, so, after meeting with Bobby's small group, we got together with the senior leadership of CIA, the senior leadership of NSA, and the senior leadership of the Department, uh, of Justice, and began to work these two problems.

00:20:35 The first problem being: How do we engage with the Intelligence community without compromising their sensitive sources and methods, their equities, without violating this - this wall arrangement; at the same time, breed life into Bill Mockler's investigations in New York, and get the U.S. Attorneys all on the same sheet of music with regard to prosecuting these national level investigations that - that Bobby was trying to put together.

00:21:05 Um, that was - that was really like herding cats. And - and, uh, there were a lot of meetings and - and while the four of us have been dear friends for more than two decades, I can remember late-night meetings with all three of these gentlemen who are some of the most hard-headed, most unreasonable people to deal with. But we've been dear friends and - and been guests in each other's homes, and I wouldn't trade it for - for anything.

00:21:38 But, uh, but it was a - a hard slog, and it took us at least two years to get an entity that was up, and vibrant, and running.

Sean Fearn: Talk about those legal issues and how that team worked to formulate solutions that would keep everybody happy.

John Wallace: Well, I mean, there was - there was a lot, uh, just brainstorming going on, uh, at a very senior level, um, and in terms of we don't want, um, any Intelligence community equities caught up in a criminal discovery process.

00:22:13 We don't want to have to turn this stuff over in the course of discovery. On the same, uh, token though, the - we've got to make sure that the defendants' rights to

full and free discovery are completely observed. We don't want, uh, for example, CIA officers on the witness stand. Um, and - and those were some of the issues that we had to come up with creative solutions. Uh, and - and on occasion, uh, it, uh, it meant we're - the solution we come at is going to be less than perfect, you know, because we want to, uh, to stay away from some of these electrified third rails on the legal side of the house.

00:22:56 Um, the - the other thing that - that - that was the key to the - the dynamic, and I'll defer to these gentlemen, was when we started identifying the first of the national investigations, and started holding coordinating meetings with all of the agents who are developing pieces of the overarching investigation, and all of the prosecutors, we got them into a room at one time to convince them that there is something in this for everybody.

00:23:28 You don't just need the - the photograph of a pile of cocaine. Uh, that by going after the bigger organization, coordinating, deconflicting, and synchronizing not only investigations, but also prosecutions, everybody benefits, most importantly, the - the citizens of the United States.

Sean Fearn: Joe, talk about those early coordination meetings; what were they like?

Joseph Keefe: They were bad.

Sean Fearn: Care to elaborate?

00:23:58 Joseph Keefe: As Bobby mentioned, when Mr. Bonner and - and afterwards Mr. [00:24:02 Costine], when they brought money back into headquarters and gave it to us, if you will, to support the field, a lot of SACs didn't appreciate that. Uh, they didn't understand we were trying to do. It was different. We had classified

information that a lot of us agents had never been aware before, and we didn't want to be the ones to blow it. So, we had to go out there very carefully and - and try and get people to come in and buy into what we were doing. But the other important thing that we were able to do early on, thanks to good people here, was get good people at SOD right from the get go.

00:24:32      And that's been the key, in my opinion, forever and a day.

Sean Fearn:       But in the early days, it was - they - they went reluctantly.

Joseph Keefe:     Some. Some did. But once we - once we got some success early on with some of these smaller coordination meetings, and people saw, and we could share around that people, not every seizure was made by New York, even though New York certainly was a key player in this, when we got Miami in and we got Houston in, eventually Los Angeles comes in, and then we needed to feed the smaller divisions. So, it was a process that we would work on at SOD to make sure, can we get everybody into this game so that they all get something out of it?

00:25:06      Sean Fearn:       Because at the end of the day, the ultimate goal was -

Joseph Keefe:     The - the major traffickers.

Sean Fearn:       [00:25:12 crosstalk].

Joseph Keefe:     To get the major organizations because they were everywhere. It was just a matter of it wasn't just the big divisions. So, it was a lot of buying and selling, a lot of trade-off, and - and protecting the sources and methods as - as - as John said.

Sean Fearn: And - and - John alluded to these several years' worth of development meetings to get the concept solid. Then in 1994, it's established as a DEA Field Division; why a division?

00:25:36 Joseph Keefe: Well, I think part of it at the time was, uh, Al Gore reinventing government; uh, wanted people out of headquarters, which was a good plan. I agree to that 100 percent because none of us wanted to be here. So - as Bobby said. So, it was - it was making the division so they would have that status; one, that they have an [00:25:52 SES] SAC; to have the - the ASAC level people that could deal with the field and be at that level.

Sean Fearn: John, there's a - a lot of folks, uh, that are inside DEA that - that throw around this term, a 959 case.

00:26:06 Can you explain what a 9 - and - and this is under Title 21 - what is a 959?

John Wallace: Well, I'm going to defer to Joe in just a second. There - in Title 21, there are two extraterritorial sections; that is, sections of the law that allow us to prosecute acts that occur outside the United States. One is 959, that I'm going to let Joe speak to, and the other is 960A. 959 has been around forever, but it was in the early 2000s that 959 became a particular, um, uh, focal point for DEA and - and especially SOD.

00:26:43 Joseph Keefe: Back in around 2000, as John mentioned, John Roth, who was then the head of narcotics and Dangerous Drug Section, came to me and sat down and started talking about 959. I mean, I knew a little bit about it, but I knew we didn't do a lot with it. But then in conversation with them, I recognized that what we were trying to do with SOD with the field, we really weren't connecting with the foreign officers that well.

As we said, every - most of the major guys were foreign; our domestic offices could get so far, they could indict people and stuff like that, but to get them. So, we decided if we could get a 959, put it at SOD, separate it from the classified side, let it work with the foreign offices, and make cases and bring it back to the United States working with the Justice Department, which was good.

00:27:23 And we knew right away if we were successful, then the divisions would push back. And that happened.

Sean Fearn: Yeah. Mike, talk to us about you're the first special agent in charge at SOD, earliest years, still a small operation, getting its feet on the ground; talk about the experiences then and - and what it was like.

Michael Horn: Well, initially, there was not a pushback from, uh, our first two partner agencies: the FBI and - and - and Customs. I -

Sean Fearn: Why?

Michael Horn: Well, FBI, initially, didn't think, uh, some of our techniques and tools were being, uh, legally implemented.

00:27:59 Uh, when they started seeing some success, they - they kind of changed their mind. And - and they came on board. Uh, similarly, Customs was initially reluctant. We were very luck - lucky early on to get, um, two very, uh, qualified senior Customs Agents, and it was kind of like the Stockholm Syndrome. Uh, once they came on to SOD, they - they saw the light and - and they actually were [00:28:26 prosthetizors] for their own agencies. And - and that made it so much easier.

00:28:30 And - and as Joe pointed out, during these, um, coordination meetings, uh, we'd have attorneys and agents - not just agents from DEA, but also agents from

FBI and - and Customs, who were seeing for the first time how their cases connected throughout the entire country. And by giving up a little, then - then we got a whole bunch at the end.

Sean Fearn: Didn't take long for the light bulb to go on.

Michael Horn: Uh, no, it did not. It - it - it was pretty intuitive. And it was pretty impressive to see.

Sean Fearn: Talk about the early relationships between the Operational side and the Intelligence side within law enforcement.

00:29:05 Michael Horn: Well, I - I think it was the first time that, uh, a federal law enforcement agency really effectively used the work of the Intelligence side. It - it was as, uh, term that [00:29:17 Steve Destille] later coined uh, intelligence-led policing. Well, this was the - the onset of intelligence-led policing. The - the relationship between DEA's Operations Division and the Intelligence Division at that time was just absolutely pristine. And, uh, there was a lot of the credit to go around.

00:29:35 And the intelligent - if it wasn't for the, uh, the work done by the Intelligence Division, much of what we did at SOD could not have been done.

Sean Fearn: Is that still the case you think?

Michael Horn: Oh, I'm sure it is, yeah.

Sean Fearn: So, in the early days, it's DEA and DOJ, and then FBI and Customs come on; was there a sense back then that it would ever get to be as large as it is today with so many dozens of organizations involved?

Michael Horn: Well, when I look at that chart, I'm amazed, uh, as I've told, uh, [00:30:02 Dirk] on several occasions - and he loves to hear this - I said, when I had this operation, it was like a 7-Eleven.

00:30:08 Now it's more like a Wal-Mart. It - it's grown like [00:30:12 topsy]. Uh, a couple weeks ago, I ran into a - a former acquaintance from CIA, uh, uh, Dave Cohen, who was a senior, uh, CIA official, later went up to head, um, for, uh, Commissioner Kelly, NYPD's Intelligence Division. As you see in that chart, NYPD is now a member. They joined fairly recently; I think 2011 and 2012.

Sean Fearn: Mm-hmm.

Michael Horn: When I saw Dave a couple weeks ago, all he could talk about was SOD.

00:30:39 And I - and I found that throughout my post-government career, if you go out and talk to people both domestic and foreign, when they hear SOD, it - it's, like, a watch word for law enforcement effectiveness.

Sean Fearn: Uh, Bobby, you mentioned earlier on in the conversation that there was issues with funds control and - and getting the field divisions to buy in, but there was also an element of tying cooperation with SOD to evaluations of senior executives; do you want to talk about that?

00:31:10 Robert Nieves: Well, first, let me say, um, I've never met a DEA agent that didn't think he was outstanding. And - and, uh -

Sean Fearn: The laughter is coming from the, uh -

Robert Nieves: - generally gets rated that way.



Sean Fearn: - agents [00:31:22 crosstalk].

Robert Nieves: And, so, uh, Administrator Bonner brought in a different approach; was a, let's see how outstanding everybody really is. And his theory was - and he was right - is that if he sets priorities at a national and international level from headquarters, and he, uh, has an expectation that everybody is going to follow through to make him successful, then, uh, their evaluations should reflect their participation and success.

00:31:52 And where there was no or little participation, he felt it should be reflected in the evaluation process. And, so, um, uh, I don't know how that fell on these shoulders over here, but on one occasion it fell on my shoulders to - to have to justify, um, a list of outstanding evaluation to an agent in charge, uh, who vigorously contested it, uh, and did not succeed in his contest. And, so, um, there is something called, uh, the FTS system in those days.

00:32:27 I don't know. I guess nobody uses phones anymore, but, uh, that went through the grapevine in about a flash second. And, um, while - listen, agent in charge, do a great job. And their priority is their division. Um, they have to also understand that part of their job is global, and part of their job is supporting other officers. And, so, we had a little bit of that noncooperation. Uh, this fixed it.

Sean Fearn: Bobby just hit on global. And, Joe, if you wouldn't mind, talk a little bit about how, uh, SOD worked in the International, uh, DEA offices; not just the domestic offices.

00:33:07 Joseph Keefe: Well, S - SOD, luckily, because we're so close working with the field, the field teaches you, and the guys and girls out there are listening to these young agents, and was seeing what we need to do. We - we had - we

had all these kingpin programs that we had, we built, we had the CPOTs came along later, but foreign offices were where everybody was.

And the foreign offices sat there - and I used to refer to it as their own fiefdoms in a way, and I don't mean that in a bad sense. I mean, they had Iraq offices, you didn't have the coordination oversees like the SACs. So, we really sat down and said, we need to have - let's just call it - regional directors, which we did, so they could be on par with our SACs so that we can work the cases foreign and domestic.

00:33:46 So, we can be back and forth: they have a voice at the table, we need to hear them, we need to support them, and they need to support the field here in the States. So, we really pushed that, and that was - it was able to go through.

Sean Fearn: How - how often did SOD take, uh, credit?

Joseph Keefe: That was always the goal: not to take credit. Our - our - we - we did not want to take credit for things, even though some said we always did. No, that was not the case. If we put something out, we always recognized everybody - every player that was part of it, whether it was an agency, whether it was a division, state and local police, it was always important to get everybody on the - on the page.

00:34:17 Sean Fearn: Uh, John, uh, Bilateral Investigative Units - BIUs - that are part of this early SOD concept or comes on fairly soon.

John Wallace: It - it came on in - in 2001. Uh, as I indicated earlier, we got the - the two extra territorial statues. The - the posture of the foreign offices, because of SOD's developmental, uh, work, uh, now the foreign officers are not just interacting with host nation and supporting host nation cases, they're also actively participating in cases that are being investigated and prosecuted in the United States that Joe alluded to.

00:34:55 So, we've got these two statutes: 959, very briefly, if you engage in narcotics trafficking behavior outside the United States knowing or, uh, intending that the drugs enter the United States, whether they ever do or not, you can be prosecuted in the United States under 959; 960A, which is a - a provision we got in 2007, um, is the other extraterritorial, and it says, if you engage in this narcotics trafficking activity outside the United States that would violate law in the United States if done here, and anything of pecuniary monetary value goes to a terrorist or a terrorist organization, you can be prosecuted in the United States.

00:35:41 And the criminal penalty for a 960A violation is twice the prescribed penalty of the underlying drug offense. And, so, this gives rise to a - a category of cases which are now SOD cases; that is, cases being investigated by SOD, cases being presented to the U.S. Attorneys by SOD, and cases being supported in the courtroom by SOD, and they're the 959 and 960 cases.

00:36:11 And this gives rise to some of the - of the most significant cases that I was ever involved in in the last 10 years, and I'm talking [00:36:22 Hadji Boshko, Hadji JuMikan], um, uh, Monzer al-Kassar, Viktor Bout. Uh, these are all world class Omni criminal individuals who are both narcotics traffickers and terrorists who are being successfully prosecuted in the United States as a result of the work of - of Bobby, and Mike, and Joe in laying the foundation for the bilateral investigative unit at SOD.

00:36:50 Sean Fearn: Uh, you talked about international, and I'm going to ask Mike to talk about the involvement and the addition on this chart here of the first international law enforcement organization, and that was the British.

Michael Horn: Yeah. Uh, well, after I left the SOD, as you mentioned, Sean, I - I became Chief of International Operations, um, as - as I'm sure most of the audience knows that probably the second largest foreign service entity in the U.S. Government has are DEA's, uh, staff overseas.

00:37:20 Um, during that time, uh, I liaised with, uh, a lot of the other, um, diplomats who were assigned to the United States from - from their host nation - from their nations; uh, one of them was the, uh, at that time, the Senior Liaison Officer for Her Majesty's Customs and Excise, uh, a gentleman named Phil Matthews. And while DEA had the largest, um, law enforcement attaché program overseas, the Brits had the second largest, and, uh, we had a very good relationship with the Brits.

00:37:59 And in some parts of the world, the Brits were more effective than we - we were just because of historical reasons. So, uh, I introduced Phil to Joe, and nature took its course. And after a lot of dancing around, because I think Phil already suspected what we were doing because of some of the incredible successes we were having in some cases in places where they consider their backyard -

Sean Fearn: Right.

Michael Horn: - um, we eventually got to the point with - with John's help, uh, at the DOJ to get our first, uh, foreign entity, uh, as part of, uh, SOD.

00:38:35 Sean Fearn: Joe, you want to [00:38:37 crosstalk]?

Joseph Keefe: No, absolutely right. As - as Mike said, uh, when I did meet with Phil, it was clear that we were both talking kind of the same, just trying to be careful. So, I'm talking to a foreign counterpart, and he's pretty much telling me what I'm doing, and, uh, but I can't shake my head and say, yeah, you're right [00:38:50 because I figured], okay, now they're going to take me away. But, uh, Phil is very good.

00:38:55 Uh, unfortunately, he left early. When we wanted to get the process, his time was up and his replacement, so it took a little longer. But what we saw was we were competing with them, primarily, let's say Colombia. They had better units at

Colombia, we had better [00:39:07 units at] Colombia, they were doing wires, we were doing wires, but we weren't working together. And I know it's tough to bring people together, and - and not everybody gets - gets a long, but we really saw the need, if we can be an SOD, we can help coordinate stuff [00:39:19 unintelligible] and put out the battles when the battles come. And, uh, it took a little while, but, you know, we got them there, and they've been there for a number of years now.

00:39:26 And now you can see the Australians are there, I think the Mounties are there. So, people have seen the need of coordinating, and they all bring stuff to the table. They bring numbers, they bring stuff, so it's all - it's all helpful what everybody's trying to do.

Sean Fearn: Uh, John, in the early years, what were the criteria for another federal organization to come in and participate in SOD; and as a follow-up to that, has that criteria changed over the years?

John Wallace: Well, no. The - the criteria has clearly changed. The - the first criteria was there had to be a Title 21 nexus; in other words, it wasn't all of FBI that came in.

00:39:59 It was the piece of FBI that was involved, primarily, in drug trafficking and - and drug-related money laundering. Um, as - as the - the criminal environment changed, so did the criteria at SOD. It is still now very much drug centric, but we've got these common facilitators that facilitate, uh, criminal activity, uh, of all ilks. And, so, you've got people out at - at, uh, at SOD now like FDA, the - the Food and Drug Administration, we've - we've got, uh, uh, on occasion we've had, uh, the Department of Agriculture involved.

00:40:40 Uh, we've got people out there. Uh, and the - the military has a huge presence at SOD, uh, typically not involved in - in drug investigation until you think

about, oh, yeah, there's Afghanistan; 85 percent of the world's supply of heroin. So, I mean, the - the criteria have changed; that is, they've become more inclusive, but there still has to be a core Title 21, uh, uh, relationship, uh, between the entity and - and, uh, its participation in SOD.

00:41:11 Sean Fearn: A - a question to any of you that care to comment: Has there ever been an organization that, uh, wanted to come on board that was told no?

Joseph Keefe: Early on, we had a - the marshals, we wanted to bring on, uh, and we had a real battle with the FBI; so much that they asked that I be removed, uh, as a SAC, which maybe should - was probably a good thing, but luck - luckily Richie Fiano didn't listen to him, so I got to stay. And, uh, then we finally brought the marshals on, but that was just - that was some jealousies between [00:41:41 crosstalk] -

00:41:41 Sean Fearn: [00:41:41 crosstalk].

Joseph Keefe: - maybe between agents. I was shocked.

Sean Fearn: So - so regard - regardless of the organizational players, I think some would argue that the backbone of Special Operations Division are these databases of intelligence that are being shared amongst organizations for deconfliction. And, Mike, if I could ask you talk about, kind of, the earliest - perhaps one of the earlier forms of that, and that's the DARTS system; can you explain that?

Michael Horn: Well, that was after - after my time. I'm -

Sean Fearn: Okay.

Michael Horn: - going to defer to Joe on that.

Joseph Keefe: He had a Ouija board when he was there by -

00:42:11 [00:42:11 crosstalk].

Male Voice: By candlelight.

Michael Horn: Thanks, Joe.

Joseph Keefe: Well, as I said, DEA was always important about that SOD deconflicting for the good. And this was developed, uh, started, but it was developed after my time, but the DART System stayed within DEA for deconfliction; uh, let agents know, especially with technology now, if a number is hitting on another number, I mean, they can be -

Sean Fearn: What - what -

Joseph Keefe: - out in the field.

Sean Fearn: Tell me what you mean by number.

Joseph Keefe: By telephone numbers.

Sean Fearn: Okay.

Joseph Keefe: Or whatever.

Sean Fearn: Okay.

Joseph Keefe: Whatever. Communication devices.

Sean Fearn: Got it.

Joseph Keefe: Uh, and tremendous program of deconflicting immediately and working together.

00:42:43 Sean Fearn: So, if Atlanta is looking at a phone number, suddenly it's going to pop up and say somebody in Seattle is looking at that same exact number, you guys need to communicate.

Joseph Keefe: They need to communicate.

Sean Fearn: Yeah.

Joseph Keefe: And that system brings that together.

Sean Fearn: Okay.

Joseph Keefe: So, they also need to be recognized after my time was that they needed something for the other agencies and for bring the state and locals. There's a tremendous amount of information out there. We need to bring in their numbers, they're not people, they're not names, uh, for deconfliction purposes and coordination, and that was the - that's the DICE system, which is everything I've seen from my involvement nowadays is very, very successful and very important.

00:43:14 It is the deconfliction mechanism for all the Department of Justice has set forth by Attorney General Holder.

Sean Fearn: Any difference between it and DEA's earlier systems?



Joseph Keefe: Much more sophisticated, better - you know, it's more technology.

Sean Fearn: Mm-hmm.

Joseph Keefe: Technology changes things and - and the technology that, you know, going after computers now, going after emails accounts, all kinds of voice-over IP, all these different things have changed over time; [00:43:36 phone, it] first started with SOD, yes.

Sean Fearn: Has that changed a lot since 9/11?

Joseph Keefe: 9/11 changed a lot, yeah.

00:43:45 It - it certainly did. Uh, started a - a new section at SOD, uh, [00:43:50 CNTOC], Counter Narcotics Terrorism organized section to bring in the agencies, again. DEA saw right away, obviously, as we always do, we have tremendous sources around the world, we can find out information. Uh, terrorist, you know, we won't work a terrorist case. I mean, we - we get involved and stay with it, we know it goes to the Bureau, we know [00:44:07 foreign] goes to CIA, but we really thought those agencies are missing something by not being engaged with DEA on these kind of stuff that we get day to day.

00:44:15 And they can make something of it. So, CNTOC was put there for that purpose, yes. And the field always responded - always responded.

Sean Fearn: Uh, Bobby, biggest, uh, case or series of operations that influenced the creation of SOD during your time working kingpin.

Robert Nieves: Uh, don't forget, Sean, I retired 20 years ago. So, uh, during that time, the biggest problem we were facing at that time were the Colombian cartels. And

at least during my tenure, to see organizations like the Rodriguez Orejuela, the Poncho Herrera group, and others disintegrate before my eyes was a - was great.

00:44:56 And, so, for me, it was - would have to be the cartels.

Sean Fearn: Talk about, uh, looking back now, as you said, you know, 20 plus years later, what kind of lessons have been learned from the experience of developing Special Operations Division?

Robert Nieves: I would have to say if you're put in a position where you can - if you can't effect change, and you're not happy with the status quo, and you look at the job you've got, and the mission you've got, and the goals that are being set by somebody else for what you're doing, and you can't make it work, then that's the time to step up.

00:45:32 So, I would say no risk, no reward. Don't be risk adverse. Step up. Take a shot. Make a recommendation. Make it loud and make it known if you think you're right. And, ultimately, uh, if it's accepted, you'll get the rewards. So, I would say risk reward.

Sean Fearn: Uh, John, what kind of lessons would you say have been learned?

John Wallace: You know, I - I - in my 20 years' experience with SOD, I think the biggest lesson that I walked away from was if you bring your equity to the table and you do so honestly and early on, there is almost no issue we can't wrestle through.

00:46:15 Um, uh, I can - I can cite instances where an equity was hidden, and we went ahead with an investigation and then got surprised by the equity at the 11th hour, and that is the worst way to try to manage the equity. Where the equity is laid on the table, no matter how sensitive it is, no matter how complex and complicated it is early on, and you wrestle through it, then you can - you can deal with it. And I - I guess the - the poster child of that is - and just like the administrator has administrator awards that

she - she presents as the highest award the DEA has, the director of the CIA has a Director's Award which is their equivalent.

00:46:58 And in 1997, SOD was awarded the Director's Award for a case involving a guy named [00:47:05 Huvenal]; uh, you remember him.

Joseph Keefe: Yes, sir.

John Wallace: Uh, so, uh, uh, I mean, that's kind of the proof is in the pudding. And at the time Bobby was trying to set up SOD, if - if you'd have told the director of CIA that he was going to make an award to a group of cops for - for bringing together an intelligence investigation, he'd say, you're out of your mind. So, I - I leave that as an anecdote.

00:47:31 Sean Fearn: Mike, lessons learned from your time.

Michael Horn: Well, first, we - when we discussed this coordination between the Intelligence and the Operations Divisions, um, Joe referred to this - it - it was really the mantra at SOD, SOD takes no credit. We - we wanted to make sure the SACs were comfortable with - with our role in - in their investigations, and sometimes they were not. Uh, but by - by stepping back when - when these cases went down and - and assuring that any credit, any publicity, any photo ops, uh, were taken by the [00:48:10 field], and SOD just stayed in the background, that went a long way to assuaging some of the - the SAC's concerns.

00:48:16 And the other thing that I think Joe also brought up was - was the personnel. Uh, back then, I'm not sure how it is now, but, uh, SO - SOD would get a, uh, a look ahead at the people that were going to be transferred into headquarters, and we were in a position where we could pick and choose who would come to SOD, and we would pick them based on how well they handled the leads we sent them when they

were in the field. And, uh, it - it was really a, uh, a very effective - rather informal, but very effective system.

00:48:48      And we got to the point when people were going to come and get transferred to headquarters, they wanted to come to SOD because the SOD was the closest thing to actually doing casework from - from [00:49:00 crosstalk] -

Sean Fearn:        At headquarters.

Michael Horn:      - metropolitan area.

Sean Fearn:        Joe?

Joseph Keefe:     I agree with everything these gentlemen have already said, but, um, I think -

Michael Horn:      That's unusual.

Joseph Keefe:     - again, the pers - it's unusual that I would do that, but, uh, but they're older than I am, so I got to [00:49:12 crosstalk]. But it - it's about the personnel, and it's about SOD's ability to communicate with the field and to supply support to the field.

00:49:22      If you don't support the field and don't give them something, they're not going to come to you. So, you have to - you have to constantly do that. And as times change, you need to change: Different sections, different things, different technologies. And SOD has done that because these - they've listened to the field, they've listened to the people there, and they built it with - with the field. And that, to me, is the greatest thing they could do.

Sean Fearn: Thank you, gentlemen. I'm - I'm going to take a couple of questions now from, uh, some of our web viewers that have been sending us in things while you have been, uh, been talking. And, John, you mentioned earlier having the military involved, particularly when you think of Afghanistan and - and - and some of the other places.

00:49:58 So, there is a question from someone about whether or not SOD, uh, works with military law enforcement like Army CID, uh, or other DOD units of that nature.

John Wallace: Yeah, absolutely, we - we do. Um, uh, it - it's not - it's not frequent, but - but it absolutely does occur. Uh, some - particularly in Afghanistan, some of the cases - or in other denied areas - uh, we rely on a - on a military to - to provide us some support. Um, there are programs by which, uh, DOD funds, uh, law enforcement activities,.

00:50:33 Um, part of the DOD appropriation is earmarked for support to, uh, law enforcement in general, and drug law enforcement in particular. And, so, that's how they finance some of the - the support DEA receives in - in Afghanistan. Um, the - you've got to remember that - that DOD has got its own mission sets, and DEA and SOD has its mission sets, and where the two overlap is where we - where we work the cases together, and we work the cases together very effectively.

00:51:06 Sean Fearn: Uh, to our - our two former SACs of SOD, could you give us an anecdote of, perhaps, one of the biggest cases that was, uh, taking place while you were, uh, running the ship there?

Joseph Keefe: If you ask me, there was so many.

Sean Fearn: Mm-hmm.

Joseph Keefe: A - a tremendous amount of cases. Every section that I had was fortunate they were all very productive. One that comes to mind 'cause it involved DEA as a whole was Mount - a thing called Mountain Express. Mountain Express was back - well, Jack Riley was the ASAC.

00:51:37 That's how many years ago that was. And was - we were going after pseudoephedrine, uh, being brought to the United States from Canada. We had kind of stopped it, the - the field had stopped it and the Clandestine Labs here in the States, so now they were going to Canada.

And what we found was a bunch of Middle Easterners, uh, were - and this was prior to 9/11 - were setting up bogus companies around the country. They - a lot of them had dual citizenship in - and they were selling the pseudoephedrine in tractor/trailer loads to Mexicans and - and taking it to California, and then taking it down South, if necessary.

00:52:12 So, we - we got everybody together. Now, at this time, prosecutors didn't want to prosecute this.

Sean Fearn: Why?

Joseph Keefe: Because you had to take - you had to take the pseudo to the lab, and that's a tremendous amount of work. Now, things have changed, and I credit that with the field, again, in getting the prosecutors to sit down with us and listening to what we're doing, and getting things changed. But this was in the beginning. So, what happens is things were going along, we knew they were a little antsy based on some of the wire intercepts and stuff we had going around the country that loads were being hit. So, like, we got a call from Denver.

00:52:43 It was on a Friday. And Denver says, hey, listen, uh, we had a camera in one of the businesses, and a - a white guy, gringo, comes in. They couldn't get a good shot of him. They just saw who he was, the picture, a side picture, and he sits down with the trafficker, and he tells him everything that's going on, and nobody knows what's going on. We're - we're getting ready to take it down now. So, now we've got to step it up.

So, on a weekend, SOD starts to get a hold of all the field divisions, we get a hold of all the prosecutors, we're - the justice prosecutors are with us together, diversion gets involved because we're going to go after these people administratively, and - and en - enforcement wise, and Chief Counsel's Office from DEA got involved heavily working on all that paperwork to do..

00:53:26 And it was just something to watch everybody at DEA came together for a purpose to get ready for that takedown early in the next week. And it turned out the individual was a member of the grand jury, and [00:53:36 Gary Owen] had been testifying in front of that Grand Jury. I'm surprised he made it to where he's made it today. And, uh, just kidding. He's [00:53:42 crosstalk]. And this guy went back and decided he was going to make some money. He actually got more time than most of the traffickers, which is a great thing. But to me, watching the agency work together was phenomenal.

Sean Fearn: And, of course, Mountain Express led to -

Joseph Keefe: More stuff.

Sean Fearn: - much, much more.

Joseph Keefe: Yes, right.

00:53:56 Sean Fearn: Uh, Mike.

Michael Horn: Well, I guess the two [00:53:58 Zorro] cases were - which were two of the first national [00:54:01 level] cases, uh, come to mind. And, um, it - it was - again, as Joe mentioned, an incredible coordination a - among a lot of field offices. And, of course, the goal was to protect the wires that were going on. At this time, [00:54:16 I think] there were some wires going on in Los Angeles, and they were following loads to - across the country to New York. And I remember the - the reaction to the New York agents when the Los Angeles agents said, look it.

00:54:28 This is a multi - I forget many - how many hundreds of pounds of cocaine it was. We want you guys to make the arrest and take the credit. And the New York agents were, wait a minute. What's wrong with this picture? This is Los Angeles saying we want New York to take credit. Well, and that - that was the - the philosophy of SOD.

And - and, of course, not only was New York and Los Angeles involved in that case, but there were also numerous, numerous small offices that were involved; small [00:54:53 rack] offices, whose involvement became known, uh, as a result of these, uh, coordination meetings that were held before the take downs.

00:55:01 Sean Fearn: Uh, John, uh, a question, uh, not surprised we get this one, uh: What has the revelations from Snowden done to SOD or perhaps the whole Operations and Intel relationship?

John Wallace: Um, that - that's an excellent question. I - I don't think it has affected, uh, DEA's relationship with the Intelligence community; that is, the - the - the back and forth with the Intelligence community, but it has certainly changed the political climate in - in which we operated.

00:55:39 I think - and this is just my opinion - that the - the big bill payer in the fallout from Snowden has been law enforcement. Um, the - the Intelligence Programs,



the pure foreign Intelligence Programs, have, for the most part, been protected under the Aegis of National Security. Um, the law enforcement programs, uh, have - have suffered, uh, because the political climate is such that - that there was a - a very narrowing of the scope of protection that the administration was willing to, uh, to stomach.

00:56:19 Um, and - and I don't - I don't criticize the administration. It's just a fact of life. The - the political climate. The one thing I will - and I - I will say is it started with Fast and Furious and was certainly aggravated with Snowden, and that's this rampant risk aversion that we're now seeing, particularly in the Department of Justice. Uh, and - and practices that had been approved and endorsed by both Republican and Democratic administrations going back 25 years are now taboo.

00:56:55 Uh, and that's just a consequence of the political climate post-Snowden.

Sean Fearn: We got a couple more minutes left. So, what I want to do is, uh, open it up to, uh, if we have a couple of questions from the audience. What I'm going to ask, uh, as I take the microphone at the podium so that we can have a microphone for the audience, uh, is that, uh, if you do have a question for one of our panelists, or perhaps all of our panelists, um, if you could just wait for a moment while one of our staff bring you a microphone so that not only those of us here in the auditorium can hear your question, uh, but also those, uh, watching this program over the web.

00:57:31 Uh, we have a question here. Sir.

Male Voice: Uh, gentlemen, thank you for coming this morning. I appreciate it. Uh, could you explain to me the, uh, relationship between SOD and the Fusion Center and how they work together in - in Maryfield, and do it maybe through a case where you've worked together?

Joseph Keefe: When the Fusion Center was started, um, with Karen Tandy at the time was OCDETF Program when they wanted to start it and, uh, the Attorney General Ashcroft wanted to push it back in the technology after 9/11; wanted Drug Enforcement to be doing the same stuff as CT was supposedly doing.

00:58:09 And, so, they brought the Fusion Center in. It was going to be its equity run by DOJ under the OCDETF Program, but we were able to sit down with them and say, we don't need to separate this from SOD. It should - anything that comes out of the Fusion Program, which - which they had a lot of great things that they could do, should come out through SOD and request for stuff in the Fusion Center should come in through SOD so that SOD can deconflict and coordinate what comes out of it. Because if cases don't come out of it, it's information that all the agencies have put in, uh, that people could look at.

00:58:44 But the coordination needs to be done by the agents and the analysts at SOD, if that help - if that answers your question.

Sean Fearn: And - and he asked if there was a case example that you could reference.

Joseph Keefe: I think every day there's cases that are affected by products that come out to the field through SOD from the Fusion Center that multi-jurisdiction operations go on, so it - I couldn't tell you one specifically, but I can tell you it's a constant process.

Sean Fearn: We have another question from the audience. We have probably time for one more.

00:59:14     You guys have done such a great job. I don't think, uh, anyone - uh, any final thoughts, Bobby, uh, on - on this general topic, things that you didn't have an opportunity to weigh in on earlier on?

Robert Nieves:     Uh, nothing from me. Uh, just thanks for putting it together. I think it's important for people to know exactly what SOD does. A lot is speculated about, especially in the press, and it's not complicated.

Sean Fearn:         John?

John Wallace:       It's, uh, it's just been a real privilege for me to have been associated with my colleagues over the last, uh, 25 years.

00:59:48     It's, uh, a memory I'll take to - to my grave.

Michael Horn:       Uh, I'd just like to thank Administrator Leonhart for her leadership over the past many, many years, and I don't think the SOD would be as strong as it is today without that leadership. And good luck on your retirement.

Male Voice:     [01:00:06 unintelligible].

Sean Fearn:         Joe?

Joseph Keefe:       Thanks, Michele.

Robert Nieves:     Yeah.

Joseph Keefe:       And thanks for your comments, buddy.

01:00:18 Sean Fearn: Uh, just a quick administrative note. This program will be available, uh, for streaming on the DEA Museum's website in about a few days; as soon as we can get it on there. Um, Bobby Nieves mentioned Khun Sa earlier on as we were beginning to talk about the issues the DEA was facing in the '90s. And I'll ask you to save the date because on June 25th, uh, that's the next DEA Museum lecture series. We have a retired special agent who's going to come in and talk about Khun Sa Chang Chi-fu and the Golden Triangle in Burma, Laos, and Thailand, and America's source for heroin, uh, during those decades.

01:00:52 So, please, uh, join us for that. Prior to that, uh, the reason we're skipping over May, uh, Thursday, May 14th, is the DEA Memorial Service paying tribute to 83 fallen heroes who have been lost in the line of duty. That program will also be live webcast on the DEA Museum website, so we hope you will join us.

Uh, gentlemen, thank you very much for being here. For those in the audience that would like to speak to them afterwards, I - I'm sure you can hang around for a few minutes and - and talk and, again, thank you all for joining us.

End of recording.