

Not Just in the Jungle: Knocking out Clandestine Cocaine and Methadone Drug Labs in the US

DEA Museum Lecture Series – June 10, 2014

DIANNE MARTIN: Good morning. Welcome to the DEA Museum and Visitors Center's fourth Spring Series lecture program. At this time, I would ask everyone present to please turn off or silence your Blackberries and cellphones. We will have questions and answers after the lecture. For our web viewers, click on the button at the bottom left-hand corner of your screen to type a question at that point in time. Today's lecture series is entitled "Knocking out Clandestine Cocaine and Methadone Drug Labs in the US". Our guest speakers today are retired special agents, Fred Gregory and Harold Patin. Fred earned his Bachelor's Degree from the University of North Carolina at Chapel Hill. He transferred from the customs service to the Bureau of Drug Abuse Control, BDAC, in 1966, and was assigned as a street agent at Atlanta, Georgia and Nashville, Tennessee until 1970. In 1970, he was assigned as a staff assistant in headquarters in the Office of Enforcement until 1972, when he was assigned to the resident, as a resident agent in-charge of the Charleston, West Virginia office... excuse me, until 1977. From 1977 to 1983, he served as an inspector in the mid-Atlantic field office of internal security, OPR. From 1983 until 1990, he was the resident agent in-charge of the Greensboro, North Carolina office where he retired. After retirement from DEA in 1990, Fred was employed for 8 years with the North Carolina department of revenue as a drug tax enforcement officer.

DM: Harold served in the army intelligence for three years and then was hired by the Federal Bureau of Narcotics, FBN, in the New Orleans office. He was then transferred to San Antonio where he worked in San Antonio and Austin, but also on the Texas and Mexican border. In 1967, Harold transferred to the Bureau of Drug Abuse Control, BDAC, where he moved to Dallas. Six months later, he moved back to New Orleans. In 1968, President Lyndon Johnson created the Bureau of Narcotics and Dangerous Drugs, BNDD, where all the other federal agents working in drug law enforcement were transferred. Harold began as an assistant GS and then GS and was then appointed to the SAC of the Jacksonville, Mississippi office where he still remain GS of the enforcement group one in New Orleans. In 1972, Harold was transferred to Odell as a task force SAC. When President Nixon created the Drug Enforcement Administration in 1973, Harold became a DEA supervisory Special Agent, thus making him perhaps one of the few, if not the last one still alive, to have been in the FBN, BDAC, BNDD, Odell and DEA. Ladies and gentlemen, please join me in welcoming retired special agents, Gregory and Patin. You start first.

FRED GREGORY: Good morning. Thank you, Dianne, and special thanks to Catie Drew who kept this lecture series on life support for 3 years. It's a long story, but I also want to thank her for setting up all the audiovisuals you'll be seeing during my lecture. Also, before beginning, I'd like to give shoutouts to Kenny Robinson. Kenny is a retired New York City detective and also retired DEA intelligence analyst, and also to retired agent Bob Sears of DEA in the Albany DEA resident office. And of course, special recognition deserves to be mentioned to Special Agent DEA Bob Ingram and North Carolina Special Agent, State Bureau of Investigation, Bob Clarke, for their determination and investigative skills in making a successful prosecution of the cocaine conversion lab in Gibsonville, North Carolina. I'd also like to express my gratitude to Ron Chepesiuk. Ron is the author of a book

entitled 'Fall of the Kelleg Cartel on Drug Lords: Downfall of Kelleg Cartel', it's a very informative book and Ron gave me... talking to him gave me a lot of insights about the players in that organization, the vast criminal organization, how it got started and its downfall and how it was organized. It was a very interesting read, if any of you really want to go in-depth about the Kelleg Cartel, that's the bible. Finally, I'd like to give many thanks to Jeff Skordas who's the visual operations director of WFMY, which is the CBS television affiliate in Greensboro, North Carolina for sifting through mounds and mounds of videos and it was like a needle in a haystack till they could find at least some of the TV coverage of the Gibsonville cocaine lab... That aired in 1985, so it was sort of like a needle in a haystack.

FG: Okay. Let's get started. Back in 2011, I watched this very auditorium, Dick Bly standing here, talking about the Tranquilandia seizure, it's a legendary thing. Very briefly, Tranquilandia was a result of a storefront operation out of Chicago Mills civilian. The Colombians ordered some ether, acetone, or whatever, and they put a beeper in it and it was controlled or monitored by a satellite, and it led to the story of Tranquilandia and the seizure of the lab in the jungles of Columbia. As, if I can get this thing to work, Catie. There's the man that I thought of when I saw Dick's lecture about Tranquilandia, because there was the rest of the story. The Colombian government and the US government put pressure on suppliers of ether and acetone and the other chemicals that were necessary for the manufacture of the cocaine from its base to the hydro-chloride form and they found that the price of ether in Columbia had skyrocketed to \$7000 a 55 gallon drum, whereas they could find it in the US a lot of cheaper for \$300. So, José Santacruz Londoño, if I can find his... Well, having a little trouble here. At any rate, he's there, Catie, you're going to find him for me? Okay. It said José Santacruz Londoño, but I couldn't see it. At any rate, he met the same fate as Pablo Escobar later on and... but he was the... he assigned a fellow by the name of Freddie Aguilera to come to the US and set up a prototype lab in Gibsonville, North Carolina and anybody that has ever been served in a DEA office knows this to be true, that you never... like that guy from Rick Harrison, Pawn Stars, if you watch that program, you never know what's gonna walk through the door.

FG: So, one morning, April 1985, I was sitting at home with my kitchen table and the phone rang and it was the captain, Captain Bob Talbot at the Greensboro police office, and he said one of his detectives, Jimmy Pierman, had an informant with a bizarre story. So, didn't know all the details, I called Bob Ingram, the agent that was still at home, asked him to go out and meet with the detective and his informant and debrief him. I went back to the office at one... a few minutes I had been at my desk and I received a call from Bob Sears in Albany, New York and he related that there had been an explosion at a farm in Minden, New York and they were almost 100% certain it was a cocaine conversion lab. And he wanted some information about the fellow that had purchased it. He had paid \$110,000 for this 200-acre farm and the name of the man was Thomas Warren Hall. It didn't mean anything to me at the time, I got a background on him.

FG: Shortly, Agent Ingram came into the office and said that the informant and several other people had, over the weekend, following the explosion in Minden, been paid to move some chemicals from one site in Greensboro to another site in Gibsonville. Well, in short order, Ingram and the state agents put together a affidavit for 3 search warrants. We executed the warrants and found about 48... 55 gallon drums of ether and acetone. Some of the drums were empty, I think, maybe 40 were full of the mixture. It was the slush that they had used to process the cocaine. The DEA chemist from Miami or Washington, I'm not sure, was there with us in examining the chemicals, the hydrochloric acid, the drums, and he noticed that one

of the drums was bowing and it was developing peroxides. Well, I'm not a chemist, but... It did mean a lot to me, but he said that it was very unstable and needed to be disposed of and in short order. so we found a cooperative farmer, the farmer allowed us to detonate the drum. It made a great fireball. It was like a Bruce Willis movie or a Rambo movie.

FG: The history of it was as I said, Santacruz Londoño had sent Freddie Aguilera there to do this prototype and they ran... historically, we found out that they ran four kilos that worked out well. Then they worked around the clock and ran 200 more kilos and sent them on to New York. And we... the agents, persuaded Alan and Irene Ditto, the owners of the farm that they rented, to cooperate. They were paid a bounty for each kilo of cocaine that was processed and... let me see. That's Freddie Aguilera-Quinjano. The case, for five years, generated publicity. There was at least 40 articles in the paper over the period of the case and here are just a few of them. This was the Mindon case and it's connected to the gazette, and the marshals were a little concerned about security at the courthouse when the Quinjano was there, or Aguilera was there.

FG: So, their plan was to do the prototype in Gibsonville, it was successful. Then they moved it to Minden, New York, a little closer to New York City. So, wrapping up the North Carolina end of this thing, we had, I think, 3 trials, 18 convictions. It finally concluded, actually, a few months after I retired, with the guilty plea of Aguilera-Quinjano. So, this is the... what was the remains of the lab in Minden. This is another section of the remains of the lab. There's the building where they found 255 gallon drums of ether and acetone, and if the fire had reached from... the lab was over here, the storage building was there, if it had reached there, it would have made a nice fireball. There's some of the drums of the... that were unused. It was estimated there was enough chemicals there. They only ran for about ten days and one thing they didn't count on was the bad luck in the electrical fire, but it was estimated there was enough chemicals there, they processed 1600 kilos in 10 days, and there was enough chemicals there to do another 6000 kilos.

FG: So, they were determined. This is a place called Coxsackie, New York and this was, again, serendipitous, if you want to call it that. A New York State trooper stopped a truck... a van on the highway for some traffic violation, he saw some things that just didn't look right, some barrels, tubing, that sort of thing. And so, he advised the New York State police, a separate organization, and they advised DEA. DEA and the State police did a sneak and peek into this Coxsackie location that the trooper had identified by following them back after he let them go. They saw that it was a cocaine lab. They came back. They used a heat-seeking device and found them in operation, executed a search warrant, and they seized 355 gallon drums of ether, 50 kilos of cocaine and some... if I can find them here. Okay, this is the scales. These boxes were used to ship the cocaine base from New York down to Coxsackie and then the finished product back to New York City. It's a... in 18 months, they encountered, I think, 4 labs. The others were in Flat Creek, New York. They found 30 kilos of cocaine and 6055 gallon drums of ether and acetone and two Colombians were arrested. In... it was not operational but there were some chemicals there. Well, they were not to be deterred.

FG: So, after several weeks, after the Minden explosion and fire and seizure of their chemicals and cocaine, there was about a hundred... excuse me, backing up just a minute. There was about a hundred kilos of salvageable cocaine left at Minden where the volunteer fire department had pretty well contaminated the crime scene, but nevertheless the Albany office was pretty sure that 1600 kilos had been processed. So, as I say, they weren't to be deterred.

FG: A few weeks after the Minden explosion, Aguilera-Quinjano, using a fellow by the name of Robert Kadis purchased a farm in Orange County, Virginia, and using intelligence that had been found at Minden and at Gibsonville, North Carolina, put two and two together and pretty well, we're able to predict with certainty that the next lab was going to be in Orange County, Virginia. And sure enough, the local authorities there did do surveillance using CCTV's and executed a search warrant and found, I think, some firearms, computer, a telescope that they had focused on the interest to the lab and 8655 gallon drums of ether and acetone and they sadly learned that Aguilera-Quinjano had just been there the day before and left with a thousand kilos of the finished product. Finally, in July of 1985, there were ten Colombians nationals arrested at a place called Baiting Hollow, Long Island. They established another lab there and the way they got that was an informant advised. The informant, according to the press release New York Times, advised chemicals were going there and neighbors, nosy neighbors said that there were lights on two or three o'clock in the morning and a lot of rental trucks parked outside. Now, if... Let's give you this.

VIDEO TRANSCRIPT BEGIN

NEWSCASTER: Searches at three or four locations in Greensboro and Guilford County turned up cocaine residue chemicals and equipment authorities say is commonly used to manufacture the drug. In a barn behind this house on Yancyville road, a woman found 48 barrels, 33 of which were filled with liquid believed to be ether or acetone. Similar barrels of chemicals were found after an explosion rocked this house in upstate New York near Albany and what police say was a large cocaine plant. In this affidavit from federal court, a police informant suggested that the lab that exploded up north was moved there in January from this garage in Guilford County. Investigators say if an illegal coke lab operated here, North Carolina and New York would be the only other states in the country outside Florida where such large manufacturing operations have been underway. Drug enforcement officials say many labs have been driven out of South America because of a clampdown on the chemicals used to produce cocaine from coca base. The crackdown has driven the price of a barrel of ether in Columbia to as much as \$10,000. The same barrel here is available on the open market for less than a third of that. The DEA's Fred Gregory says the price discrepancy has been a goal of his agency.

FG: What our goal has been initially is to cut off the chemicals from South America, at least force disrupt the traffic and bring at least the... and you know we're gonna... As long as there is a demand for cocaine in this country until something is done on the demand-side, we're just gonna keep squeezing the balloon, but we do feel that this operation, by cutting off the chemical in South America, is disrupting the traffic and at least bring in these people into our ballpark, we'll get them in our justice system.

NC: Federal authorities declined to say if or when any arrest will be made in connection with the Guilford County searches. But authorities in New York and North Carolina continue their efforts tonight to determine what connection the cocaine lab found there has with the evidence uncovered here. In Guilford County, Leonard Simpson, News Two.

FG: "It's just as easy to smuggle a kilo of base in terms of the bulk as it is the hydro chloride. The advantage is that of course the paste is not basically usable. It has a lot impurities such as kerosene, *inaudible* and a lot of other garbage. Obviously, we can't say much or we can't say anything about projections toward any arrest at this point. So we would

like to limit it if we could, the inquiry and the presentation to the search warrants and what was found.

NC: The cocaine lab that exploded in upstate New York is the same one federal agents believe operated behind this mobile home off Bellflower Road in Eastern Guilford County. Address here is 6166 Bellflower Road, Gibsonville. But that's where the association ends.

But the folks here in Gibsonville believe their town's been given a bad rap by all the publicity surrounding the cocaine lab. That suspected lab's more than five miles outside of town limits.

UNIDENTIFIED MALE: It's not anger. It's a frustration, a kind of a feeling that some of the media portrayed us as the Gibsonville lab or the cocaine lab in Gibsonville, Gibsonville persons arrested. And all they have is a Gibsonville mailing address.

NC: In addition to the misguided links between the town and a Coke lab, members of the Gibsonville police force have taken their share of good-natured ribbing. Officer Steve Perry has heard enough.

OFFICER PERRY: Every now and then we hear a little... people saying you know... What if the police do sleep, you know, there must be a cocaine factory getting us on, you know, it's not... you know, there's nothing like they think.

NC: And all of the attention focused on the federal cocaine investigation has confused even those who live around here.

REPORTER: Is it in town or is it out of town?

UNIDENTIFIED BOY: I think it's out of the town. I'm not so sure.

NC: But those who are sure, know how they want their town to be seen by the outside world.

UNIDENTIFIED MALE: We're no dope city. We're just little small town.

NC: It's clear in Gibsonville that the only coke they wanna be associated with is the kind that comes from a bottle or a can. After all, everyone here knows that Gibsonville is a...

UNIDENTIFIED MALE: Nice, clean, little country town. Secluded back out off of the road. Two stop lights and that's it.

VIDEO TRANSCRIPT END

FG: Andy Griffith couldn't said it better. Just one more thing. There's a map showing the locations of all the labs in Gibsonville, in Orange County, Virginia, the Minden, Fly Creek, Cocksackie, and Baiting Hollow, Long Island. So with that, I'll turn in the microphone and the lectern over to Mr. Patin.

HAROLD PATIN: Hello, everybody. My name is Harold Patin. If you're from Louisiana, you probably would probably say "Paten", but everybody knows it's Harold Patin. I represent the society of ancient, retired and almost dead narcotics agents. Actually I just made that up. But people that wanna watch this kind of a program with Fred and myself, maybe you're in

law enforcement, maybe you're in a job that might one day be doing the same things that we did over 30 years ago.

HP: This case is 45 years ago. Thank God I'm still able to stand up and talk about it. If you are a law enforcer, then you may run into to a lab one day. To me, when you bust a laboratory, you're not just mopping up drugs in some city, you are turning off the faucet, and the water won't drip. You have ended that particular drug hopefully for a long time or for good. To me, busting a lab and getting the principals under arrest and convicted, is like for a DEA, it's not like winning an Academy Award, because you have made the outstanding deal of the year. In my case, it took us four months and Fred's case, it took him most of his career I think, huh? But he had very big operational labs all over. I had one particular lab. So let me get on to that.

HP: James L. Harper, Ph.D, research chemist, brilliant goofball. Now I know if you're in law enforcement you've met a lot people like that in your life before, maybe a few really bright people that were stupid. This guy could take a blackboard and fill it with chemical formulas and try to explain the entire world to you and then couldn't tie his shoelaces. He was doing something really stupid. In fact, he tried to convince me that what he was making really wasn't illegal methadone. Now we say methadone. This is not a methamphetamine lab which you can make by going to a drugstore and buying some decongestants. Methadone, you have to be a really good chemist to know how to make methadone. Dolphine is another name for it Methadone is a synthetic narcotic drug invented by the German chemists who are the brightest chemists in the world, I think, during World War II when they could not get a hold of morphine to treat the wounds and the pain of suffering GIs, so they said, "How about making something?" So they did.

HP: Dr. Harper worked for a very big chemical company on the East Coast, not far from here, just outside of Baltimore, a place called Laurel, Maryland. His job was to be a research chemist. He had a legal job, doing legal work and trying to invent things that this company could sell. He was so bright he had four or five legal patents attached to his name. He had a lab technician who lived in Baltimore. The lab technician knew a guy in Baltimore, there was a heroin deal. The guy said his name was Johnson. Oliver Johnson. On the street, Oliver was known as "Proposition Joe." If you ever watched the, I think, HBO series on The Wire, there's a character there who's a heroin dealer in Baltimore named Prop Joe or proposition Joe, not the same guy but they must've liked that name, so they used it.

HP: So, Proposition Johnson says, "Hey, I can sell heroin. I'm selling heroin now." Where, if I can get something, I wouldn't have to go to the man who's going to the French connection. When you buy heroine, illegally, there's a whole chain of people that buy for this price and then add the price, add the price, add the price. So, when I'm buying heroin, I'm paying thousands of dollars for a pound. If I can make something in a laboratory like heroin or maybe make heroin itself. So that *inaudible* guy, "No, you can't make heroin, it's way, way too hard. We could make heroin though if we had morphine. We can't get morphine, but we can get opium. So I can make something that's kind of like heroin. He said the Germans invented it during the Second World War, it's called methadone, so he went about getting what he needed while he's still working lab. In his spare time he made a few ounces of this stuff, gave it to his friend who took it to Baltimore. Wow! We need some more of that. We can sell it. And so, it started the case on the doctor, it started with him making methadone.

HP: What he did is he resigned from his job at Grace Pharmaceuticals, and he and his wife moved back home to Tupelo. He had a farm about four or five miles out of Tupelo in a place called Moorville, Mississippi. He had a nice home on Main Street, up on the western side of Main Street in Tupelo. And he ran a little tiny space in a little strip shopping center right across the street from a major grocery store. This little space he set up his lab. Now this is about less than two blocks away from the famous Elvis Presley's birthplace. If you go to Tupelo, there will be a big sign that said, Elvis was born here. It's bigger than while I was there, you know, 45 years ago, 'cause I got bigger.

HP: The four-month investigation started off in 1969 and ended around the middle of June when we busted labs and arrested the doctor. So it took us four months but we had a great informant, a really great informant - his wife. So you guys out there, be careful what you do around your wife, treat them nice. He didn't treat his wife nice. He was terrible to her and he really ticked her off terribly. He had her committed and subjected to electroshock therapy which she never forgot. She came in with a vengeance. So, she filed for divorce and I said that case like this, God sent this to me. And it wasn't because I was a brilliant agent and I can figure it out where's the methadone lab but I can find, no. Nobody even knew there was methadone lab. I called Baltimore when we found out and they said you've got to be kidding, there is no methadone lab. You guys farming methadone on the street? Uh, a little bit. We think it's probably diverted from some wholesale house with theft or burglary.

HP: I got some truck phone numbers to check out. They checked him out, this guy is a drug dealer! Well, what do you think? That's probably Proposition Joe's phone number. Anyway, she hired a lawyer to divorce him. A miracle, okay? The lawyer, guess what, turns out to be the younger brother of the United States Attorney for the Northern District of Mississippi. She comes in to him and brings him five or six little bags of white powder and says "This is what he's baking, I wanna divorce him." divorce him, maybe can use that against him. What would I do? He took it to his big brother and said, we're going to call up the narks. So, he called up on Mississippi office, and the agent that just happened to be at that time was our new boss, you'll see it's Jerry Jensen in New Orleans, new region.

HP: BNDD was just created about less than a year, a year before. I bet a little bit more than a year before. And he put me in charge of Mississippi because he was unhappy with the modifications they were making, and so I so, I moved to Mississippi, he said, "No. You go up there, whenever you think you need to but stay at New Orleans because I want you to also be in charge of Group One at the same time." Oh, all right. So I went to Mississippi and we started making a few cases and then we got a phone call from US attorney, "Hey, come get this stuff." And we sent off Bill Martin. Bill Martin was ex-BDAC, now BNDD, by Bill Martin, another miracle of God, who was a registered pharmacist when he got hired. So, Bill took a lot of chemistry.

HP: So, Bill was sitting down with me at night trying to explain to me how you make methadone. There's something called a Grignard Reagents, oh okay. At that point, you made a Grignard reagents, the only thing you could be making with all the stuff we see out there he's buying it's got to be methadone because that's what we think it is because the samples we got from the wife. One bag went to Mississippi toxicologist, the other bags went to the BNDD chemists in Dallas, Texas. They all came back as, my God, this stuff is better than the drug store. It is 100% or 99.999. This is the best methadone I've ever seen. And guess what, it's not methadone hydrochloride. Methadone hydrochloride is what you find in the legal area if you buy methadone for a clinic or methadone for pain it's gonna be methadone

hydrochloride. What was he making? He was making methadone hydrobromide and it's damn impure. Wow.

HP: So, once you get the samples, you got to believe the informant, right? So, we went up there and met with her, and I got search warrant after search warrant after search warrant after search warrant, because the search warrant expired in ten days, and we're not ready to go in ten days because he's not making anything right now. He's got a little bit of stuff in his lab. But he's going to starting soon so we wait and we wait, and we go through the longest hot summer of Mississippi where temperature outside under the shade was 105. And nearly lost one of my agents hiding in the van, "Hey, come get me, I'm about to die." When we got him, he was in his drawers, but he was still about ready to pass out. So, we had to cool him off, feed him some water, and I said, let's find another way to do surveillance. So, I rented a little place in the same shop at the next door, and we could watch them from being inside right next to it.

HP: But from the informer, we pretty much knew what day he was going to go to the lab, he would say, he'd go hard and drive his or he might just stay home. And each time you look in the window, nobody's there, there's a little tray out there with white powder. Looks like I'm out of pound. Few days later, it looks like about three pounds. They kept going and kept going till they finally got to the end. That's what I said, he's making hydrobromide and not hydrochloride. After we arrest him, he sat down with me and filled up a legal pad full of chemical crap. Trying to convince me that, "Mr. Patin, methadone hydrochloride is covered by the law but hydrobromide is not." "Hmm... Really? I'm dumb doctor, explain it to me." So he just fills up all this stuff, I think it will be used against him in court. But, nothing I didn't plan on. This is Mississippi. In Federal Court. No offense on this, anybody from Mississippi here?

HP: At 1969, the only case that made to federal court was civil rights, or it was the Klan or it was moonshine. No Federal Judge had ever seen a drug case before, and here we got the biggest one in the country. So the judge was really, in another world. He didn't believe I could possibly get a forty-six page legal confession from him, with his lawyer present. Without torture or promises of wonderful things that happened to him. Which I never promised him anything, except, everything you tell me we made known to US attorney and to the judge. We didn't lay a hand on him. But when you're a scientist, and you're arrested, you're so smart. You don't listen to anybody. Because you know better than anybody. Especially if you are a narcissistic brilliant guy. You got to tell the guy that you're right! So he'd tell me I'm right and I'm stupid, so I'd listen to his story and I know that the law says, methadone or any of it's optical isomers, that means libo dextro, or any of its salts. And what is hydrochloride? It's a salt. So, hydrobromide, it's a salt. You can go on, if you're a chemist, you can probably make a couple of dozen salts. They are all covered by the law, so I knew he was guilty. He was just trying to convince me he wasn't. Anyway, brilliant but stupid. That's methadone. And you can make it into different salts it won't change... And that's Elvis... I don't think I already told you about him living close to the Elvis shrine.

HP: And that's the headline that made the rest. Over to your left is Jerry Jensen. He was sent to New Orleans and after the creation of BNDD in April of 1968 to be the real director, he was over in like five states. And that guy on the right is the Head of the Missouri Bureau of well... Became the Missouri Bureau of Narcotics but that was called the Missouri State Highway Patrol Narcotic Division. The guy in the middle is a doctor. He is the Missouri State toxicologist.

HP: The guy in the right from Mississippi, in the article, he tells everybody they held the whole investigation which was totally made up out of his head, I didn't know where he got that from. We invited him in to come help us, And all the investigation we did was checking out phone numbers in Baltimore. Talking to Baltimore about Proposition Joe and also checking on various wholesale manufacturers and distributors who were sending him chemicals and laboratory equipment. When we got the big three that clashed, it had to be to make the Grignard reagent. So we had the goods on him, but we had to wait for the right moment to strike. We also had people out in Baltimore interviewing his co-conspirators.

HP: Lessons learned, you know when you might not be waking up this morning and thinking you gonna try to win the Academy in drug enforcement, but if you are a DEA agent or a State agent or a local agent or our local agent, you're not retired yet, you're still hoping you're going to make the academy award this year. Just have an open mind, when the phone rings, come on. A laboratory could buy... You never know... It's always a squirrely bit of information in the beginning that starts it all. Now I was involved in about seven raids, different laboratories. Sometimes, I'm just one of the guys. Sometimes I was expert witness after the lab to explain things. And a couple of those times, I was in charge of the group. The district officer on the task force.

HP: And one time we did undercover work, at a PCP lab. Buy the PCP and then follow the guys and then lose him. And next week we do it again. And we lose him again. So, next time, we buy a dope We had our plane up in the air and the night before we put reflector tape on top of a guy's car. Which I can easily say now. And we followed him across the lake, right to the place... We've suspected it was in that neighborhood somewhere. Goes right into the building, and about 10 minutes later he comes out with a package. Brings it our undercover agent and delivers it... I'll be darned it's definitely PCP. The next morning we had a whole bunch of people raid that laboratory. His PCP was also very pure... As opposed to the other lab that I testified in...

HP: About 50 miles away, a few years later. It was run by guys who couldn't spell chemistry. What they were making was garbage. But it had PCP in it. And when you took it, it'd probably make you bleed internally and externally. Anyway, the guys at the lab that the undercover agent led us to, they were chemical students. One had just graduated from college, the other one was in his senior year. So, this young guy knew chemistry, Dr. Harper, knew chemistry very, very well. Very well. I didn't stop him from going to jail though.

HP: So, leads from a CI, a cooperating individual, it maybe a real informant, it may be someone you've never heard before but they're going to cooperate. That lead might bring you to that thing you've been looking for, the laboratory. Developed the informant, this lady, we had to really work with her. A agent who worked with me that used to be a senatorial cop, became a federal narcotic agent at BNDD, later DEA, and the... Whoever worked with her very well, sometimes she come in the evening to our hotel and brings us food, which is always nice when you are on the road something different to eat and eat in holiday inn. Lots of surveillance, you know, everyone in this case got stakeout in the woods, stakeout in the city, and like one of my agents who almost died in a truck, you know. Those is the kind of surveillance you want to try to avoid. We see back then in 1969, we didn't not have the fancy equipment. When I joined the bureau narcotics, believe it or not, we are 200-286 agents in the entire world. Among 60 to 65 of us were overseas somewhere, one man post in Istanbul or

one man post in Tokyo, we have a budget of seven and half billion dollars a year. Today DEA is over 5000 worth a budget and out of space. I think it's too big, right? Big difference.

HP: So, we had no folk uniforms to wear elaborate my uniform was blue jeans, sneakers and a T- shirt. Today, you see this guy with the black ninja outfits on and white ninja outfits. white ninja outfits on and they got all kind of protection which was a great idea because we didn't know how when we walk in at that door what's going to happen, do I turn it off, do I leave it alone. Well While we have no access to bring in a chemist with us. So we have two BN chemist with us who went and told us what not to do. So, it's a whole lot of difference nowadays.

HP: You should know a little about precursor chemicals and laboratory equipment so you know that if I find this, then is going to be probably going to be either this or this. If I find that, well, it could be anything. If I find this and that, I think it can only be one thing, SB methadone. SB methamphetamine, SB PCP, whatever.

HP: LSD it's so hard to make, you don't find anybody making it anymore, you got to be a really, really, really smart guy. The only LSD I've ever heard off coming was our Bay Area of California, within 50 miles of San Fransisco. That's a whole another story though. Know how to write a good search warrant. Before *inaudible* was involved in Texas was Peyote Cactus extracting mescaline, a very good psychedelic drug. Not quite as powerful as maybe LSD, but it would give you a lot of the same reactions. Comes right out of that cactus. Indians who live in the border down there, for centuries have chewed that cactus on special occasions, not regularly because they wouldn't be able to hunt and gather.

HP: So, college kids go down and buy barrels full of cactus, take it up to a little from out in the woods somewhere and extract the mescaline. I got a hold of the sheriff. he says, "Don't worry about it, Harold, I got the search warrant." It wasn't a good search warrant. It was five pages describing the location. So, he definitely had a great location. All the way back to the Spanish conquistadors show where that property came from out in the woods. He didn't have a lot of probable cause. Probable causes, that is very important too when you are a police. When you know what is the probable causes when you put it down the search warrant you know is going to be not just a judge is okay go get them A month you're going to court to argue about whether a search warrant is any good, a motion to suppress.

HP: Interview and interrogation I know how to ask questions. I prefer not to ask the yes or no questions. Are you drunk? No. No you ask the who one where it coaches, how do you feel? Who, what, where, when, why. And you learn that when you interview, a lot of what you find out, has a lot depending on what you already know. Your background, your experience, your training. And it helps you develop any kind of a case.

HP: Undercover; sometimes undercover's very good very good. In the methadone's case, it didn't help us much, but in the PCP lab case, it was instrumental without the undercover buys, we never would've followed this levels to the laboratory and the key there was we knew about what you have on hand from other informants. If you are a couple ounces, Harold, he is going to make a move to go get some. He don't have that much on him. So, okay, we order two ounces, and I'll be right back. Wait here at the pool hall. I'll come back in two hours with the stuff. That means follow me. So, it's not that complicated but God has to be on your side, I think. You wake up today and you get that right phone call, don't just hang up and tell them to go to hell immediately. Think about it. Evaluate it. Maybe go and talk to that person. It will

be pretty apparent, pretty soon if somebody is just pulling some stuff out of the sky for you. But if they bring you some pure samples, definitely there's a laboratory, you know.

HP: Ed Bazurik, great guy, great agent, passed away in 2009. Dixie Balls just passed away not long ago, about less than a month ago, about three weeks. Ed was a San Antonio cop hired by Bureau Narcotics came into warrants got transferred to mid redistrict office. And then later on, he was the first federal narcotic agent of any kind to open up something called a "Memphis office." Memphis police, Memphis sheriff begged us, "Put an office here. I don't care if it's one guy." Who's that one guy? He's the guy that makes the White House ship the wonderful package to, called the BNDD badge for Elvis. You all heard about Elvis getting his badge. Ed's the guy who delivered it to him, became life long friends with Elvis. And the security people would open invitation, you and any guys, they get to sign here, whenever you want, come to the mansion. A pool, racquetball, cocktail lounge, have a drink, and when I am here we all get together to have a beer. Having a beer with Elvis outside the mansion was not very easy because you had to be careful, if they find out I was here, the place would be stormed. So, Ed was a pod friend, good agent.

HP: Dixie, met him in Mississippi when I took over the office he was with BDAC, which became BNDD by the time I took over. Great guy, lived on the Gulf Coast, had cancer, finally got him about three or four weeks ago. Bill Walden was my registered informer. He was very knowledgeable guy in chemistry. Elvis and I got into chemistry, he kept his license in pharmacy and after he left one after another he want to left headquarters being like the adviser to the DEA medical doctor. so Ed, I mean Bill, was more on the scientific and on the enforcement end, he helped me to understand how to make methadone, what the chemistry was, what a Grignard reaction was, and we found out he's getting this stuff shipped "Oh yeah that fits right in, that fits right in, that's definitely good stuff." So, we accumulated all the data that we could find from places he was buying laboratory equipment and laboratory chemicals. Jimmy Bush, ex-customs, BDAC, BNDD, DEA.

HP: Jimmy worked for me in various different positions. He's also passed on in 2008. Left his lovely wife behind, who also passed away about 3 years after he did. And then Jerry Janson who also passed on in 2009. Janson was a very smart guy and he loved something like this. He loved to get in front of the press and say how great his agents were. He left the door and went to New York and without various other assignments and finally got fired. He's dead too now, so, I guess as far as I can tell, I'm the only guy left that knows about this case. So I can just say anything, huh? James Harper. I was in all the agencies, except do not spread the rumor about me working with Eliot Ness, I didn't. But I did go to school in my early days in Washington where one of the guys who was my instructor bragged about the fact that he was Eliot Ness's supervisor Now it might be true, I don't know, because you know, if Elliot has a thing for how to kill himself.

HP: There was something then called the bureau probation which also enforced drug laws back then and FBN was created in 1930 you know I hadn't been born yet so I wasn't in that but going back to the 60s - FBN, BDAC, BNDD. There was a lot of drug enforcing that was waiting to happen But nowhere as big as it is now. But the country was smaller. Everybody is, oh, heroin is coming back, I said no. I think heroin was worse in 1965 to '69, if you came to town with a bag full of coke, nobody wanted to buy it. So trends change. What do we make now, what laboratory's gonna make, what, it depends on the market. Cocaine kind of made its own mark but boy once crack got out there, if crack would have been popular when he was working that case. People would not be bringing crack in to change it into powder. They

might just make it better crack. Crack doesn't mean cocaine-based, whereas cocaine powder is the hydrochloride, it's the salt. And so you can do that, when crack, you can do this. You can smoke it, you can smoke the powder. And the trend just really took off in 80's. So, nowadays when you talk about cocaine, well, sorry everybody wants the rock, the crack, the smoking variety. If you wanna get high, smoking is the very best thing you could do to get high. You get high very quickly, the drug molecule hit your brain within five or six seconds and keep on hitting. It's the worst thing in the world for your health however. It's very, very bad for your lungs and your cardio system. So, that's my presentation. Since it only took four months, it didn't take me forever, and I won't go into all the side stories that are involved in this case. Thank you very much for listening.

DM: Fred and Harold, thank you both very much for that informative lecture. We're going to now open it up to Q&A. I would ask, we actually have people on both sides of the aisle, if you want to ask a question, please wait for the microphone to get to you or you can just kind of raise your hand. That way everybody gets to hear the question. And for those of you... on the web, our web viewers, again if you would click on the button at the bottom left corner of the screen, that's where you can actually ask questions and Catie will be receiving them via her iPad. Now, if I may ask, when you get ready to pose a question, if you could say who you were posing it to, it would be helpful to these two gentlemen. Thank you.

QUESTIONER: For Mr. Patin, what happened to Dr. Harper?

PH: He got convicted. The judge threw out the 46-page-long confession, because he said, "I'm sure your advisor's right," I mean, I'm sure go ahead and record it, I had the magistrate's secretary taking it down in shorthand and I had another agent, an estate agent with me and the guy's lawyer there and say hey I'm his lawyer and he wants to talk, so the judge said, "I know you didn't torture him, I know you didn't promise him anything, but nobody would ever do that without thinking he's going to get something." That's a very silly, silly idea for a judge to have. Because the judge probably never did interrogate people like I have. If you have been a police officer, you have interrogated people, you can tell me the rights, you could read them their rights, you could have them sign it, and say, "Now do you understand your right to a lawyer?" No, they got to tell you something. That's not a hardened criminal though. A guy who's in a gang tell you nothing. A guy who's in the cartel, if he tells you something he's probably bold or else he's really looking for not getting killed by the other side So, a brilliant guy like a medical doctor and I've interrogated those, they've been stupid. And PhDs are stupid when it comes to... they got this feeling, "I didn't do anything bad I wanna tell you. Tell you my side of the story." And his side of the story hangs him.

PH: I've had medical doctors say, against their lawyers advice, get on the stand and testify and become my best witness. So, the judge doesn't know this doesn't know some people just have got to confess. But others won't. You have to promise. And my promise would be told to the US attorney and then he will tell you what the deal is. He'll talk to your lawyer and believe me a lot of cases get solved by negotiation. So we couldn't convict him of distribution, he did get convicted of manufacturing. That was before the Controlled Substances Act went into effect. That was 1970, fully in effect by May of '71, the CSA, this was before that. So drug laws back then were the Harrison Narcotics Act, based on taxes. You can't do that without paying a tax... you can't even pay a tax, for like, methadone because you got to get a license. Then your distribution of that methadone has to be a hole between legitimate sources and legitimate targets, customers. So, he was guilty of it, back then the maximum was five, he probably got out in about four

Q: You don't know what happened to him afterwards?

PH: No, but I know he didn't go back into making methadone. Another thing about cases nobody has ever successfully made methadone illegally and distributed it. And nobody has done it since. So, it's a good feeling about that kind of lab, but we got many other labs, like the one he did, I'm sure people are not going to give up on cocaine, because if Fred and his guys busted them, somebody else would do it. But it makes it hard. You make it harder and harder and harder, they can't just sell to anybody. We can make cocaine, you know, for \$10 a bag instead of \$200. Just legalize it. Thank you.

Q: Tell me how the coke base came into the US that you... how the cocaine base... how it arrived in the United States, those wooden pellets you showed...

PH: They weren't the vehicle of importation. It could have been a variety of weight. Just leave it to the imagination of the Colombians to get the cocaine into the US. Fly it, use a submarine, have people swallow condoms. Obviously the amount of base they were bringing in was in large shipments. Could've been in wooden containers, mahogany logs on fast boats. Just there's no limit to the imagination that the Colombians use to bring in the hydrochloride and then the base. So, those pellets you saw in the slide were simply a vehicle to get them down to the base from New York City, down to Coxsackie, and back to New York where the retail market was. I would like to add one thing to that, failed to mention in the... there were a lot of prosecutions in the Minden, Coxsackie, *inaudible*, Flycreek and Long Island, and one of the trials in the Northern district of New York, the very aggressive US attorney indicted the chemical supplier. Well, the jury nullified that indictment with a 'not guilty' but, you know, it's a just assessment.

CATIE DREW: Alright, we have a question from a web viewer and this is not directed to either one of you, so you all can decide who can answer, "Do you, as former federal narcotics agents, feel the Obama administration, in particular the Justice Department has been helping or hindering drug enforcement today? I'm speaking specifically about the legalization of marijuana, a Schedule One drug, by Colorado, and the apparent hands-off approach being taken by the federal government."

FH: Harold, I'll take this one.

PH: Good.

FG: But... And I would ask you, Catie, as the administrator is not busy, to step down here and answer the question. But, there there is some controversy growing about the legalization of marijuana. Several states have passed laws; Washington, Colorado. We have a local alternative newspaper in Greensboro that... it was a couple of thousand pounds of marijuana seized last week, so it was material for his column. He says, "Let's sell it to Colorado and let them tax it." But, there is some discussion of lowering or commuting certain... sentences of certain inmates that are in the federal prisons now. There's some controversy. Some elected officials are against it, some are for it. I would refer you to the website of the National Association of Assistant United States Attorneys who has written a letter to the Attorney General about that issue. I know that, for a fact, that the administrator, she has spoken out on it also. And I'm not here to make a political statement of any kind. I just know that there's a lot of controversy. Harold, do you have anything to say, please?

PH: Yeah, you're not going to arrest me are you? Hi, sweetie. Fred and I do not depend on DEA for an income anymore so I can say anything I want, and I think if there is a Justice Department, we don't really have a Justice Department right now, Eric Holder is one of the people I really don't think is on... He's a very bright guy, he knows what he's doing, but he's doing the wrong thing. Michelle has to fear for her job. Maybe she says something and gets fired, or she says something and quits or she says something and see what happens, I don't know. But I'm not the Administrator, but I can speak from my own feelings. After I left DEA 32 years ago, I left without a pension because I went in business. They said, "Harold, well, when you're 61, which would have been 20 years later, I could get about \$1300 a month. Back then, \$1300, I'm thinking, I might be able to buy my wife and I dinner that night, because the way inflation was going, it was skyrocketing. Things calmed down.

PH: Anyway, the business I went to was still drugs. I worked with all kind of companies, from big, big companies to little companies, helped them understand how to deal with the problem of drugs in the workplace. Drugs testing, drug dogs, investigations, training, education, all of that, I went all over the country doing lectures on 'Here's the problem, here's the answer'. I got challenged many times but it seemed like it worked out after all these years. Last year, I sold my company and now I can do whatever the hell I want. And my daughter still works for the new company. They have seven offices around the country, I only had one, but they liked me because I was making more money than the other six put together. Now, some part of my life though, I wasn't making a lot of money, I was making money, but I was spending more than I was making. I knew drugs, I just didn't know how to run a business, the economy. Anyway, I've been all over talking about drugs, maybe a couple thousand lectures in my life.

PH: Marijuana is a thoroughly, I mean thoroughly, underline that word, that were misunderstood drug. I got a list of reasons people say we should legalize drugs, "It's just plant." Yeah, so is every drug you know comes from a plant, including arsenic. Think about what you consume in an average day average day. Caffeine comes from a couple of plant sources. Nicotine, if you still smoke, it comes from a plant, right? Nicotine is very closely in your body, form a... very close to an opiate, but it doesn't get you hooked like heroine does, but it makes you want that next cigarette so bad that your promise your children, your promise your wife or your husband, "I'm going to quit." Yet, you go back for one more. The half life of nicotine is twenty minutes, so I finish my last cigarette, in twenty minutes something tells my brain I would like another one. Maybe you have to put it off 'cause you're in church or you're in a meeting.

PH: A lot less people smoke now than they did when I was a kid. But I had several friends in the last 5 years, "Uh-oh, he's not doing good." They're not as old as I am and they didn't make it. They died before 70 from lung problems. If you smoke two or three packs a day for many years and quit, you know that stuff is still there. You're better off quitting but it's not gone without a lung transplant. Anyway, those are two drugs. You take cocaine from the coca leaf, and heroine comes from making it with morphine, and acetyl salicylic acid, you know, I mean, a simple drug, you make it into diacetylmorphine, comes from opium, natural plant. So people say marijuana just a plant, so sure, all drugs come from plants, except for a few that we make to copy nature or to make something kind of... with an effect like nature, like methadone, it's not a natural drug, strictly made in chemical lab, but designed to act like morphine.

PH: So where do all these plants with all these stuff in them. Think of that, plants make juices with chemicals. It affects your brain, right? How can that be possible? We all know we've been descended of apes right? The truth is we're all descended from plants. I'm talking a billion years ago, 500 million years ago, the plants grow up and make chemicals and so do we. So those chemicals have a great affinity for the brain. So, what you need in your body is chemicals that your body makes to keep you sane, to keep you having fun, to enjoy life, dopamine, serotonin and so forth. Chemicals from the plants do that to you. Another big reason is, "Hey poor little kids with a little bag of dope may go into jail, into prison for years." Well, if you check the statistics of prison, you don't find that. People in jail for marijuana, not the biggest number compared to other drugs, but the ones in marijuana probably copped a plea, meaning they pled guilty because the US attorney or the district attorney had other charges. If you cop out the marijuana, you're going to get a little break here, you know, you're going to get three or four years and we're gonna drop the other charges on bigger charges and that's what happens. You don't see anybody in prison for 5 years for a joint. That's make believe by the legalizers.

PH: Marijuana is no worse than alcohol, even the President said that. That's dumb. It's not thought out carefully to understand the difference between marijuana and the difference between alcohol. They're both dangerous. If it's no worse than alcohol, why make one problem bigger than the other problem. So, a lot of people don't think about all these things, somebody say what is medical marijuana? Well, that's mostly make believe too. There are chemicals in marijuana that may have an effect that could be beneficial in certain areas. I don't think it's going to be THC but it might be. But let's not put it on the market until we're pretty sure it won't hurt anybody or make them worse. And it actually does work, 'cause if you went into the backyard tonight and discover a new plant that cures your grandmother's arthritis, would you be able to go to Walgreens tomorrow and sell it? No. You know, the procedure that we have that makes us careful, more careful than maybe some other countries. Careful that we make sure the drug is pure, the drug is safe, the drug is efficacious is a word you read, effective. If I say it's going to cure arthritis, most of the time, it should do well with arthritis. Doesn't mean 100%. And most of the time it shouldn't kill you if it doesn't cure you. So, you got to make sure a drug is safe and effective. And when you sell it, we know it's 15 milligrams in in this bottle per tablet. And we also know, on the label it tells you, what else is in there besides the magic drug. That's how we do it in America, so let's do that with marijuana.

PH: Now, if you got a problem, you say, "Oh, I need marijuana, it helps my nausea." There's a drug called Motrin (*Marinol?*), it's legal, it's a schedule 3 drug under the law. Any doctor with a license can prescribe it, and any drugstore you go to can sell it. What is it? It's a chemical copy of the THC molecule. And it does have effectiveness in nausea and appetite increasement. You don't want appetite suppressant. You know, in chemotherapy you can't eat, you lose your weight, you're not feeling good, and you keep throwing up. You take this pill. You have all the other pills, If all the other pills you already tried aren't working, then it might work. If it does, you don't throw up, and you get a little hungry and you start eating. You can do that now. You don't need to smoke pot to do that.

PH: Another thing is, medical marijuana, whatever we find whatever good it does, should not be a smoked medicine. It should be a tablet, an ointment, a salve. Something you put on your nostrils. The drug they're finding out right now is not THC, it's cannabiniol, cannadiol. These drugs may have a beneficial effect on seizures. They tried it out with young kids who are having five or more seizures a day, and it's down to little or none. Is that the right drug? Well,

let's find out. And if so, let's just give those children that particular drug. Don't have these kids smoking a joint. You got to get high and maybe it will help calm you. And your seizure's down.

PH: So my feeling about marijuana is, let's see what happens in Colorado. Because I already got reports from Colorado. A lot of things are bad. Number one, a lot of states that don't legalize marijuana are getting lots and lots of shipments from Colorado of - guess what – pot! Also, the traffic fatalities and traffic accidents have one up. And it seems to me from the police reports, that it's drugged driving. And we'll see. Not in a few months. Let's go back in three or four or five years and see, if Colorado is doing better than Texas and Louisiana, or Virginia, or Washington State is doing better. They're trying to regulate it, oh we're going to make a lot of money after taxation. Number one, if you put the taxes too high then the cartel will sell it cheaper. If you make it just right, yeah, that'll be enough to pay for the harm. That's just my humble opinion, but my final statement is we'll see. Thank you.

FG: Catie, could I... one thing to what Harold said... I know we're running along and I made some statements about the controversy, I just still think, besides the leadership at the justice department, the men and women of DEA are doing a wonderful and magnificent and brave and courageous job. And you all should be proud of yourselves.

PH: Ditto.

DM: Again, thank you both for joining us today. All of you in our audience and watching on the web, thank you. I just want to remind everyone this is actually our final Spring Series lecture but keep your eye out, because we will be advertising our follow-up lecture series where our theme is going to be commemorating 100 years of federal drug law enforcement that will cover the years of 1914 to 2014. We've already started planning these lectures and we are gonna be covering... one will be on the FBN, the early years, and we also have one that we're going to have dedicated to the FBI director Harry Anslinger. Thank you all again for joining us, let's give them a big round of applause.