

**DRUG ENFORCEMENT ADMINISTRATION  
MUSEUM LECTURE SERIES - 10-27-2006  
MICHAEL SHUM & TOM DOLAN - 9-25-06**

**LOG: SF = SEAN FERNS (ph.); MS = MICHAEL SHUM; TD =  
TOM DOLAN; US = UNKNOWN SPEAKER**

21:26:29:03 SF: We're gonna go ahead and get started this morning. I have some folks joining us but I wanna be—I wanna be prompt. Good morning and welcome. My name is Sean Ferns. I'm here with the DEA Museum. On behalf of all of us on the museum staff, welcome to our continuing lecture series.

21:26:44:14 The museum has been doing these for a couple of years now and this year's theme is DEA Around the World. Last time we took a look at South America; today we journey west to Southeast Asia. We have two speakers with us this morning, one will give more of an updated today look while another a more living history.

21:27:04:23 Not that we're calling him old, but a more nuanced approach to Southeast Asia. First is Michael Shum. Michael is currently the Staff Coordinator in the Office of Enforcement Operations. His foreign areas of responsibility include Bangkok, Beijing, Hong Kong, Rangoon, Hanoi (ph.) and Vientiane (ph.).

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21:27:26:03 He started with DEA in September of 1985 as a Special Agent in the Newark Field Division. Moved to New York, Hong Kong, back to New York, then to Seattle before coming here to Headquarters where he is currently the Staff Coordinator. Following his presentation (which will include some slides on a Power Point) Tom Dolan will speak.

21:27:47:04 Tom spent 27 years with DEA retiring in January of 1999 as the DEA Deputy Chief of International Operations. Tom actually started with BNDD in 1972, then, as with Mike, went to the New York office, then to Bangkok where he will speak in depth today. And, obviously, Bangkok is in the news once again with one more military coup.

21:28:15:14 He then went to Cairo, Egypt, Denver, Colorado, Springfield, Massachusetts, and finally here to Headquarters where he finished his career, again, as Deputy Chief of International Operations. We'll take questions at the end of both presentations. Please feel free to ask questions or think of them as we go along. And with that I'll introduce Michael Shum. Thank you. [APPLAUSE]

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MICHAEL SHUM

[ACCENT DIFFICULT AT TIMES]

21:28:46:22 MS: It's a great honor to be here to be asked to present the Southeast Asian trafficking situation here. Again, you know, I'm not an expert in Southeast Asia but I spent some times starting with New York Field Division back in '85. Before I became an agent the SAC (ph.), Kevin Gallagher if anybody knew, he told me, he said, "You're going to New York because we're gonna start a [sic] Asian group".

21:29:11:07 So back in '86 we started an Asian heroine group and it was called (ph.) D41, also known as the Chinese Group. We... That group comprised of U.S. immigration, AFT, INS and New York State Police and New York City Police Detectives. It worked real well. I mean, it-it-it just-you know, we were doing a lot of cases with Airway (ph.) Fuel (ph.) Division, the Bangkok office, Hong Kong office.

21:29:42:26 We did a tremendous-a lot of undercover work, a lot of reverses at that time in the '80s and the '90s where

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the heroine is rampant. I mean, we used to do a lot of reverses when you don't even have to show a sample and they funded you like, oh, close to 400 to 900,000 dollars in shopping bags.

21:30:06:06 But I'm here to ask today to participate in the changing of DEA. I'd just like to share my perspective in these areas. The way I would show it, probably the best thing to do is to show some Power Points which is on behalf..

21:30:22:18 Thank you, Laura Ceri (ph.), from the Intel Analysts, who did the presentation not (ph.) recently for the Ministry of Public Safety with China. So I'm just gonna use the slide that she has used so I may have to read some of the scripts, but just bear with me. I'll try to input whatever it is.

21:30:47:10 The potential world opium of (ph.) production in 2005, you can see that Afghanistan tops the list with 4,447 metric tons, and Burma came in second with 380 metric tons. And, obviously, you've got Laos (ph.), one of the Southeast Asian countries with 28 (ph.) metric tons.

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- 21:31:14:14 Now when we—we're talking about on the top left. Obviously, it says heroine, opium, yaba (ph.). For those who are not familiar with the Far East logo, it's the methamphetamine pills which is the upcoming trend in—in—in—in Southeast Asia right now. Obviously, cocaine and right there it's ice..
- 21:31:35:15 They call it "shaba (ph.)", I guess is what it says. Shaba is ice to us. And, obviously, marijuana. Now when we talk about Gold Triangle, basically we are talking about the three countries. Again, I'm trying to be as basic as possible. I know a lot of people who are not familiar with Southeast Asian countries.
- 21:32:00:18 When we talk about Golden Triangle, these are the country of Burma (which is also called Miamaya (ph.)) and Laos and Thailand. These are Golden Triangle. Down here's the Double U-Glow (ph.) which is a lot of the Southeast Asian heroine that we have seized. As you can see, the Southeast Asian production has gone down tremendously.

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- 21:32:26:14 Burma still is the world's second largest producer of opium, and they produce 90% of the world's Southeast Asian heroine. Although it's hard to estimate the exact amount heroine is smuggled out of Burma, large seizures has just happened. Back in 2000 and September of 2005 we just had a 496 kilo gram of heroine that was seized over in Burma.
- 21:32:56:07 This was destined for international waters. Again, if-I reiterate, Burma is the second largest producer of opium after Afghanistan. The eradication effort by the poppy-free zone has-have done tremendously, but the primary sources of meth produced in Asia. The United Wah (ph.) Shah (ph.) state-United Wah state remains the leading producer of heroine and methamphetamine in Burma.
- 21:33:33:28 I don't wanna get into that. It's a little bit more complicated because... It's very, very complicated (ph.). I think the methamphetamine traffic, why switching from heroine? Because a significant drop in Southeast Asian opium cultivations. First of all, when you go to poppy field, you need the-you know, the growing seasons.

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21:34:00:12      There were times when we did a lot of undercover. The bad guy says the rainy season and monsoon which destroy the crop. So, you know, dependency on the growing seasons. And there's no necessary or large work forces necessary and, no, not necessary for chemicals obtained, which is easily.

21:34:21:05      Also, the labs are located close to the consumer markets. Obviously, bottom line is high profit returns. Again, as you see, the drug situation in Thailand, the heroine and meth most readily available drugs in Thailand right now. And meth is obviously yaba pill which very accessible.

21:34:50:20      And Ecstasy, MDMA and marijuana is easy obtainable. The cocaine is limited but it's also available. Again, Laos, the other Golden Triangle, it's a dramatic decline in their opium cultivation but it remains a transit point for heroine and methamphetamine and precursor (ph.) chemicals.

21:35:16:05      And it-it-there's a lot of opium shipped via the mail parcels from Laos to the U.S. We have several cases

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that's ongoing right now and, obviously, the government of Laos indicated there's a huge abuse of the yaba pill, the methamphetamine pills that I just—we showed on previous slides.

21:35:39:21 And, obviously, we're talking about Cambodia and Vietnam, the Golden Triangle. A lot of the precursor chemicals and the methamphetamine pills are coming from north from Thailand—north from Thailand onto Ho Chi Minh City, which is Hanoi, down to south for Vietnam and onto places of Australia and the Southeastern Asian countries.

21:36:04:02 And also Cambodia is another transit point country where marijuana source has increased, and the use of methamphetamine has increased dramatically. We don't see any but Cambodia is a source country for marijuana. I recall (ph.) back in 1990–97 I was a GS in-in-in Seattle.

21:36:22:19 We had a bo—one ton of marijuana from Cambodia to—into Seattle. I mean, we arrested several individuals but this is something that back in the '95—in the '97 it happened they actually ship a ton of marijuana from

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Cambodia to Seattle. But now trends—you know, things has changed so...

21:36:53:25 Obviously, we—we—you know, we [sic] talking about part of Southeast Asia, we have to talk about Taiwan and Hong Kong. In Taiwan there's—a lot of party drug traffic organization exist over there. There is heroine, methamphetamine and marijuana is the most abused drugs.

21:37:14:27 Obviously, there's a steady increase in ice manufacturing because of the precursor chemicals, and they are involved in a lot of mega-seizures over in East Asia. And Hong Kong is no longer considered a major transit point because of the enforcement activity they have in Hong Kong.

21:37:34:20 Very effective. I served... Back in the '90s I was in Hong Kong and they have the British system where they are very, very, I guess, strict in enforcing the drug laws, and—and—and—and—and—and the cops are very, very pro-British. So they're very—they're very good in—in—in combating the situation there.

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- 21:38:01:22 Again, we go into Indonesia, that's part of the Southeast Asia. Indonesia is the... MDMA and meth are produced in Indonesia. There's a lot of them. The production and distribution of drugs controlled by Indonesian Chinese trafficking group. Recently we have a big seizure back in November of 2005, one of the biggest seizure we had that was reported by our Singapore office.
- 21:38:29:26 We're talking about these are meg-called "mega" labs. These-these-these-these labs utilize chemists trained in Netherlands and also in-in-in Taiwan. I'm just gonna show you a slide of the labs. These are the labs. The picture down on the bottom is-it's almost the size of a airplane hangar so...
- 21:38:52:23 I mean, you see the size of these mega labs that's producing close to... We're talking about... I don't know much-how much they produce. Let's see how much (inaud.). Well, this-the lab was-produced 150 kilo grams of finished crystal meth. And conversion produced a hundred kilograms of MDMA, 319 (inaud.)-319 liter of acetone.

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21:39:33:17 We gotta go to Philippine [sic] right now. That's, again, shabu (ph.). They-They... In the-in the Philippine they call it a shabu. Obviously, marijuana. Philippine is a major producer and export of crystal meth and it's known, obviously as I said, as shabu, as a crystal meth.

21:39:51:00 It's the drug of choice in the Philippines. And Chinese and Taiwanese drug traffic is dominating the meth production in the Philippines. Obviously, we-we- when we talk about, you know, Southeast Asia, I mean, you look at China, it's-it's a-it's a-it's a big, big country and you're talking about 1.-close to 1.5 billion people.

21:40:22:03 China be-continues to use as a transit point to an international market for both heroine and methamphetamine produced in Southeast Asia, in the Golden Triangle. The Chinese authority indicated in 2005 they have seized 1-10 tons, over 10 tons of heroine in China and over 2.7 tons of methamphetamine in-just in China.

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21:40:49:24 I mean, you could look at the size of China. The—the—the problem is the border between the golden crescent country of Pakistan and Afghanistan, and that's the reason why they have problems. And, also, China is one of the world's largest producer of precursor chemicals, which leads (ph.) to the way it is made to—for—for heroine.

21:41:11:02 Chemicals such as, you know, acetone, potassium permanganate (ph.), PKK and ephedra (ph.). Ephedra is grown naturally in China, so it's cultivated naturally, which is a product—production. You need—you need ephedra to make methamphetamine, so it-it's—they're trying to combat that problem in China but it's difficult because they are not categorizing a lot of the ephedral plants and the manufacturing companies.

21:41:41:13 We just had a bilateral Intel-sharing in June of this year with the Chinese MPS, and they're very, very cognizant of the problem they have in China and they are trying to rectify the problem they have and work closely with the Beijing office in—in—in China—in Beijing.

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21:42:11:13      Obviously, there—there's... And Australia is part of the Southeast Asian countries that OE (ph.) responsibility. Most of the shipment from cocaine season, Australia originally and South America. And a lot of the Asian organized crime involving meth trafficking is in Australia.

21:42:31:26      A lot of the Chinese from Hong Kong, back in 1997—prior to 1997, they immigrate to Australia because of the turnover of Hong Kong. So you have a huge influx of Chinese criminal ac—elements immigrate to Australia and to Canada. So there's a lot of the—the—the Asian overseas groups that's [sic] they're doing the drug trafficking, especially now with ephedra in—in Ne—in Australia.

21:43:10:06      Just to... Basically, these are the normal modes of, you know, drug trafficking, moving (unint.). Obviously, from the mountains region of Burma, Laos and, you know, you go (unint.) caravan (inaud.) and donkeys and then they go into a... If there's rolls (ph.)—egg (ph.) rolls, they would be going to vehicles, body carriers, even container cargos, (unint.), FedEx.

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- 21:43:37:16 We—we—we experience a lot of cases at this point. They just shotgun the drugs into Fed Ex packages. In DEA we have a... Again, you know, this is probably very elementary to a lot of people, call it Heroine, the Signature Program. As you can see in 1997, the Southeast Asian heroine is only eight—accounts for eight percent.
- 21:44:08:00 And further, 14% in '98 and so far and so far down the line. You see the decline of Southeast Asian heroine, obviously, for the reasons that I've stated. The trends, people are picking up in Southeast Asia with methamphetamines, the yaba pills and all that. When I was working in New York, we just—all we had was Southeast Asian heroine, number four.
- 21:44:36:10 And Columbians didn't get involved with it. South American heroine was not produced, so they figured out that traffic (unint.) "Well, this is a way of making money. Let's start doing it and look at that". They have a 70%—75% of the share of the heroine market in the—in the western hemisphere.

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21:44:56:29      Obviously, you've got Mexican heroine which is a-kind of like a more black tar heroine which I-I-I-I encountered back in Seattle. But, again, this is the Heroine Signature Program which basically in depth they do a chemical analysis to identify and the quantitative (ph.) of the source or origin where the heroine comes from.

21:45:24:00      And then they randomly select the seizures and purchases that we have done. And I think that that-that's all I have. If I wanna talk to Tom, I'm sure there will be a lot of interaction. Thank you.  
[APPLAUSE]

**TOM DOLAN**

21:45:57:04      TD: Boy, we filled up. We got a few more people in here, so that's a good thing. I'd like to talk a little bit about Southeast Asia going back historically. And I've been asked today to participate in this discussion and share with you my perspective on these changes through the years regarding Southeast Asian heroine.

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21:46:21:17 Of course, I'll only speak from my personal experiences and, therefore, my remarks are only from an *[sic]* historical perspective. Mike brought us up to date basically on what was happening in present trafficking and so this, again, is more of a historical perspective.

21:46:40:08 My tour in Thailand as a DEA Special Agent spanned the years 1978 to 1984. Prior to my Thailand tour of duty I spent six years in New York City observing firsthand domestic effects of Southeast Asian heroine on the streets of New York. That firsthand observation and my desire to work on stopping the heroine at its source led to my first overseas Thailand tour.

21:47:07:17 Later in my career it was again necessary to focus my energies and attention on Southeast Asia from the years 1996 to '99 as the Deputy Chief of International Operations. So I was able to watch the changing face of heroine trafficking through those years also.

21:47:24:29 As Mike pointed out from his slides, which is fairly interesting, I think the methods of transportation out of Southeast Asia are basically the same. They

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haven't came [sic] up with new inventive methods or anything else for getting the stuff back here to the United States or to European markets or international markets.

21:47:46:10 So a lot of the things haven't changed. Probably the only thing that has changed is basically the relative importance of Southeast Asia as far as cultivation and as far as production of heroine is concerned. So... From 1978 to 1984 a large portion of the wo—a large portion of the world's opium poppy was cultivated in Burma and Northeast Thailand.

21:48:14:11 Subsequently, the production of morphine base for conversion into heroine, number four, usually 90% pure, was controlled by Burmese warlords, the most significant being Kunsah (ph.) heading up the Shawn (ph.) United Army and supported in part with a hands-off policy by the Burmese government.

21:48:34:19 That hasn't changed. I mean, it—we've been fighting that battle over the years with the Burmese government kind of giving a nod to the trafficking of—of—of the warlords. And there are multiple warlords in Burma

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supplying morphine base and also heroine to the world.  
So that hasn't changed significantly and...

21:49:06:16 So a lot of the stuff that you see today was happening back in 1978 also. So during those years heroine, number 4, was distributed in 700 gram packages to the United States and to European couriers. These packages were sold in the Thai marketplace for between 7,000 and 10,000 dollars.

21:49:28:05 They used to call it a tool (ph.). It was a... A kilo was a thousand grams. These were 700 gram bags and you saw the Double U-Glow over there, but there were multiple bags. You see em in the museum, you know, different types of bags that they used for packaging and for marketing their product, just like they do with different products today.

21:49:46:23 MDA, acid, you know, all of that stuff. So they have their logos and everything else and they're better brands. So it was 7,000 to 10,000 dollars per unit depending on your supplier. That same 700 grams of heroine would sell in New York for 70,000 to 100,000.00 dollars.

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21:50:05:17 So it was—it was really an extremely profitable venture. So we used to get a lot of people from the United States coming over to Southeast Asia and scoring heroine. One such case we had in Southeast Asia, we were trying—this particular person was—was—was selling heroine, number four, to both American and European couriers going back to the United States.

21:50:32:12 And they used to body cavity a lot of this stuff, where it around their waist. And at that point in time we did have a program at Dong Wong (ph.) Airport where we would check the—the—the arrival cards of people coming in, seeing how long they were staying, seeing if they paid cash for their tickets, seeing what hotels they stayed at.

21:50:50:10 And our cooperation with the Thai police was excellent because then we'd set up surveillances and things of that because we were able to do the criminal records checks back in the States, find out if these people have been popped (ph.) before for heroine. And so it gave us good intelligence on them coming into the country.

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21:51:07:11 Well, we wanted to get rid of this one distributor and so we did a lot of undercover work, the Frongs (ph.) in Southeast Asia, the Americans, and we'd go undercover. We'd get introduced by a cooperating individual. As a matter of fact, a gentleman that just passed away, Young Yute (ph.) Kissum (ph.), who was our investigative helper over there in Southeast Asia, worked this case with me.

21:51:39:27 So I got introduced to this defendant. You know, typical deal - go to the hotel room, flash the money, that kind of thing, wait for the package to be delivered. So, basically, I was ordering about four keys (ph.) of heroine, number four. So the CI came in, I was lying on the bed smoking a cigarette.

21:52:01:04 He came in, took one look at me, they chatted in Thai, I did speak Thai so understood what they were talking about, and then the guy left. Well, the informant came back in and I wanted to know what he had said from the informant's—from the informant standpoint.

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21:52:21:10      So he explained to me, "Well, you know, the guy had some problems and all of that business, but, you know, I talked him into delivering the dope to ya". So I said, "Well, what was the problem that he didn't wanna deliver it"? And he says, "Basically he says he was afraid of you".

21:52:34:26      So I said, "Well, why was he afraid of me"? He says, "Because, basically, he says you're the fattest junkie he's ever seen in his life". [LAUGHTER] So-so... And, basically, I was a little porky back then so... So, anyway, just a quick story. And then during my years in Thailand most, if not all, of the heroine/morphine base would flow from Burma to the north of Thailand and then to southern Thailand for troller (ph.) shipment.

21:53:02:05      A lot of trollers played a big-a big part, and Mike mentioned on it. You know, you'd get 450 to 600 keys of heroine going out or morphine base for change into heroine in Hong Kong where some of the labs were located at the time. I guess, you know, to this point...

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21:53:24:09 And I'm gonna keep it short basically from a historical perspective. So now you have this—we've discussed the cultivation. Obviously, Burma. Okay? Northern Thailand which was the Golden Triangle. Okay? Laos also. So in that particular... The distribution, pricing during early years...

21:53:47:02 But we really shouldn't forget about our interdiction efforts that would not have been successful without our great DEA intelligence analysts. Probably our single most important method of identifying traffickers and seizing large quantities of morphine base and heroine was through basically the intelligence that we got from our intelligence analysts, the DEA analysts working directly in Thailand and, second of all, at that point in time we had a lot of wiretapping activity going with our Thai counterparts.

21:54:18:10 They were terrific. I mean, it was great working with the Thais. They... The units that we worked with in Thailand, and I'm sure it's probably still much the same today, we had an excellent working relationship with them. And we'd go out on the deals and not that

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we kicked in doors cause you couldn't do that at that point in time, but you went along just to-for the ride.

21:54:41:24 And so it was-it was a good thing. Back then you could do it. Today I don't know. It could be problematic, but I'm not sure. So... But we really had a good... You know, it was great. Everything was great over there. The people were great and it just worked out really nicely for us.

21:54:58:15 So we were working also closely with the agency, the CIA, and our Thai-and our Thai counterparts (unint.) shipments and prosecute traffickers. I gotta say for a DEA Special Agent in Thailand, it was a-was a great place to work. Lots of action, great cases and wonderful cooperation with our Thai counterparts.

21:55:19:26 I would hope that our level of cooperation was the same today, but would leave that point up to Mike and.. He'd know better than I would because I've been out for about seven years right now. So hopefully it'd be-it'd be the same continuing cooperation regarding the threat to Southeast Asian heroine.

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21:55:43:06 A couple of... Just to point up a few things, now when I retired as the Deputy Chief of International Operations, you know, people had asked me, you know, "Well, what's—you know, what's problematic, you know, with regards to trafficking, with regards to the drugs impacting on the United States, and what did you spend most of your time on"?

21:56:07:00 And I would tell em, "Well, most of my time wasn't spent basically on that type of thing. It was mostly spent on personnel issues". And a couple of those personnel issues that we had, which I spent a lot of time on, we had... For instance, we had a couple of agents that were actually in Southeast Asia and they went to the Ambassador's party and I guess the bathroom was full.

21:56:36:05 So they decided to go outside next to the house and relieve themselves. Well, the Ambassador's wife came out and, obviously, over the patio saw the two DEA Agents relieving themselves and I got a phone call saying, "I want these people out of the country now".

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21:56:52:25      So that took me about a week and a half to square away with the Ambassador who was on the ceiling at that point in time, you know, pissed off and-and-and-and severely aggravated. So I had to fly to Thailand to square that away. And finally they—we got it squared away.

21:57:10:10      Another interesting one that... Just some anecdotal stories and I'll finish up with this one because we could go on and on with anecdotal stories. We had an agent that decided that... Well, he had a family here in the United States, married, went to a foreign country.

21:57:28:10      I won't be specific at this point in time. Met a nice, young lady down there who came from a very good family and decided that... Meeting the family and everything else and going out for a three month period he decided to marry that young lady. And so as a result of that, when I talked to the agent on the phone, he basically told me, he says, "Well, look, Mr. Dolan", he says, "I... You know, because I was married in the United States, I didn't think that it meant anything being married elsewhere".

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21:57:59:03 So I said, "Well, then you've never heard of bigamy". And so, anyway, the agent's no longer on the job but-but... The reason I bring that up is because, look, there are kind of funny stories and everything else, and, you know, most of us all have these kind of stories and that type of thing, but, you know, from my standpoint, you're my family.

21:58:20:04 DEA is my family. Okay? I work for a company now called Computer Sciences Corporation. It's not my family and I've told em that. Okay? I worked for DEA for 28 years and in that 28 years, you know, a lot of experience, a lot of fun, a lot of good times with a lot of great people, and I don't forget that.

21:58:40:24 And you never forget it after you retire from DEA. Best job in the world you guys have right here. And so be careful out there. That's it. Don't trust... Especially when you're overseas, make sure you're looking at yourself. Make sure you watch out for your family and those kind of things cause anything can happen at any point in time.

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21:59:00:06 So I wish you *[sic]* all the best and thanks very much  
for listening to me. Okay? [APPLAUSE]

QUESTIONS AND ANSWERS

[PEOPLE ARE NOT MIKED AT THIS POINT]

21:59:12:26 SF: What we're gonna do is offer up an opportunity  
for Mike and Tom to take some questions. If I could  
ask you all to use the microphone to repeat the  
question. (Inaud.).

21:59:24:14 TD: Is anybody from Inspection in here? [LAUGHTER/B  
ROLL]

21:59:33:23 SF: Any questions.

21:59:36:10 US: (Inaud.).

21:59:39:00 SF: (Inaud.).

21:59:42:24 US: I'm curious. I was a (inaud.). My question is  
(inaud.)?

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22:00:04:24 MS: Everybody heard that question? I'm not gonna repeat everything. [B ROLL]

22:00:17:18 TD: Anyway...

22:00:17:25 MS: (Inaud.) the question. I could answer. I could answer.

22:00:18:27 TD: Yeah. Right. And that's what I'm—that's what I'm asking Mike to do at this point in time because I can't... The question is has our relationship changed in Southeast Asia, specifically Hong Kong? The Chinese took over Hong Kong, okay, and we were able to get under...

22:00:35:21 When it was under British rule, we were able to get subjects to testify over here in this country. Has this changed under Chinese rule right now?

22:00:43:20 MS: It has not changed because the Chinese written (ph.) that law 50 years autonomy (ph.). So, basically, the government, the—the—the NB, the Narcotics Bureau and the Customs are still working

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just like what they did with the British system. All they have, the uniform doesn't have the crown on it.

22:01:01:11 They have the... You know, instead of the British rule and the insignes [*sic*] of the... They don't have the crown on it. But they still... Under the old system it's a 50 years autonomy, so we don't have any problem of-of-of-of-this problem of-of-of extradition and-and-and-and-and cooperation with the law enforcement entities in Hong Kong.

22:01:26:26 US: (Inaud.).

22:01:35:08 MS: Okay, we're talking, okay, what is the relations between the warlords of-of-in-in-in-in Burma and China. You're talking about the public-People's Republic of China. As I stated on my presentation, the 496 kilogram of heroine that was seized over in Burma border, that was in cooperation with the People's Republic of China and the Burmese government and partially with the Thai Intelligence.

22:02:02:02 What we're seeing right now, the Chinese know there is a problem. They are-they are-they have over... I don't

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know what the number of addicts they have. They know they're... You know, with the economies in China right now, like I said, 1.-over 1.5 billion people, they're experiencing the same problem as any sociological problems that-you know, economics, developments, with the youth, with methamphetamine drugs.

22:02:31:06 So they're seeing that a big problem and they are cooperating and they are basically working hand in hand sharing intelligence with our counterparts over in Burma.

22:02:43:20 US: (Inaud.).

22:02:49:23 MS: Okay, that is very complicated. Going back I don't wanna get into too-too much into the history of the Shah (ph.) United Army and the Wah United-Wah state down there. These group [sic] was started back when War World II-when-when Burma was, you know-and the Japanese (unint.) fight Chinese.

22:03:10:09 There was... These are the Chinese irregular force was left behind with the (Unint.) when they left China. So these guys became fighters living in Burma and

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formed their own government and their own militias and started out in an opium field. They... Most of them are into business...

22:03:29:13 Like the Wah group right now, it's into—you know, it is part of the infrastructure of the Burmese government because the Burmese government, (Unint.), it-it-it's weak. And it—they meet partially with the Wah group to-to-to actually survive. So that is a very delicate situation.

22:03:49:08 You know, we work with the State Department, with Human Rights (unint.) Burma but we—we—the Burmese are trying to show their—you know, about... They do an annual drug burns (ph.). They—they—they—they seize tons of heroine and narcotics and they showcase it annually and—and—and—and have that shown in front of the United Nation Drug Control. Hope that answer your question.

22:04:18:26 SF: Yes.

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22:04:20:23 US: (Inaud.) from Hong Kong (inaud.). Why is (inaud.) most of precursor (inaud.)? Why is this required (inaud.) to meet the control (inaud.)?

22:04:44:24 MS: The question is why is it so hard for the Chinese government to, I guess, to control their—the precursor... Specifically, when you're talking precursor chemical, what—what—which are you talking about, ephedra or...

22:04:56:17 US: (Inaud.).

22:04:59:00 MS: Okay, basically, a lot of these drugs are—first of all, are medicinal use. They could be used for medicinal purposes. A lot of times we see the—these drugs diverted without (unint.) the Chinese authorities. Secondly, the Chinese government, they have called the State Food and Drug Administration which controls their—the drugs.

22:05:23:26 It's not like the FDA. It's not federalized. Their mechanism of enforcing these laws, the State Food and Drug Administration which is in China. Last meeting we had back in June with the Diversion group here in

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DEA we had brought up that concern and we have—you know, they have voluntarily worked closely with the—the police over in Beijing and tried to implement some kind of a regulation where the state regulation, the drug regulator, are gonna be part of this—this—with the MPS, which is the main force (ph.) of federal regulations. That answer your question? Yes, sir.

22:06:13:24 US: (Inaud.).

22:06:19:21 MS: What impacts we've seen with the Thai government, with the recent changes in the Thai government? Last week, I think everybody knew, there was a military coup that happened in Thailand. Immediately we were called. I mean, Pete was taking the helm when I was gone. I was in New York.

22:06:37:06 But we were... Basically everything is—it's—it's safe, you know, the family and things like that, because... I don't know much about the Thai government but basically they have these coups so many times already. This is like the fourth time they have... It's very peaceful.

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22:06:52:26 You see the-the-the soldiers are handing red ri-the blue-the blue ribbons... I mean, it's not blue ribbon. Yellow ribbons. I'm sorry. Which signify... This is the king. The king is the ultimate, the-the-the-the-the ruler and nothing goes if the king doesn't give the thumbs up.

22:07:10:23 So I think that they're loyal to the king with the-again, the (unint.) the yellow ribbon. So everybody, again... I was gonna talk to-about the presentation about the yellow ribbon but maybe at time we'll be able to elaborate a little bit about the king, how loyal everybody...

22:07:30:07 The kings... The military, the police are all in sync with the-the-the king. He's the ultimate ruler. I mean, nothing goes without the king's blessing.

22:07:39:00 TD: Right. As Mike pointed up, the-in Thailand traditionally... I mean, I was there. We went through two coups while I was there. And it just depends on how much you control. You know, they have an Air Force, they have an Army, the have a small Navy. So if you've got the Army under your control, you don't

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have the Air Force, could be problematic for you to win a coup.

22:07:59:20 But usually coups take place because you control the military aspects, what go on. Tanks come into the city. They're used to that, I mean, because this is the overthrow and all of that business. And then with the king, as Mike pointed up, the king is the most important figure in Thailand.

22:08:18:02 They're bloodless coups so bus-it's business as usual. I mean, to be perfectly honest with you, it won't affect DEA's operations there. They'll continue to run the way that they-that they've ran since I was there. So... And we will... That's how they change governments there. I mean, basically, that's where it's at. Yes.

22:08:38:13 US: (Inaud.).

22:08:43:21 TD: Well, once the—once the king passes on, when he does and everything else, then they'll be a new king and—and—and—put on. And, basically, they don't—the king itself—the king himself does not control the

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politics that go on in the country. It's the prime minister that controls the politics. Okay?

22:09:03:02 The king is actually a figurehead, but very beloved and very revered. So the king usually stays out of supporting a coup one way or the other. If he does support it, then that's fine. If he doesn't support it, that's fine also. They don't expect the king to go either way.

22:09:19:10 It's a change of government without the king. But if the king came out and said, "I don't like what's happening here", okay, then forget it. I mean, then you—then you'd have—then you'd have a real problem because basically the people would support the king and not the coup. That's the feeling.

22:09:35:08 MS: Just to add to that. I—I—I... There were... We had that... You know, without the king's blessing, none of this would have happened last week. So the king's or somebody from his, I guess his family, got the blessing and that's why they proceeded with the military coup.

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22:09:54:19      So everybody's safe in DEA. And we have Carl (ph.)  
Andre over there and business as usual.

22:10:04:18      TD: Thank God, you know.

22:10:06:14      SF: All right, Pete.

22:10:06:23      TD: (Inaud.) nice coup. [LAUGHTER]

22:10:09:26      MS: Nice coup.

22:10:11:01      US:

22:10:18:10      TD: Sure. I'd be happy to do that. The... First of  
all, as you all know, I think one of the most  
important considerations is if you, as a DEA agent or  
a DEA Intel analyst and everything else, can speak the  
language of that particular country, okay, then the  
people do respect you more because you've taken the  
time to actually learn their language, learn their  
culture and work within that language and their  
culture and so as opposed to somebody who just goes  
over there and wants to speak English all the time,

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okay, and doesn't understand their cultural norms, doesn't understand their language.

22:10:58:14 I think it's extremely important for you to go to language school if you're going overseas. Okay? Learn the language to the best of your ability. And if you're over there for four or five years, you're gonna pick it up anyway. I mean, if you're working with a unit...

22:11:10:26 When I was in Thailand and then I went to Cairo, when we worked with the units, most of the people did not speak English, so you had to speak Thai in order to converse with them. You know, if you brought out a flash roll you had in the trunk of the car, something like that, and you were doing a deal, I mean, you didn't want that flash roll going south.

22:11:30:03 So basically you had to understand what they were talking about because they were setting up surveillance and you had to tell them where you wanted them on surveillance and that kind of thing. Not so much directing; it's there country. But you're there

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for aid and support which is—which is what we provided them.

22:11:44:03 So... And so we would work extremely closely, hand-in-glove, and they'd protect us and we'd protect them. And so cultural norms are extremely important. How you would eat... I used to... I'm a left handed—I'm a lefty, a southpaw.

22:12:01:03 So when I was over in Egypt, when I'd go out to dinner, I had to sit on my hand because you didn't wanna reach with your left hand, okay, because we all know what you do with your left hand. So it's basically or whatever. So, anyway, having said that, you know, I had to sit on my hand because I was so used to reaching for food with my left hand.

22:12:21:15 So I'd sit on my left hand and only reach with my right hand. And kind of like... You know, everybody'd kind of look, you know, why was this guy sitting on his hand. But it was just cause I was a lefty and so you just had to be aware of—of—of the social norms of the country, you know, how you would eat, how you

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would present yourself and that kind of thing. So...  
Does that... That answer your question?

22:12:40:06 MS: Yeah. One thing to add. I mean, in Thailand  
it's very disrespectful if you—you have—you see this  
guy's feet. If you—you're talking to someone, one of  
your counterparts, and you've got your feet up on—on—  
on—on the—on the desk, it's very... Is that correct?  
Is that...

22:12:54:07 TD: Oh, absolutely. Yeah. (Inaud.)...

22:12:55:01 MS: I mean, for them it's very demeaning if they're  
facing your—you know, your feet or... So you don't  
wanna do that. So...

22:13:01:10 TD: Well, the feet is the lowest part on your body.  
So... And the Thais consider the head and everything  
else—the Thais consider your head, you know, the most,  
I guess, sacred part of your body, so to speak. So  
you wouldn't go around and pat a little kid on the  
head. That would be unacceptable.

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22:13:18:20 So you would... You know, you have to be careful of putting your feet up because it's the lowest part of your body. It's an insult. Okay? And then there are a lot of social norms, you know, (unint.) and things like this, you know, when you greet somebody.

22:13:30:08 There's a difference between if you—if you... [B ROLL] You know, if you (unint.) like this or whatever, it's for somebody who basically you would consider fairly your equal or whatever, and it's an equal interchange because that's how they say hello. They don't shake hands.

22:13:45:11 And then... But if you were to put your hands up like this, it would be a sign of respect because somebody is elevated, so to speak, above you. In other words, if I went in and see—saw a general, like General (Unint.) Sharison (ph.) or something like that, I would (unint.) him like this.

22:13:57:00 And he would understand that and he would do the same thing for me. So there are social norms, cultural norms and everything else that you would have to learn going over there for respect purposes. And, you know,

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hey, look, respect is everything. You respect them, they'll respect you.

22:14:11:11 So... And that goes, I think, worldwide. Without that respect you don't have anything, and they won't bring you into their confidences either. You know, we did a lot of—lot of operations over there. You know, as I said in my presentation, basically a lot of wiretap operations at that point in time and you had to work closely with them.

22:14:29:27 And you also had to monitor what was going on in the wire rooms, you know, make sure that there weren't political wires up along with dope wires. Everybody collects intelligence differently, you know, so you really have to be... Because, basically, we were supporting the Thais for these operations and everything else.

22:14:45:25 You had to be careful about what went in as far as wiretaps were concerned and things of that nature as far as—as far as who they were targeting, let's put it that way.

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22:15:02:20 MS: Any more questions? Let's go to lunch.

22:15:06:04 TD: All right.

22:15:07:04 MS: Thank you. [APPLAUSE]

22:15:08:24 SF: Thank you both, Tom and Mike, and we'll look forward to seeing you all next month. We've got two more of these, one for Europe and one for Southwest Asia. Thank you very much. [APPLAUSE]

**END OF TAPE**