

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

SEAN FERNS

00:00:24:11 SF: We still have a couple folks coming in but we're gonna go ahead and get started to keep everybody on schedule. Good morning, my name is Sean Ferns. I'm with the DEA Museum. On behalf of all of us here at the museum I wanna welcome you. Our monthly lecture series continues this morning.

00:00:38:20 We're joined by Gene Haislip. Many of you remember Gene. He is an attorney but he is also the retired Deputy Assistant Administrator for the U.S. Drug Enforcement Administration. Until his retirement in March of 1997 Mr. Haislip served for 17 years as the head of the Office of Diversion Control here at DEA.

00:00:59:01 He is the originator and author of The Chemical Diversion and Trafficking Act, Provisions of the Vienna Convention of 1988, the Designer Drugs Legislation, the Controlled Substance Amendments of 1984 and the Narcotic Treatment Act of 1973.

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

00:01:17:06 During his tenure in office Gene represented the U.S. government and DEA at the United Nations Commission on Narcotic Drugs in Vienna, Austria. Prior to his service in the Office of Diversion, Mr. Haislip held a variety of other positions, including that of a practicing attorney, Chief of Congressional Affairs for DEA, the Chief of DEA's Planning and Evaluation Office.

00:01:42:09 Prior to that, in 1975 he was appointed to the position of Deputy Assistant Secretary in the Department of Health, Education and Welfare, now HHS. Now as a sole proprietor of Haislip Consulting, Mr. Haislip has developed an active consulting practice for major corporate clients in the pharmaceutical and chemical industries.

00:02:03:03 He holds degrees from the College of William and Mary in Virginia and George Washington University. I was visiting your website, Gene, and there's a fitting comment right on the top of the site, "What is past is prologue". And that is very much what the DEA Museum is about.

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

00:02:19:17 And as we work to focus on the history of and the current issues with diversion and pharmaceutical prescription drug abuse, it is a pleasure to welcome you back to DEA. And please join me in welcoming Gene Haislip. [APPLAUSE]

GENE HAISLIP

00:02:35:28 GH: Well, that was certainly a fine introduction. I appreciate that and I particularly liked the last line because I think it's important, and I wanna comment on that in a minute. But first just let me say what a pleasure it is to be back at DEA and see people that I have known for a long time in my work and see some that are new to me.

00:02:59:19 And that's always a special pleasure too. So it's now been 10 years since I retired. Over 10 years. But I'd like for you to know that although it probably seems like a long time to you, it doesn't to me. And in all of that time I would say that you have never-

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

you and your work and the agency and what it stands for have never been far from my mind.

00:03:27:10 And that is the truth. Well, also, it's particularly pleasing to me to participate in this history program that DEA has started. I happen to be a history buff and I think that history is very important. Today I've chosen the topics of the development of the Chemical Control Law and the attack on methaqualone (ph.) which preceded it, because that really set the stage and created a lot of the tools by which the other eventually evolved.

00:04:01:11 But before I do that, I'd just like to talk for a moment about history and the importance of it and-in-in-in trying to develop the agency. Well, as you know, we-most of us people, except for a few physicists, they divide history into the past, the present and the future.

00:04:27:22 And the past we believe did happen but you'll notice that there's always a lot of argument about what it was that really did happen. The future we know will

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

happen but can see very little. It's sort of a shadow and full of uncertainties. And the present is the only place where we actually live.

00:04:53:01 We are always creatures of only the present. And in that respect, if you follow the theories of Einstein and these—most of them have been invalida—validated with experiments, the only things like that are light, magnetic fields and fields of gravity because they're the only things that move at the speed of light.

00:05:20:06 And it's at that speed where time stops and there is no past, there is no future; it's always now and it's always now for us. But the thing about now is that if you think about what you do in the now, most of that time, not all but most of it, is spent planning what to do to influence the future.

00:05:49:20 For example, you go to the grocery store to get some food so you can eat later. You're planning to do things which will influence the future. And to influence the future, what you use is what you know about the past. If the store closes at 9:00 p.m.

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

everyday that you've experienced it, you're gonna get there before 9:00 p.m. in order to get that food so you can eat later.

00:06:19:03 So the future is what we're always apprehensive about trying to influence, and the thing we use most to do that is the knowledge of the past. Now if you take that simple example and think about high policy and government operations, I've always been impressed with the little that I know about the military services because they spend an enormous amount of time studying history of wars and combats and operations and they do it because, for them, it's very likely to be a life and death issue.

00:07:03:11 It may be the difference between victory and defeat. And so they study history with a vengeance. My own personal experience is that this is not really so true of most of the civil agencies of government. Actually, they tend more to refer to the politics of the day and some of the fads of the day, and know less about history.

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

00:07:31:17 Often times less about even their own history. And that is why I think a program like this is so critically important, and I wanted to kind of set that before I tried to start with these subjects. But in speaking of history, I think we have to think about what is really important about it.

00:07:58:19 Well, there is obviously a chronology of events and names that go with em, battles here and there, the generals that fought and so forth. Well, these are really the important things about history. Not the chronology, not even what necessarily—certainly not who.

00:08:19:08 What's really important is how and why. Now a lot of people know something about history as a chronology of events but they have not a clue as to why or how it happened. And the point is, without understanding that, then it's really virtually impossible to use history to do something about the future because you don't know what to use.

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

00:08:46:10 You can't use the dates and you can't use the names of those Generals or Presidents or whoever. So I think that that's what's important. Well, I wanted to cover probably too much and I thought about it and I've decided, well, it's probably better that I cover what I can in an interesting and meaningful way and not so much worry about how far I get, because, actually, what I'm talking about is still going on anyway.

00:09:17:22 So it's not like, you know, it's ended and it's in a neat little box. It's still progressing. So it—to me, and I hope to you, it doesn't so much matter if we get to the end of this if we sort of—if you hear something that's interesting and maybe can think about as we go along.

00:09:38:06 Well, the problem I had is thinking of where to start, where to pick a point in time that I could begin a meaningful narrative about the issues that I wanna discuss. And I'm gonna start with the—with just a few words about something that was going on in the early 1970s.

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

00:10:07:23 Now at that time I was the Assistant to the then Director of BNDD (ph.) and then I—for a period of time the Chief of Congressional Affairs, which is a position actually that I created in the agency. It didn't exist before then. Well, at that time the agency was focused almost exclusively on the problem of heroine which originated from the opium that was grown in Turkey, so-called legitimately produced and, consequently—subsequently, diverted into the illicit traffic.

00:10:51:01 And in Turkey it was refined into morphine base, and this morphine base was then smuggled to the Marce (ph.) area to the so-called French Connection where it was then refined into heroine and smuggled into the United States. This was seen by the agency as a major problem, and this is really where most of the resources were committed.

00:11:12:24 And there was an agent by the name of Jack Cusak that some of you may have known. I think there's a couple people here who know em at least, and for the rest of you, I'm sorry because he was worth knowing. Jack

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

served in Turkey and later he served in France. And I watched...

00:11:31:23 And I knew him reasonably well for a young kid which I was then, and he was an older, much more experienced, well-known person. Jack seized that problem and he did something extraordinary with it, and he used extraordinary tools. And I watched him work partly because he was sometimes working in my sandbox, you may say.

00:11:57:00 Jack used the press and Jack used the congress, especially some of those particularly interested in a rather loud mouth, and he used his extensive knowledge of what was really happening in those country *[sic]*, in Turkey and in France, and he used his extensive knowledge of the International Narcotics Treaty which, in those days and probably still true to some extent, most people in the agency really knew nothing about.

00:12:32:00 But Jack did. In addition to that, he used the connect-contacts that he had with the United Nations Drug Control Program of that day and he created a

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

firestorm of activity. Now there were many others who participated in this -some people in the agency itself, certainly some important diplomats, some people in the U.N.

00:12:58:20 A lot of people participated. But Jack provided the spark and he closed down almost single-handedly... Through that kind of activity he closed down Turkey and Turkey ceased to be, and to this day really is not, a part of the heroine problem. And it was once **the** problem.

00:13:26:07 Now Jack did controversial things to do that. It finally got to the point, I guess it was in 1973, where he had made some political people unhappy and the order had come down that Jack was not to talk to anyone in the congress. And I was the Chief of Congressional Affairs.

00:13:51:25 I was the whole of Congressional Affairs. I should use that title. And so the Director said, "Gene, you gotta tell him". So I went (ph.) to Jack and, of course, I had thought the world of him. And he was,

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

"Hey, Gene. How you doing"? "Fine," I said. "Can I sit?" And he said, "Sure. Come on, sit down".

00:14:15:26 I said, "Jack, I've gotta do something today I hate to do. I... But there's no way out for me, Jack. I've gotta do it". And, you know, he just was quiet and I said, "Jack, it's about you". And I told him what the order was and I just felt really horrible. But he didn't take it that way coming from me.

00:14:45:26 He understood that I had to do it. And so I'm happy to say that it really didn't affect our relationship. But that's what I had to do. Well, soon after that Jack retired and a lot of people don't even know what he did today. But it doesn't change the fact that it was done. It was done. He did it.

00:15:10:07 And I'm sure that he retired a happy guy. In fact, I know so because I saw him many times many years thereafter. I have to tell you I don't know if he's still alive. I think he is. Oh, he is? Great. Well, in any case, that's the little story of Jack. And I never forgot that.

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

00:15:31:27 Now I wanna have a swallow of water and I'm gonna pass over a few years. So now I wanna fast-forward to the year of 1979. It was the year in which the agency was now seized of the heroine problem that was coming from Mexico, and a new but almost exploding - well, not almost - exploding problem of cocaine traffic coming from Colombia.

00:16:00:24 And that problem was literally exploding, I mean, it was just burgeoning, whereas we had made considerable progress in Mexico with that problem, especially based on a program that Peter Bensinger (ph.) created or, you know, he was the person who got the money and the wherewithal to do it which is called "Operation Trizo (ph.)".

00:16:25:00 It was quite an operation. I was fortunate enough to go down there and actually see it, and it made a lot of progress. And so that's what the agency was seized on at that time. And I felt myself quite fortunate that year because Peter Bensinger selected me to be his Executive Assistant.

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

00:16:42:09 Now the Executive Assistant didn't really have much authority but had a license to meddle in everybody's business. So, you know, I just thought, well, this is a wonderful job. Well, I didn't yet quite understand what working for Peter that close really meant but, nevertheless, nevertheless, it was good and it was a good relationship.

00:17:03:08 Though sometimes I kept—it was very hard to keep from laughing, but it was very fine. But one of the thing.. I had a lot of mundane tasks as well as some important things to do. But one of those tasks was I had to read the daily enforcement reports coming in everyday to see if there was something in there that he really needed to know about.

00:17:25:04 Something sensitive, something that was unusual or something to tell him that he, you know... Cause he didn't have to know about every case obviously but I had to screen it for something unusual and sensitive and I did that every morning. And at that time what I discovered was...

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

00:17:44:15 Well, I didn't discover this, what I saw was, as we all knew that plane loads of cocaine were coming in throughout the southern part of the United States almost daily, most of the times there was no knowledge they were coming. They would be found crashed in a farmer's field or landed in some place and the pilot had taken off and there would be a ton or two of cocaine on board.

00:18:07:12 And it was just happening all over the place. It was just a time when we were really under just enormous attack from the cocaine traffic. And that had just sort of developed within a fairly recent period and, of course, from there it just developed more and more.

00:18:24:14 But in any case that was what was going on in a lot of the country, especially in the south. But then I noticed rather quickly something very strange, and that was airplanes coming from Colombia, same scenario, landing in a corn field, farmer calls the sheriff, pilot takes off, police arrive and there's an airplane but this time instead of cocaine, it was full

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

of sacks of pills, and a ton or two tons sometimes depending upon the size of the plane.

00:18:56:17 And they were all pills and what they were was pills that appeared to be Lemon 714 Methaqualone Pills, pills that were manufactured in this country. But it didn't make any sense because they were coming— obviously coming from Colombia.

00:19:13:19 And so I thought that was curious and I started watching it, and within a period of four to five weeks, my God, we'd already seized in that manner - this is no planning type seizure - in that manner already seized four or five metric tons of the stuff.

00:19:32:06 And I knew that it was a legitimate drug in the United States and that we manufactured it, and I knew that there had been major problems from it and we put it in Schedule Two, but I thought where the hell is this coming from. So I called the office that really knows more about those things than almost anybody else, and that was the office of what was then called Compliance and Regulatory Affairs, the Office of Diversion.

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

00:19:58:20 And I said, "Well, what's the story"? And so they did have information and they told me and they said, "Well, about seven tons of it are manufactured"... [TAPE CUTS OUT AND COMES BACK IN] ...and, yeah, a lot of that is being diverted we think. And I said, "Well, that can't possibly account for what's happening".

00:20:17:28 So the next thing, of course, was to turn to the laboratory and the laboratories confirmed what was obvious, which was that these pills were counterfeit but they were good counterfeits. They had the same amount of active pharmaceutical ingredient in it as the U.S. product.

00:20:35:23 It's 300 milligrams of methaqualone powder, a depressant-addicting depressant and a Schedule Two drug and one that was highly abused. Well, at this point I could see that some kind of enormous problem was in the offing and, in fact, though there may have been people aware of it somewhere, there really

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

weren't people... [TAPE CUTS OUT AND COMES BACK IN]
...at higher levels in the headquarters.

00:21:06:19 And so I decided to bring this to Bensinger's attention just so that we could get the eyes and ears of the top of the agency looking at the problem and thinking about it in bigger terms than it had because, obviously, the same Colombians were involved. And these are serious people and a problem like that can't be solved very easily.

00:21:29:01 And so I did that and I think that sort of produced some results because, indeed, I remember the Office of Intelligence began to put together some good reports and others contributing. And so, you know, it was getting some attention and I felt my job was done really at that point.

00:21:51:03 But then as fortune would have it, a few months later it was suggested to me that I should apply for the newly vacant position in the Office of Compliance and Regulatory Affairs. Ken Durin (ph.) who had been there a long time, whom I knew quite well, was

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

retiring and some people suggested maybe I would be interested in it.

00:22:19:01 Well, of course I was interested in it because I had always known about it, but I was interested in most everything the agency did. And not that particularly but certainly interesting. But I said, "Look, I've got a good job. I'm enjoying what I'm doing. Why should I apply for that"?

00:22:35:14 And in any case several of my friends and colleagues did prevail on me to apply. And soon I was being interviewed by my boss and the Deputy for this job, and I said, "Look, this could be nice but only conditions of what I wanna do with it and I'm gonna tell you what that would be".

00:23:02:16 "And if you don't like that, then you better pick somebody else." And they said, "What". I said, "Well, number one is, you know, they have a small criminal investigative program but it's really quite small. And it's producing some results and it's

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

producing results in an area where nobody's doing any work".

00:23:19:18 "Up until now all those people diverting drugs have just gotten a free pass. The states don't have any people to get em and we haven't paid any attention to em in DEA until now with this little program", which I kind of helped to create when I was in Planning and Evaluation working with that office.

00:23:37:28 So I said, "So if you put me there, I'm gonna reprogram some resources into that area away from other things. I'm not gonna drop anything but I'm gonna change the balance", I said, "number one". And I said, "Number two, this methaqualone is legitimate powder".

00:23:53:08 "We've determined that. It's coming from somewhere and it's not coming from the United States. And it's a legitimate drug. Then I'm gonna do something about it." So I have to conclude that they liked it cause they selected me. And so in the month of May I started that job.

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

00:24:13:15 And one of the first things that I wanted to do something about was that methaqualone problem because I looked at the drug abuse warning statistics on deaths and injuries. Now the (unint.) system was something that was created by the Office of Compliance and Regulatory Affairs and it was the—by far the best statistical barometer we had at that time of what was happening in the country.

00:24:38:21 And I remember once briefing one of our deputies and I think it was Fred Roddy (ph.). I briefed him on it and he said, "Well, I never heard of that". And I said, "Well, I guess that's probably true. A lot of people haven't. But it is the bet thing going." He said, "Well, but, I guess not very important because we don't use it".

00:24:55:27 And I guess he was right. And we did later lose it. There was a fight over—a lot of fighting and kicking on my part but it's still around as you know. In any case, when I looked at those figures what I saw is the deaths and injuries was going up like a rocket.

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

00:25:11:08 And within a year there were three drugs at the top all the time but they changed places - heroine, cocaine and methaqualone. Next month it would be methaqualone, cocaine, heroine. Next month it would be cocaine, heroine, methaqualone. It was changing around.

00:25:31:15 Well, when you have plane loads of pills coming in with the same kind of regularity that you have cocaine coming in with or something roughly analogous to that, it's no surprise that you look at the deaths and injuries and see a pattern like that.

00:25:47:12 So at that time, just at that time that I was trying to make some sense of this and—we got the world presumption figures which turned out to be entirely under-reported completely, but it did pinpoint a couple of producers. Hungary was one, Germany was another. A couple of little tidbits.

00:26:06:19 Some of the biggest producers weren't even in the list because they didn't bother to report. Well, so I

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

[sic] looking—was looking at that and the next thing that happened is that another one of our agents, John Warner who was once the Chief of Intelligence in Headquarters and an Austrian himself..

00:26:26:02 And at that time he was serving in Austria where the United Nations drug program is located. And John had set up a—a—or had helped set up a conference at that facility, a conference of a group of experts from Europe, from the United States and Canada, experts in the field of drug regulation, and he wanted me to attend that of course.

00:26:50:08 And, well, I didn't know why he had set it up really but it was one of the first things on the books so, of course, I decided to do it and I decided what I'd do is I'd present a paper on this diversion of methaqualone. At that time already the Office of Compliance...

00:27:06:19 And from now on I'm just gonna say Office of Diversion so that I don't have to fool with that. The Office of Diversion had already put a diversion investigator in

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

Europe. He was in Germany. His name was Mark Gollabach (ph.) and I know some of you know him. Mark was already there so there was a little bit of forward thinking in that regard already.

00:27:23:28 So the plan was that Mark would meet me there and we'd have an opportunity to talk about this problem. And the Germans would be there, some others would be there and it would be someplace to begin to highlight it. So we went there and that's what we did, and it sort of turned the whole meeting around.

00:27:44:09 And the other thing is when I got on the ground after, you know, a night of traveling in an airplane, the first thing I learned is I was gonna be the chairman. Nobody told me that. So they basically said, "So what are you gonna do". I said, "Well, this is what we'll do," you know, and I did it.

00:28:01:01 But... [TAPE SKIPS] ... case it was a good conference and I met the German and he was... [TAPE SKIPS] ...fella who was interested in doing the right thing. So the idea is that Mark would be able to work closely with

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

this guy named Peter Hensmeyer (ph.) - I remember him well - to find out what we could about what was going on in Germany in this.

00:28:21:22 And it also happened that my Vice Chair was a Hungarian, so that gave me some opportunity to begin to talk to him. Well, this was a very low-level beginning but it was to have high-level repercussions very soon, much bigger than I foresaw. Well, the next step was to go to Colombia to try to find out how this is occurring, who's doing it.

00:28:45:26 Well, we did have the idea that Germany was involved. This--this we did--we were told but there was no paper, there was no evidence. It was just a story and it made sense but there was really no evidence available. So I paid a visit to Colombia. In those days things were beginning to get tense but it was quite a different atmosphere from what later developed when the cartels--when car--Escobar made war on the Colombian government.

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

00:29:16:24 But it was a little tense but not too bad. In any case what I found out is that in Bogotá, the DEA office there really did not know any more than we did, perhaps even a little bit less because they didn't know the pharmacology part and the international part. So I began to think, well, this is really fun but I guess it's gonna be a little hard to justify success out of it.

00:29:41:20 At that time, however, we did have a focus on Berenquia (ph.) that it was coming in there. So I said, "Well, look, the last thing I gotta do is I've gotta go to Berenquia". And they said, "No, no, you can't do that". I said, "Why is that"? "Well, it's dangerous."

00:29:57:03 I said, "Well, the whole place is dangerous. It's even dangerous for tourists. It's dangerous for Colombians", which is true. They said, "Well... But we don't have an office". I said, "Well, I'm going". And if they've got somebody to meet me, that's fine but I'm going".

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

00:30:14:11 And I did go and they did have somebody meet me, a good agent named Tory (ph.) Shoots (ph.). And Tory was down there and he—Tory is a character and he's a good agent. He's a—he's a character, however. And so he came in about a day after I got there. I was clanging around the old Prado (ph.) Hotel by myself and he showed up.

00:30:34:18 He said, "So, Mr. Haislip, what do you want to do"? I said, "Well, I wanna meet with the Director of Customs here locally". "Well, we don't know him." I said, "Well, he's in the Yellow Pages. See if you can, you know, do it". He said, "Oh, okay". So he set up a meeting, we went over the next morning.

00:30:56:11 We go into a Customs building that looks like the Chinese Army bivwhacked (ph.) there for about three years. I mean, it's hard to find the paint left on this magnificent, old, you know, Greek building but there was a little bit of paint here and there.

00:31:10:08 Well, we go in there and he's got a big office, really, and it's pretty nice. And we walk in and

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

there on all the walls is all the DEA paraphernalia. I said, "What the... Why don't you know him"? Well, it turned out he had been to one or more of our international schools in Quantico and it was like brothers.

00:31:33:26 And so we walked in and that was—you know, I said, "Well, this is great. This is a good start". So we sat down and I started telling him about the methaqualone problem. I got about three sentences out of my mouth and his hair went up like this and his eyes opened like that.

00:31:47:12 And then he turns over and he says, "We can't talk here". And I thought, this is your office. We can't talk here? He said, "Come with me", all this in Spanish, of course. And the guy was scared. So he took us out and we walked across the building and up some stairs and over (inaud.) til we were at the far end which was completely deserted.

00:32:12:08 No furniture, just empty rooms, a few chairs sitting around like that. We got over in the corner so he

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

could watch the door and proceeded to tell me, "Yeah, I know all about this. I know who's doing it. It's those bad guys. They are terribly dangerous but you and I didn't know what it was".

00:32:31:15 And I said, "Oh, oh, okay". So we went on and we had a discussion and everything, and the guy said, "Well, what do you want me to do"? And I said, "Well, I gotta have a seizure and I gotta have the paperwork. You gotta seize it on the dock. That's what I need". So he said, "Well, okay, let me"...

00:32:54:14 "You know, we'll talk or something." We left it hanging as to what would happen. Went back to Washington, immediately informed all the enforcement chiefs. "Oh, yeah! Yeah! Too bad we don't have an office there". So they... There were...

00:33:13:15 You know, the typical attitude of everybody who does anything in government is I can't do something new, I can't do something more, I'm really busy with what I've got to do, and it's because they really are, you

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

know. But... So this is what I was kind of running into.

00:33:27:21 I went to Peter Bensinger, I said, "I don't think I'm getting anywhere here". He said, "Well, what do you want me to do"? I said, "Well, I don't know but I'm just telling ya that I don't see how this is gonna go further". He said, "Well, I'll set up a meeting". "That's great."

00:33:43:25 So I realized that this was **the** chance. I had to come up with something. If I'm gonna ask for 20 million dollars, a new program, it's gonna be a waste of time. So I thought about the one thing that I needed, which you know. And so we sat around the table. He asked me to give a briefing.

00:34:08:09 I gave a briefing. "Any questions?" Nobody had any questions; nobody had anything to say. Actually, it was just kind of a dead silence. And he finally said, "Well, what do you need, Mr. Haislip," or Gene. I don't know what he called me then. Or "Thing (ph.)", whatever he called me.

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

00:34:26:16 And I said, "Well, I need a seizure in Berenquia on the dock with all the papers. Then I'll know where to go". And he turned to the people in the office, said, "Well, you know, we don't have an office there and it's a dangerous place. It's... You know, it's... And we're up to here in cocaine" and so forth and so on.

00:34:49:09 He didn't say a lot but that's about what they said. And then there was a flat silence and he said, "Okay. Well, gentlemen, I've heard it all and you have two months to get that seizure. Meeting's at an end". And with that Peter got up and walked out and I thought, "What have I done".

00:35:10:15 Well, what I had done was really good cause they got that seizure within a month. It was four tons of methaqualone on the dock in Berenquia with all the paperwork showing that it'd come directly from Homburg in Germany from a company in Hungary called Medimpecs (ph.) which, of course, belonged to the government because it's a communist country.

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

00:35:31:04 We had the whole chain, everything there. And for the first time it was no longer a theory, it was no longer hearsay, we had a target, we had actually two targets. And so the next step, of course, was to go to those targets. Now, I thought about Jack, you know, what would Jack do, so—because he was really my example of doing this kind of thing.

00:35:59:26 So I had the staff prepare a beautiful paper, photographs, paperwork, analysis, all the damage it was doing in the U.S. All of this was in there and, of course, it wasn't classified. Well, you know, when you get a paper like that and it's not classified, you realize that you might could see it on the front page of some newspaper.

00:36:26:23 Now I wasn't gonna say that but I did want that understood when I got there. Well... So that was the basic plan. I went to Hungary, sat down, they had everybody there, all the services, the secret police. The embassy had never seen the police before. They had never been allowed to even meet one.

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

- 00:36:49:24 But they were all there in this big, huge room and I presented the paper and I explained the situation. And I said, "Now look, by the way, this is a Schedule Two drug in the United States but also under the international treaty it's a Schedule Two drug. Nothing should be shipped without permits and yet we find that this was shipped to Germany which hasn't controlled the drug and doesn't issue permits".
- 00:37:17:21 "And so there's a--there is a problem here with the propri--the law and the compliance with the treaty and the end result of where all this stuff is going." Well, this went on one day, they listened, asked a few questions. Next... That evening they had a little party for me.
- 00:37:38:04 One of the younger guys came up and he said, "Huh, Mr. Haislip, what do you expect us to do, stop making the stuff"? I realized that was the magic moment and the right question, and I said, "Well, yes, that's exactly what I expect". Well, that was the end of that conversation.

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

00:37:55:21 Anyway, second day we got back together, I sort of said the same thing over again, you know. The D.C. Em (ph.) was with me, a couple of people from the embassy and we went through it all. The third day comes and I said, "I don't know what the hell I'm gonna do today. I mean, I've said it all".

00:38:14:10 "I've given them the report. I don't really have anything else to say." They said, "Well, we'll just see what develops". So we went in there, sat down and we had a little exchange of pleasantries. And the Chairman of the group, who later became a good colleague and friend for this reason, the Chairman of the group said, "Well, Mr. Haislip, we've studied your report".

00:38:35:00 "We've considered this matter and we've decided to tell you that you'll not have this problem again because we're gonna cease production and we have just shipped eight tons to Switzerland and we are recalling that. And your problem is over with us." And I thought, "Oh, my God".

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

00:38:55:12 You know, back in the old days, as you recall, powder on the table was the big expression in the agency. You know, that was the measure of how big the violator... Well, how much powder was on the table when you got this guy"? And as only (ph.)... I could see nothing but tons of, barrels of powder on that table.

00:39:13:26 Not only the eight tons that they were calling back, but the 16 tons that they weren't gonna produce anymore every year. And I thought I have found the formula. And that was the beginning. Now the—really, the activity was to replicate that in every other place we had to go.

00:39:36:11 But to do this you'll note there are certain things that are required. The first thing that is required is good intelligence and information. And with that you can make seizures and cases. And with seizures and cases you can make the point and prove what is occurring.

00:39:53:19 And the other ingredient you need then is analysis of the law to show how illegal it all is. So that became

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

the pattern. And Mark, it turns out, with this—with this German officer who was in charge of something like the Office of Diversion (it was a kind of small model of it in Germany), they found out that there were certain brokers in the free trade zones who were receiving all these shipments.

00:40:20:03 After that, the German Customs, NBK (Ph.), began to cooperate. The information began to flow and with the information, of course, came the seizures. Because when we knew the shipment was going to Colombia, then it was easy to intercept it. And so that began to constitute the pattern of seizures that was going on.

00:40:39:28 We had one interesting incident. It's a little piece of history that is worth knowing something about I'm gonna mention. Finally it got to the point where we were doing so well with this that one day the Customs informed us—the German Customs informed us that nine—almost nine tons (I think it was 8,750 kilos)—nine tons of methaqualone was headed to Panama.

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

00:41:05:27 Well, this was just extreme. I mean, we were elated. Nine tons of a finished drug! There had never been a seizure this big. There has, of course, been since with cocaine. Never had there been a seizure this big of an API-type drug. Marijuana, of course, comes by the multi-tons but it's a vegetable product.

00:41:27:04 This was a finished commodity just like heroine or cocaine. And there'd never been a seizure of nine tons at that time. So it was the biggest thing that had ever moved of which I was aware and I don't think there was anything before then. Well, in any case, naturally we were ecstatic.

00:41:45:01 Mike Moy (ph.) at the time was in charge of my operations and he started setting up, coordinating, working with others, working with our office of agents in Panama, working with the office in Germany to make sure there was a smooth flow, that it wasn't missed. And it was—it was done in the usual professional way.

00:42:05:00 Everybody involved did the right thing. The stuff moved into Panama, into Cologne and then into the free

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

trade zone, and that's where they were gonna sort of decide how to get it into Colombia. And the watch was on. We were all waiting almost by the hour. A few days passed, not many, begins to move.

00:42:28:09 The guys are popped (ph.), the stuff is seized, we have the biggest seizure of finished drug that has every occurred, with the exception of the Chinese guy who took all the opium away from the British. And so, obviously, we were elated. And that's when I learned you can never be as excited as you wish you could be.

00:42:51:02 That's just the way life is. But, anyway, we thought that was just great and it was great and everybody had done the right job and we congratulated the Germans, we congratulated the Panamanians, we congratulated our people here, there and everywhere. Everybody was really happy with it.

00:43:06:28 And we reported to a lot of puzzled people in headquarters and so it was a great day. But, you know, I had been involved in some side scenarios with Panama much earlier and when I was in Congressional

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

Affairs and some other things, and I knew the situation there as far as integrity was a little shaky.

00:43:28:05 And that got to worrying me. So after two or three months I sent—I went to my (inaud.), I guess, I said, "Send a cable, find out if they've destroyed that stuff". The cable was sent, answer came back, "No, not yet but soon". Okay. So I made a note to do this occasionally.

00:43:50:18 Sent it again later, same answer. Sent it again later, same answer. Decided, you know, I think I ought to go to Panama. Well, at that time somebody in the chain of command didn't really think I needed to go to Panama, so I didn't go until finally almost a year later when there was a new country attaché there and he thought it was a neat idea if I would come.

00:44:18:15 And so I planned to go there. And the seizure had been made in May of 1981 and so in April of 1982 I was on the scene finally. And I knew I was in trouble as soon as I got off the plane because almost the first

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

thing that the country attaché told me is, "Gene, we've got a problem because they say they don't think they can destroy it and might even have to give it back".

00:44:44:29 And I said, "Whaaattt"? "Yeah." Well, I talked with the ambassador and he said, "You gotta meet with the Attorney General and straighten him out on this". And I said, "Fine. I'll do it". So we went about our trip and I met with the Attorney General. I... He... We chatted a little bit.

00:45:01:26 He said, "Well, you know, we think maybe we can't, you know, destroy"... I said, "Oh, don't worry about that. No, it's fine. You can do that. In fact, you're really obligated to do it because you're a member of the treaty of which we are also a member. And you have that responsibility legally to do it".

00:45:17:10 "So I don't think there really is a problem. And I'll be glad to give you a paper to that effect". And he said, "Well, that'd be just great". So went back home, did a paper, soon was down there and the—I got

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

the good news the Attorney General agreed. That was great.

00:45:35:04 So then I started sending cables, "Well, have you done it yet? Have you done it yet? Have you done it yet"? Months go by until finally late in September I got the word, first and formally, then in a cable, that the stuff had been given back before I ever got there. It had all been a pack of lies.

00:46:00:28 And so the nine tons had gone right back into the traffic. I was livid. You can't imagine. Well, the indignation was—the mortification of it was extreme, let me say. So I immediately wanted to at least make a diplomatic incident out of it. I encountered a little bit of difficulty in this regard in the agency.

00:46:33:16 There was an individual who was in charge. In fact, we were organizing a conference on drug enforcement for the hemisphere in Panama in which Colonel Noriega was gonna be the host. And there was some objection to sending any letters and if we did, we certainly shouldn't ask for anyone to be punished.

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

00:46:54:29 And then this is where, you know, something mysterious showed up on my desk and the reason was because he was the one who gave it back. Well, we did get the letters out. There was a lot of (inaud.). I... It called for the responsible person to be punished. That was...

00:47:21:09 You know, that—I wanted that. We got that out. And so you know the rest of the story. A few years later Operation Just Cause and Noriega are going to jail. And an ugly precedence occurred because it appeared that when all these decisions were made, that actually DEA wasn't a major part of making those decisions.

00:47:43:18 The Administrator didn't know anything about it. In fact, I don't think he ever knew that we had sent these letters of reprimand to Noriega which shows just how well history is kept account of sometimes in our own agency. And so that was it.

00:48:02:14 Later reading an article in the Washington Post I noticed that I think it was Under-Secretary Poindexter

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

said, "Well, we've been suspecting Noriega since the drug conference occurred down in Panama in the year of", I think it was "1983" then. And so I feel like, well, we helped to get him.

00:48:25:12 We helped to get him. And that's what I got for the eight ton. And that's an important little piece of history and an interesting fact, and I think it undersco-underscores the importance of knowing your history well because I'm not sure that we did in that particular case.

00:48:43:06 Well, I'm not gonna go too far with the rest of this story on methaqualone cause I wanna try to work it into the chemicals as fast as I can here. We had to go and do the same thing with Austria. Finally with the Chinese, that's where the system didn't work anymore.

00:48:58:10 Finally had to call the staff together, ask Public Affairs to send down a congressional officer, Dave Mellisic (ph.) as a matter of fact, and also I think someone from press. And I said, "Look, if we don't

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

say something now, we are no longer a part of the solution, we are part of the problem”.

00:49:14:02 So with that we opened it up to the press. We opened it up on the Hill. Senator Paula Hawkins actually went to China, other things too, but she certainly dealt with this. It was all over the newspapers. I had tried desperately to get China’s attention in every other way.

00:49:31:28 What I didn’t know was that there was a fight going on in their own government over it. There were those who wanted to do something and those in commerce who didn’t. But in any case that did it. After that finally the Chinese buckled, the whole flow stopped, the deaths and injury went like this. It was the end.

00:49:52:22 Now it’s interesting to note we have a domestic problem too and that was also serious, but it did only concern seven tons. It wasn’t... We were getting about 100, 120 or 130 tons from overseas, but that seven tons, a lot of that was being diverted. The company

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

that manufactured it, it was Gaines (ph.), had lost it.

00:50:11:26 We had picked it up for sale in an undercover purchase, 40 keys (ph.). An audit was done, it showed they couldn't account for a ton so we took action against them and the action was that if you agreed no longer to produce methaqualone, you can go home. If you don't, well, then it could be worse.

00:50:30:02 They accepted that. So there was no longer a manufacturer in the U.S; there was now just a distributor. We were making a lot of the finest cases that Diversion's ever made, I think some of the finest cases that have ever been made. Stress clinics, John Buckley, Margaret Broqui (ph.), a lot of other people involved.

00:50:46:03 I'm not trying to give a catalogue of names. A lot of good cases and a lot of good publicity and everybody now knew about the diversion of domestic methaqualone as well. And we've whacked the quota in two years. We've whacked it two years in a row so that... [TAPE

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

SKIPS] ...that only 30% of what had been available was avail... [TAPE SKIPS]

00:51:06:00 So we had virtually destroyed it. There were no more deaths and injuries associated with methaqualone. There was no more methaqualone. That's when the congress decided, in fact, to take it off the market completely and put it in Schedule One. They asked me about that.

00:51:19:19 I said, "Look, I don't care if you do it. You don't need to do it. There's a lot of people who say you shouldn't do it. You know, it might be good for something somewhere but that—the story is that we have really taken care of it". Well, they wanted to do it for obvious reason and they did.

00:51:38:08 Now the next thing that happened was sort of a—one of those unpredictable things that changes everything. In Headquarters they asked me to give a briefing on how we'd done this to the country attachés that were meeting here in Washington. They were all together (inaud.).

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

00:51:58:15 And I said, "Sure" because some of em, of course, were big participants in it in several of these countries and so they'll certainly wanna hear the final outcome and they'll probably have some things to add to it. I said, "That would be great. We'd like to do that". So I went down and I did that.

00:52:14:09 And I want you to remember when I... Really, I gotta impress upon you that everything that was done in our office was a teamwork. I did some things. I created some initiatives, provided some leadership, could even do some of the technical work, but everybody on the staff who was involved in it, a lot of people, they all did that too.

00:52:33:14 And they used their own initiative in the field and that's why we got seizures and that's why we got sources of information. But I just have to narrate it quickly as I can without shorthanding some of this. To get back where I was... So I went down to give this presentation and Johnny Phelps in Bogotá, he was still

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

in Bogotá, came over afterwards and said, "Gene, that's great".

00:52:54:23 Said, "You know what? You gotta do that about chemicals". I said, "What"? "Yeah, you gotta do it about chemicals?" I said, "What do you mean, do it about chemicals"? He said, "Well, don't you know all the chemicals where we're finding cocaine and coming from the U.S."?

00:53:08:03 He said, "I'm getting flack all the time. They say you're leaning on us to risk our lives and get assassinated and make cases against violators and you people keep shoveling all the chemicals and make all this possible down here". I said, "Johnny, I don't know anything about this".

00:53:24:00 He said, "Well, it's true". I said, "Well, look, it's not my responsibility". He said, "Doesn't matter, Gene. You're the only one that understands it. You're the only one that understands what you can do this way". I said, "Well, yeah, I don't know. But there's no law".

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

00:53:41:17 He said, "Gene, make laws". Well, hell, I've been making laws ever since I've been in DEA. Everybody knew that. So, you know, that was—that's very flippant of this guy. But I got to thinking about it. I came back and called together the scientific staff which had become really one of the most important parts of the office.

00:54:00:25 It initially was kind of small but I tried to increase that staff because knowledge is power in Washington and that's such a true statement. And that gave me a lot of power that I had that kind of expertise. And I said, "Look at this. Tell me if it's true". They did come back, I don't know, two weeks later, "Yeah, it's true".

00:54:20:08 I said, "You... My God, this is horrible". Well... I said, "Look, we can't get involved in this. We've got a dangerous drug desk. We've got other people. We're not... It's not our... If I do that, they're gonna scream and yell that I'm a...", you know, etcetera. I said, "But I can at least try to say I'll help them".

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

00:54:37:25 So I went over and there were some people there really interested and I said, "You know, I'll help you if you want, whatever you want, but this is something you need to do and we know some ways you could do it" and so forth and so on. Some of em said, "Yes, they were", but, of course, you know how that is.

00:54:54:12 They were soon out of there. I mean, by the time they learned their job in headquarters, they're out. So, you know, I was always dealing with somebody else and nothing ever took, nothing ever happened. Well, about that time Dave Westrate (ph.) who some of you know well, Dave is kind of a cerebral guy.

00:55:13:22 A little bit more strategic thinker than a lot of people. He had come up—he and some others had come up with the idea for Snowcap, which was a new, aggressive and really, I think in many respects, a wonderful program and an insight. And I know that we had a lot of wonderful people working in it cause I met quite a few of them.

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

00:55:34:09 And any ca—any case, this was a big push against cocaine and I could see that this was gonna go places. So, you know, I was thinking about all this and Dave and I happened to be on the same plane—airplane coming from something in Europe and I got out some napkins and I started sketching how a law would look, you know, how we'd divide things into two categories, precursors, essential chemicals, and how we could minimize the burden by setting some thresholds and different things that we could do.

00:56:09:26 And I sort of sketched it all out on a napkin, walked back to where Dave was sitting, sat down and I said, "Dave, I got something for ya". He said, "What's that"? And I sat down and I said, "Look, you know—you know, that chemicals are coming mostly from the U.S. and we gotta do something about it".

00:56:28:15 "And so this is what we can do." And I outlined the whole thing to him and marched him through it. He got it pretty quick and he said, "Yeah, that's good. I'll support that". So this, of course, took several months of evolution but on—as soon as I got back to

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

Washington a couple days later, you know, the staff,
we talked about these things, ad infinitum.

00:56:52:15 And we were really reluctant to get into it and we
didn't know the chemical industry and we didn't know,
you know, what we could do here and there was a lot of
problems with it. And we talked about all that but..
So I called em in that morning and I said, "Gentlemen,
today we're gonna draft a new law and this is what
it'll do", and laid it out to them.

00:57:13:10 And that's the way the chemical program and the
chemical legislation really came about. Now, you see,
we had a significant problem here because, unlike
methaqualone, we didn't have a law or treaty of any
kind. And I wanna mention of how that developed. It
wasn't too long, about that time, when we got a cable
from—when we got a memo from State Department which
basically said the following:

00:57:40:11 Well, it seems like Vice President Bush (Bush Number
One) was at a big meeting in Quito (ph.) with a lot of
Latins, and the Venezuelans wanted to do something and

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

what they wanna do is a new treaty. And so Jean Kirkpatrick up in New York at the U.N. is asking us what we think.

00:57:57:29 And so I said, "This is the opportunity". Did a little memo, threw chemicals in there, some other stuff, control deliveries, enforcement on the high seas, different things, and I said, "Yeah. The answer is, yes, it's a great idea. Venezuelans, they don't know what they're doing but we can use it".

00:58:14:13 "And this is what we'd have in it." Mullen sent it to the State Department. Some people said, "Well, you're wasting your time. The State Department isn't gonna wanna do this". Then he... That was true, but I knew that Jean Kirkpatrick would wanna do it, and she did. We voted for it.

00:58:29:14 And the next thing, within a few months, we were all in Vienna negotiating a new treaty, which is what we needed to put law in place because as soon as we hammered em in the United States, we knew that the

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

chemicals would flood in from Europe just like methaqualone.

00:58:45:18 And sure enough that is what did happen. And so that was the next piece that fell in line. Well, in all of these maneuvers what you can see is there were some indispensable elements. And people talk about diplomacy, do things the diplomat—you know, send the diplomats.

00:59:04:18 We believe in diplomacy, not force. Well, what the hell does that mean? Well, it's totally meaningless if it means go and have a little chitchat because I can tell you what they will say, just what the Germans told me the first time I talked to them. "Gene, very interesting but, you know, this drug is not a problem in Germany and we don't see the need to do anything about it".

00:59:28:11 That's what they said. They didn't say, "Wow, that's terrible. Oh my God, we gotta help ya". That is not the way it works. The answer is always, "No". Then you have to point out, "Well, you know, there's a

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

little issue of the law and treaty that you're obligated to".

00:59:45:03 "And, oh my God, I hope the press doesn't hear about this. And some of our congressmen get so irate" and so forth. Well, you don't say it but, you know, you show them. And they don't wanna be on the cover of Derspiegel (ph.) and Dispachian (ph.), believe me, and neither does any other country.

01:00:02:00 Neither does even China. So that's the reality. So diplomacy isn't worth a damn if first of all you don't have investigations and the Intel so... [TAPE SKIPS] ...speak with authority about what is happening. The other thing is the press and the congress are the greatest tools to resort to here if you need to.

01:00:25:06 Sometimes you will and sometimes you won't. The other element is there has to be something legal you can peg this on. You have to show that what they're doing is contrary to something to get them to accept responsibility. And the last thing and the most important thing and the thing that's so much lacking

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

in all of bureaucracy is you've gotta have some guts and persistence.

01:00:51:05 Because if you go once, you're passing firemen and they say, "Fine. Thank you. That was wonderful", hugs and kisses, "We'll see you in the next millennium", and then just walk away and forget it. No. It has to be, "Well, it's nice to see you today and, by the way, we already have an appointment for next month".

01:01:07:29 "Did you know that? And the month after that and the month after that. In fact, you're gonna have to put up with me until this is solved." That's got to be the message. So that's how it was done and that's the why it was done. I mentioned a few people who played important roles in it.

01:01:26:04 The list is much longer than that. There are many other people, and some of em right here still, I know, and they could get up here and give you their own talk about this and it would be just as interesting and

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

just as important because, of course, you know, every team has got to have someone out front.

01:01:45:26 But to make an effort work, it's gotta be a team. We had a team and I hope you still have that team. Or new people in it? Fine, that's great. And that's—that is a way you can skin that particular cat. Well, not all problems can be resolved that way, it's true. Let me see if it just...

01:02:06:25 One last thing I wanna tell ya. Oh, yeah, there is one last thing. It's about what I started with. Just give me a moment to find that. Yeah. Hold it...

END OF SIDE A

01:02:23:15 GH: Have patience. Somewhere here... Because this is really—this is gonna—this is important. You need to... Damn. Oh, here it is. No, just a moment. Without this, it just won't be complete and you'll just think, well, he's just not as silly as he used to be. And I don't wanna disappoint you that way.

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

- 01:03:02:05 You know, I started this talk, well, talking a little bit about history, but before that a little bit about time. And I wanna tell you what Einstein says about time. Moreover, it's been proven. They proved this by putting a clock on a jet plane and sending it to Europe.
- 01:03:20:29 This is a quote. "For we convinced physicists the distinction between past, present and future is only an illusion however persistent." Now there's a guy who wrote a wonderful book. I try to read these books because they're such a challenge. And being a lawyer I really—you know, it's a problem.
- 01:03:45:04 But I do try. It's called "The Fabric of the Cosmos". It's by Brian Green (ph.) and this is what Brian has to say about what Einstein said. And it's a quote. Brian says, "Events, regardless of when they happen from any particular perspective, just are. They all exist".
- 01:04:08:07 "They eternally occupy that particular point of space. Space time. There is no flow. If you were having a

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

great time at the stroke of midnight on New Year's Eve 1999, you still are." Well, I had a great time back there and I still am. So that's the end. [APPLAUSE]

UNIDENTIFIED FEMALE SPEAKER

01:04:43:29 FS: If anybody has any questions for Mr. Haislip, we'd be happy to have him answer them.

Q & A'S

01:04:49:14 Q: Thank you. It's (Unint.) with the Budget Office. Arrived about the time you were leaving thereabouts and there's a technology that's arrived at the agency which is a financial tool that has developed in releasing the general budget from accountability for paying for the program—the Diversion Program and replacing it with a fee structure which puts some of the onus—all of the financial onus on the regulated parties here in the country.

01:05:17:25 Now my job in financial work has been to help develop that as a tool for the DEA. But I wonder two things.

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

Well, not—I wonder one thing. The problem with chemical diversion in particular is that while List One chemicals, if I remember correctly, are the—the—are the chemicals that can be tied to—directly to largely drug traffic and we can, therefore, charge a fee or incorporate the chemical producers in the—in the—in the financing of the program, but the List Two providers, of course, are making chemicals which are used for a variety—a wide variety of other applications.

01:05:58:20 Do you have any thoughts about how the List Two chemical producers could or should or might not be involved in the overall process that under-girds the production of elicited drugs and the use of elicited chemicals or elicited chemicals for elicited purposes?

01:06:14:26 A: Well, the challenge of this whole thing, of course, totally unlike the legitimate drug, is numbers, you know. When it comes to registrants dealing with legitimate drugs, we have now well over a million. So the numbers can generate a lot of money with a relatively modest fee.

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

01:06:39:13 But in the chemical—dealing with the chemical equation to try to replicate that, you have to look at some way to bust the numbers up or you—or forget it, because the number of registrants is... I don't know what the chemical reg—number of chemical registrants is now but it's not very great, so that it's not gonna generate the kind of money that's needed.

01:07:04:07 One could, of course, expand it if you not only go to the list too of chemicals but also if you—if you go to—go down the chain from manufacturers and distributors down to the chain of—of—of—of retailers. Well, that would expand the numbers greatly and I suspect that one could devise formulas to do that.

01:07:28:21 I think it would perhaps prove to be very controversial and you might encounter a lot of severe political difficulties. So I don't know if I'm an advocate of it, which is not what you asked me anyway, but that's the way you'd have to do it. The problem that did arise for us in those days, and I think it's still a problem, was that, of course, you cannot use

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

the money you get from the registrant—the drug registrants to do chemical work.

01:07:56:02 And so we never had the kind of funding and resources for chemical control that—that we—that we had for the other, and that's at least one of the things that has made it more difficult to accomplish the results that we should and perhaps could. Well, that's only one thing.

01:08:17:27 As you well know, and I haven't dealt with it, but the politic—politics and the lobbying is really what defeated us for such a long time on meth amphetamine and that is kind of a severe chapter that I remember with a little pain. But a lot of that has been resolved now by congress, I'm glad to say.

01:08:40:15 And I think here we've got some great leadership from the press actually. So that's the best insight I can give ya. But if you can't bust the numbers up, you're not gonna be able to raise much. And it's busting the numbers, you've got to go a little bit beyond just

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

manufacturers and even beyond distributors probably or you won't—you're just not gonna have the numbers.

01:08:58:14 That... That's what I'm thinking. I haven't given a lot of thought to it but if anybody thinks I've misspoken with regard to the numbers problem, I hope they'll correct me. That's the way I perceived it then because we, of course, had to think about those things.

01:09:12:08 But busting the numbers up and getting it accepted politically would be the way to accomplish it if it's desired, you know. Any—anyone have any further questions? Well, I—I—I hope that what you've seen from what I had to say is that it's—it doesn't help to know what was done, it doesn't help to know who did it, that's really the least important thing.

01:09:43:17 But I hope and think it does help to know what the agency has had to face and how they faced it when they won and when they didn't win. Both. You gotta study... [TAPE SKIPS] ...as well as successes in order to face

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

the future and be able to arrive before the store closes so you can eat tonight.

01:10:06:20 Go back to my time example. That's the important thing. That's why I'm so happy to see there is such a history program here. Your program should be one of the most important in the agency.

UNIDENTIFIED MALE SPEAKER

01:10:18:17 MS: Can we get that on tape?

01:10:20:26 GH: And it... I hope it will be. Thank you. Thanks, all of you. [APPLAUSE/B ROLL]

01:10:29:04 MS: Gene, we brought you a little bit of something. We were gonna get you some more bottled water but there was a broadcast e-mail about that. [LAUGHTER] Just a quick programming note. Back in here in the auditorium next Friday afternoon (inaud.) our foundation. We're delighted to have our President of the Museum Foundation, Bill Alden (ph.), here today.

**DRUG ENFORCEMENT ADMINISTRATION
MUSEUM LECTURE SERIES
GENE HAISLIP**

01:10:47:05 We're hosting a national symposium on pharmaceutical diversion. An expert panel of seven really, really great minds are coming together. It'll probably be covered very heavily by the media. And that is all leading up to the following week when the Museum opens a brand new exhibit all about the history of the Office of Diversion Control and the problem of diversion over time.

01:11:09:17 So thank you all for coming. Look forward to seeing you next week. [APPLAUSE/B ROLL]

END OF TAPE