

THE DEA MUSEUM LECTURE SERIES

Tranquilandia

Sean Fearn: Our speaker this morning is retired Special Agent Richard Bly. And I'm going to tell you a little bit about Special Agent Bly before he comes up and begins to speak.

He actually holds a Bachelor of Science degree in chemistry from James Madison University. He began his federal career in 1960, as an inspector with the Food and Drug Administration -- the FDA -- in Baltimore, Maryland.

He was transferred to Charleston, West Virginia under FDA and then in April of 1966, transferred to Atlanta, Georgia as a special agent under the newly created Bureau of Drug Abuse Control -- BDAC, as its acronym is known.

And then in 1968, as we know here at DEA, BDAC and the Federal Bureau of Narcotics were merged to form the Bureau of Narcotics and Dangerous Drugs. And Dick went along with that organization. And then in 1970, he was transferred here to Washington DC, to BNDD headquarters, assigned to the organized crime strike force.

In 1972, he was transferred to the then newly created office of intelligence.

Since 1973, until his retirement in July of 1998, he's been assigned numerous positions, including as a unit chief in the dangerous drugs section, the unit chief of the southeast Asian heroin unit, the chief of strategic intelligence, the chief of operational intelligence -- and finally, as deputy assistant administrator for investigative intelligence.

Today, Dick Bly is going to be speaking to us about Tranquilandia, this legendary cocaine laboratory in South America -- how DEA made that case and its implications.

Please join me in welcoming Special Agent Dick Bly.

Richard Bly: This case goes back 27 years and I've tried to pull it together as factually as I could, and I'm sure some of the details are going to be a little off. But I'd like to thank Sean for his efforts in helping me pull some of this stuff together and Kathy Drew, who put together most of this video that you're going to be seeing here -- and the slides and so forth.

I've been out 13 years so I needed an inside guy to help get this thing going. The reason I wanted to get this story out -- a lot of people had heard about the big lab seizure at Tranquilandia down in Colombia, but I always felt that the real story of Tranquilandia was the intelligence and work that went into

actually identifying that location -- and of course, the lab seizure was a great thing when it went down -- a big one.

Anyway, John Schwartz, who was still an analyst here, was kind of my inside guy that clustered enough people to shut him up. I think they decided to go ahead and do Tranquilandia as part of this series. So, let's get started with it.

If you go back to the early 1980s, what started out as kind of a trickle of cocaine coming in from South America -- all of a sudden almost became a tsunami of cocaine coming in. And it was mostly coming into Miami at the time. Miami was almost like the Wild West. We didn't know a lot about how it was made. We knew it was, for the most part, made in clandestine labs, probably out in the jungle area or some other remote areas of Colombia.

We could do research and find out how they manufactured pharmaceutical cocaine, but we wanted to know how they made it out in the jungle. There was some research done and, as I recall, we actually asked our Bogota office to go out and recruit a chemist that had made cocaine in the jungle -- brought him up and delivered him to special testing and they actually had him go through the process using some coca leaves that were transported up here from Colombia. And he went through the process so they could make an

inventory of the precursor chemicals that were used.

When they looked at the inventory, one of the major chemicals was ethyl ether, a solvent -- and they used it in large quantities. A little research revealed that there was no ethyl ether manufactured in Colombia. It was all brought in, imported in.

They then decided to run an intelligence operation down there and the Bogota office requested some money and they ran an operation called Operation Staple. And what this actually did was to go into the chemical supply houses in Colombia, take a one year block and total up all the chemicals that was passing through during that one year period.

They then did a little more research and they found out the actual legitimate requirements for ethyl ether. And from that, they determined that 98% of all the ethyl ether was going to the clandestine laboratories out in the jungle or wherever they were located.

Our country attaché at that time, Johnny Phelps, took all this information over to the government when they were having a legislation session and presented it. And to everybody's amazement, within a few months actually, they passed legislation. They brought ethyl ether under control so that if you bought

it, you had to, number one, demonstrate a legitimate requirement -- and if you brought it into the country, it had to be approved before you could bring it off the ship or however it was delivered -- airplanes, whatever.

Within months, actually, we had some Colombians show up in Miami. They traveled up to New Jersey to meet at a chemical supply house that we had worked with here in the United States, with clandestine labs like the LSD labs and STP labs and some of that other alphabet soup. And they went in and said they wanted to buy ethyl ether and money was not really a problem. They were willing to pay cash.

So, they ended up directing them to Chicago. In Chicago, we had what we called a storefront operation and we had an agent there by the name of Mel Schiavelli, who was evidently -- I never met him, but I understand he was a real con artist. Anyway, he met with these guys. They worked out a deal and sold them 76 55 gallon drums of ethyl ether.

Now in the storefront operations -- the way it had been operating -- they would insert a bumper beeper, which actually has only a couple of mile range. And you have to track it with automobiles or light aircraft. We were pretty sure this thing was going to South America and a bumper beeper just wasn't going to do the job.

So, we did some research and somebody along the line -- and I'm not sure who suggested it. They suggested that we go to the Coast Guard and borrow some satellite tracking devices that they had that were part of the old weather system, where they would literally throw these satellite tracking devices in ocean currents and then track them and see where they went. And it was on an old system that a satellite went around and twice a day it would give you the coordinates on the surface of the Earth at that point in time.

And I'm not sure -- we probably had some help from some other people. They cut a chunk off the barrel, sealed it off. Back in those days, 27 years ago, technology was not what it is now. The battery packs were pretty large to run this thing for at least probably a three week period. They were estimating it would take that long to move it down there.

So, they cut the barrel out, sealed this thing off, put the transponder tracking device in along with the battery pack and I think they ended up having to put a fiberglass end on a drum because the signal wouldn't transmit out through metal. They painted the thing back up and they put it into the shipment that went down to New Orleans.

And in New Orleans, it went on board a vessel and -- let me see if I can work this thing. That's DEA intelligence logo. Anyway, we went from Miami to New Jersey to Chicago -- and the shipment ends up going down to New Orleans and it departed the US from New Orleans in the hull of a ship.

When the beacon started transmitting again, the coordinates came up and it was actually located in Barranquilla, Colombia on the north coast. It stayed there only a few days. And we have a [unintelligible] back here that was actually on the coke desk when this thing was going down and probably has more detail on this particular part of it than I do.

Stayed there for a couple of days and then it went down to turbo or down where Colombia actually turns and goes up toward Panama. And it was on Ochoa's Ranch. We got the coordinates and we dialed up the satellite with the help of -- I think -- the CIA at the time because we were not members of the intelligence community. And we did our tasking through them.

When the shot came back, what you're looking at down at the bottom is a satellite shot and then there's some blowups. There's a runway with hangars, airplanes. Over on the other side, you can actually see their own personal bullfighting arena, helicopter pad and

pretty much everybody -- this is where the lab's located.

It stayed there one day. The next day, it was beeping over in the Amazon Basin, down in what they call the [yanatas], the lowlands of the Amazon Basin -- still in Colombia. And it was about three days of solid cloud cover and we really didn't know what was going on. At that point, we were pretty much bland. We just knew where the beacon was located.

On the third day -- this is the shot that came in. You can still see some of the clouds that are there. And there's this runway out in the middle of nowhere -- it's 200 miles from any roads. The only way you could get to it is by water. During the rainy season, there was enough water in the river to probably move in stuff, but for the most part, you had to service it with aircraft.

There's another shot -- when the photo interpreters looked at this thing, there's -- if you can see, up in this area, right up in here, there's a grid. It almost looks like tic-tac-toe or something like that. Nobody could figure out what that one was. When they hit it, they found out it was actually pens to hold the cattle that they were feeding the lab workers -- because they're out there where there's no refrigeration so they just brought in a bunch of cattle and slaughtered them as they needed them

for meals. It was kind of unusual, but it had everybody puzzled at the time.

At this point, we were pretty sure we had a lab operation because you could actually see under triple canopy jungle, what appeared to be a lab structure. There were planes all over the place and we could tell it was a very active area.

Again, we had our country attaché go to the CNP -- the Colombia National Police -- and say, we're pretty sure we've got a cocaine lab operation and a pretty good sized one. We'd like to hit it.

It was so remote -- as I recall, they had to actually take trucks with fuel in it and drive as far out in the roads that they could and then take the helicopters out, refuel them to have enough fuel to go to this site and then get back to the refueling to come back in -- it was that remote.

The day of the raid, which was March the 9th, 1984, we got a call from the satellite people and they said, you got a problem. They've got barrels on the runway. You can see them on there, but photo interpreters had actually circled these things. But they were barrels with concrete in them and they didn't want just anybody landing out there in that

jungle runway because they didn't want them in there to find out about the lab operation.

So, we were able to actually -- we DEA was able to get ahold of the raiding party and advise them that they'd have to go in with the choppers and clear the runway before they could go in with [thick swimming] aircraft. They did go in that day, later on that day. And we had a DEA agent on board the airplane. There's some sound with this thing, but really, there's no speaking. It's just choppers and noise from the aircraft.

The DEA agent down in Colombia was sitting in the back of the plane and took these shots. That one's right out through the windshield. That's where they were coming in after they had secured the runway.

Now this thing's only -- I've been informed it's five minutes and 12 seconds long. Is that right? This is the guy that cut it down from four hours back here. There's some of the choppers. I guess these are some of the choppers that went in and helped secure the runway. And this is more the Colombia National Police coming in.

Now they took the barrels. You can see where they smashed them down during the rainy season so they could walk around -- I guess they're in this complex -- without getting their

feet wet because they get a lot of rainfall and a lot of water down in that particular part of the world. I don't know. I would assume that most of the lab people kind of scattered to the jungle, but these were some that -- I don't know whether they were cooks or what, but anyway, they got captured at the lab.

Some of these additional shots will give you an idea of the material that they had in there. They had quite a bit of weaponry. They were in the process of putting in plumbing, fixed plumbing. I think there's even some commodes and things that were to be installed later on. They had a bunch of generators, electrical power equipment, all kind of communications gear -- because they'd have to talk to the airplanes as they were coming in, to bring in supplies and take out finished product.

Now what you're seeing there is some of the filtration system. It's just part of the project. That's actually finished cocaine hydrochloride that you see sitting all over the place. There's several rows of 40 gallon garbage cans that are full of finished product. They actually put the drums up in racks and then hooked up hoses and used gravity flow to move the chemicals around through the lab process.

What you see there are drain banks, where they put these heat lamps up and

they would spread the cocaine out and use the heat from those lamps to help dry.

Now this place was so remote that they just couldn't -- that's all finished cocaine hydrochloride. They've got it in kilo bags. But it was so remote out there that the idea of loading it up, bringing all of it back in as evidence -- it was just a logistical nightmare that they couldn't handle. So, they decided they would destroy it.

So, at the end of this film, you're going to see where they -- ethyl ether, by the way, is pretty explosive. This is more of the heat lamps, drying tables that they had. So, what they did, they dumped down a bunch of this ethyl ether and they destroyed the lab complex by fire. And you'll see it here in just a few minutes.

They were using quite a bit -- here's some of the plumbing that they brought in -- really hadn't quite got it hooked up yet.

Now this particular complex -- we're pretty sure it was Pablo Escobar's and he was supplying probably Jorge Ochoa, Santa Cruz [Londonia], who was operating out of the southern part of Colombia at the time -- Calle, Colombia. We're not really sure who all was involved in it, but when they were pumping out 20 tons a month, it accounted for a lot of the cocaine coming out of Colombia at that time.

Now what they're bringing out there -- probably some aircraft that needed some parts were sitting over there so they just brought them out and destroyed them. Now the EPA probably would not be real happy with this destruction process, but you do what you have to do.

Now what he's doing, he's got a nine millimeter and he's actually just punching holes in some of these barrels to get the chemical coming out so that it would burn.

Now as close as they could inventory it, there was eight and a half tons of finished cocaine hydrochloride and another ton and a half of coca paste that converts at a 1:1 ratio. So, there was actually about 10 metric tons of cocaine that was destroyed in that operation.

This is a shot after the raid and you can see up in the upper right hand corner, one of the lab locations burned out. One of them actually got away and burned out a pretty good chunk of the jungle there. That black stripe is not a black snake that runs around there. It's actually, I think, a river that probably supplied some of the ingredients for the lab during the rainy season. And you can see in the upper left hand corner -- I think it's one of the Colombian government aircraft and they were still on the

runway and still working down there when this shot was taken. This photograph was taken in March the 17th of 1984.

Now there was another shipment -- and I'm not sure how we got the barrel inserted, but it was actually tracked into Venezuela and something funny started happening with it, and they went down. I think the lab was burned down and there was one barrel sitting out there and it was the barrel that they had the tracking device inserted in. I guess it was the traffickers' way of saying, hey, we know. So, second time around, it didn't work all that well. There was a lot of chemicals flying around in those days and this was one of the successes that we had.

Now there was another time that we were going to use a satellite tracking device and it happened -- I'm not sure about the timeframe, but it was either in the late '80s or early '90s. The Colombians decided they were going to get into the heroin business and they wanted to go ahead and make heroin the right way, the way the French did it -- the white, fluffy stuff rather than this Mexican brown heroin that was coming across the border.

So, somewhere DEA got the word that they were recruiting a chemist out of Marseilles, to go down and teach them how to make the pure heroin. Art Barnes was one of the agents that was working on the desk down in that area at

the time. They brought this chemist in to the Caribbeans. I don't recall now exactly where it was, but we were told that he was crippled and in a wheelchair.

And at the time, I was a liaison to CIA so I went over to their check shop to see if they could figure out how to insert a satellite tracking device in a wheelchair, which they did.

Anyway, when Art went down to meet with this guy, sure enough, he was in a wheelchair and he really looked terrible -- looked like he'd been through a terrible fire. And Art goes up, introduces himself, shakes his hand and he finds out later the guy actually had leprosy. And according to Art, on the way back to the room that night, he got a fifth of whiskey and what he didn't pour on his hands trying to wash them, he drank.

So, we had one success out of three of them that I'm aware of.

But when you go into one of these operations like the one I just talked about, there was a lot of people involved in it. We had the Coast Guard. We had the agency that was helping us with satellite, giving us eyes on the scene, what was going on -- because they used to do our tasking for us with the imagery. The Colombian National Police did their thing. They

went in, hit the place and as you can see, did a pretty good job of destroying it.

We had a special testing lab. We had the field offices. We had intelligence probes going and when you pulled it all together, it's one of the stories where everything pretty much worked the way it was supposed to.

So, that's Tranquilandia. Anybody have any questions about it?

Yeah -- Stephanie back there.

Stephanie: How long had it been an operation?

Richard Bly: I'm not sure. Do we have any idea how long that thing was in operation?

Male Voice: [unintelligible]?

Richard Bly: Yeah.

Jerry Carey: Probably -- everything you show in that film was brought in by air. So, you see bulldozers, you see trucks, you see airplanes, you see all kinds of -- there were 10,000 empty barrels found in that laboratory.

Excuse me. My name is Jerry Carey. I was running the coke desk at the time of Tranquilandia and -- excuse me. And it was

probably in operation for -- I would say at least a year.

Richard Bly: That sounds about right.

Jerry Carey: Before it was destroyed. But I'd like to just point out a couple other things that -- a 55 gallon drum of ether at the time was selling legitimately for \$280 -- legitimately. The dope peddlers were paying up to \$6,000 a barrel. So, when [unintelligible] sold them 74 barrels, I don't know what he sold it for, but when you think that there's 10,000 empty barrels at Tranquilandia -- they found 10,000 full barrels in Panama, 2,000 full barrels in La Fria, Venezuela -- those were the three bumper beepers that did work, that I was aware of.

They were paying a lot of money. A 55 gallon drum of ether would convert to somewhere between nine and 10 kilos of cocaine, which was selling for about \$14,000 to \$16,000 a kilogram in New York at the time. So, just figure it out. If you could get \$160,000 for \$60,000 -- that's what they were doing.

At one time in 1984, the coke desk was monitoring 37 different shipments of ether around the world. There were only five countries that were involved in producing legitimate cocaine at the time and we sent a fellow from my group -- the coke desk actually -- Johnny Phillips to Yugoslavia, Germany, China and

a couple of places here in the United States to ask their assistance in letting us know where the major shipments of cocaine were going and when they were going.

So, we started monitoring them. At one time we were monitoring 37 different shipments around the country.

Richard Bly: Anybody have any more questions? Here's a guy that can answer them because he was sitting on the desk monitoring that stuff at the time.

Male Voice: [unintelligible]. After Jerry gets a chance to make his additional comment, can you both talk about the impact that the shutdown of the Tranquilandia lab had on the flow, both short term and long term?

Male Voice: [crosstalk]

Richard Bly: The impact that I recall was not real great --

Jerry Carey: No, it really wasn't.

Richard Bly: -- in terms of reducing availability.

Jerry Carey: No. This probably wasn't the only laboratory in Colombia at the time and certainly wasn't the only laboratory in Venezuela.

Like I said, a lot of people were involved and it was a great intelligence operation and a great enforcement operation. We were lucky enough to have this chemical house in New Jersey that had been visited by the registrant group in New Jersey to elicit their help in anybody coming in for precursor chemicals -- the first thing that they did was notify DEA and the guy was told to tell these people, we got that ether for you, but you have to go to Chicago to get it.

But I don't think it made a big dent in cocaine in New York. Like I said, it was \$14,000 to \$16,000 a kilo at that time and I think it stayed that way for awhile.

Richard Bly: Yeah. We were monitoring and one thing you look at was purity, availability and by September -- we were expecting reduced availability and that they would be cutting down purity on the stuff and by September, there was just no change. We couldn't tell any change. There wasn't any increase in price. It was like nothing had happened.

Jerry Carey: When we were notified that that barrel was in the middle of the jungle on the Auari River -- one degree above the equator -- we thought that Ochoa had found the barrel, found the beeper, put it on an airplane, flew it 500 miles into the middle of the jungle and kicked

the sucker out of the plane. We didn't know for three days because of the cloud cover that Tranquilandia was sitting right there.

I got a call on a Sunday morning that said, you got to come over here and look at some of these pictures because it almost looked like a city. The nearest road was out of Villa Vicenza, which was 180 miles away.

So, like I said, everything you see in that film was brought in by air. They had to refuel the helicopters, as Dick said, and clear that runway before they could bring in fixed wing aircraft. So, when you see the plane landing, the DEA agent was on the helicopter that helped clear up the barrels so that that fixed wing aircraft could go in.

Male Voice: [unintelligible]

Jerry Carey: Once they find out how you're doing things, they go somewhere else -- go a different route. They're as ingenuous as your mind is. I worked cocaine for five years, six years. They came in every way you could think of -- wine bottles, skeet balls, bricks, lumber, flowers -- anything that you could think of that they could put it in -- dissolve it into clothes and boil it or whatever they did afterwards to get it back out again. They were very, very ingenuous.

I had one case where the [unintelligible] -- if you've got a minute -- that they went to Detroit and they bought two Ford pickup trucks with sequential serial numbers, they shipped them to Arica, Chile and then they drove one of them up to Tijuana, Mexico and for five weeks, they drove that truck across the border into the United States every Monday through Friday, with all kinds of construction equipment in the back of it and all.

The second one, they peeled off the bed of the truck. They put four inches of space there, to put 220 kilos of cocaine. Now it's in Arica, Chile. They shipped it to Valparaiso, Mexico. They take it off the ship in Valparaiso. They drive it across Mexico to Tijuana and the next morning -- that Tuesday morning -- all that stuff that's been going across the border in the first truck, they put in the truck the construction equipment and everything. It takes them two seconds to get across the border with the 220 kilos.

They planned that four months in advance. Very, very ingenious.

Richard Bly: One of the other things that happened -- this is all connected with the cocaine operation, but we ended up with an informant that advised us about a computer that Santa Cruz [Londonia] had in Calle.

Finally, we went to the Colombians and had them go in and raid the place. They brought the computer up here and we took it down to Newington and our tech people spent quite awhile going through the thing. They couldn't figure out what they were doing with this computer. We had hoped -- they used to have a code on each one of these kilos so when they shipped it up here, they knew which bags of cocaine went to which dealer in the US.

And we were kind of hoping that maybe this thing would have a listing of all these dealers and some idea of how much was moving. Well, Santa Cruz [Londonia] owned part of the telephone company in Calle, Colombia. And once a day, he would have somebody bring over all of the tapes of outgoing phone calls.

And when they brought this machine up here, set it up -- at some point, almost accidentally, I understand, they hit a button that printed out the last order that was given -- and what he was doing was, he was taking all the numbers in Colombia and he'd programmed in the telephone numbers in the US Embassy and in the Colombian National Police in Bogota and he was checking to see who in Calle was calling those numbers in Bogota -- and that's how they were finding out -- when we had an informant or somebody go in, they didn't last very long down there. They would see that number and go over and

put it under surveillance. They were pretty sophisticated.

Yeah?

Female Voice: [unintelligible]

Richard Bly: Have they found any labs on that scale since then? I'm not aware of any that were that large.

Jerry Carey: I left in '86 [unintelligible].

Richard Bly: I think they went to smaller operations because they have too much of an investment when they leave.

Jerry Carey: I retired 30 years ago. I'm sure that they have --

Richard Bly: Anyway, that was one of the biggest lab seizures. To add a little flavor to this thing, I think the largest cocaine seizure ever made in the US was in Sylmar, California -- and it had a little different road that it went down.

There was a guy that was located in what they call a light industrial park. It's small warehouses where they bring a tractor-trailer in, unload it and then load up trucks for local delivery. And this guy -- I think I've got a note on it here -- back in 1989, I believe it

was -- yeah, '89 -- in September of '89, he calls the DEA office in Los Angeles and said, hey, I got some guy coming into the operation next door. He's driving a brand new Peterbilt tractor-trailer that costs about \$300,000, \$350,000 and he doesn't know how to drive it. He said, nobody's going to put that much money in that kind of a rig and then give it to some jerk that doesn't know how to drive it. And he said, he literally pulls in and he doesn't know how to back it up to the loading dock.

So, they sent a couple of agents over there that had just returned from basic agent school and said, go over and see what this guy's talking about. So, they go over and sure enough, the guy comes in the tractor-trailer, goes to back it up, gets it hopelessly jack-knifed. So, they start unloading this thing -- and as I recall, they even had bags that fell out on the ground.

So, they called back in. They said, well, get with the state and local taskforce and hit this place and see what it is. They seized 21 and a half tons of cocaine hydrochloride. So, it didn't have quite the intelligence operation behind it, but it was -- they seized twice as much as we got in the lab down there. Of course, that thing was pumping out 20 tons a month.

But you never know what you're going to get into. The one thing that's always impressed me with DEA -- it's part of the culture. It was beat into me from the time we got started. Any case, you always track it back to wherever the drug's either being diverted or where it's clandestinely manufactured. And if you don't track it back that far, you really haven't done a good job with the investigation.

I think over the years, DEA's probably done as well or better than most enforcement agencies doing exactly that. I was in it 38 years and the last part of it was mostly with the intelligence community. You hear about your screw ups sometimes, but a lot of the really good stuff you don't hear about -- and the reason you don't hear about it is because -- as Jerry just pointed out -- you don't want the bad guys to know that you know because as soon as they know that you know, they're going to change their operation and go another direction. It's that kind of a world when you get out there.

So, at any rate, that's all I have unless somebody else has some questions.

Sean Fearn: On behalf of all of us, Dick, here at the museum, we want to thank you for your time this morning. Jerry, for your invaluable additions -- we appreciated as well. We've got a small token of our appreciation.

That concludes our program this morning. We invite you back this fall. We talked a little bit about intelligence today. We're going to delve more into it with our fall lecture series. And if you all have any other suggestions for speakers or topics, please feel free to stop any one of us on the museum staff.

Thanks so much for being here today.

End of recording.