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EXCLUSIVE REPORTS

very real prospect of being cut down before he can get beyond that wall.

Bill Conroy

now knows too much.

straight-forward."

assignment.

entire story.

Today, Lau is back on home turf, but he remains out in the cold, discarded, he alleges, by the very agency for which he put his life on the line.

culture is ultimately a threat to national security because it makes it impossible for agents of color to do their jobs properly.

The FBI paints a different picture of Lau. The Bureau claims Lau was fired because he is a liar and a petty thief.

potential FBI undercover candidates and continues to monitor and counsel those agents once they are in the field.

Oversight Project of the National Whistleblower Center, a Washington, D.C.-based advocacy organization.

and his attorney) are trying to make it complicated, trying to make it something it's not."

John Vasquez in legal pleadings filed in federal court on Lau's behalf.

"But now, I'm like a prize fighter in a fight with his hands tied behind his back."

attempted to use his position as an agent to pressure his accusers into dropping the charges.

country in 1976 and six years later became a naturalized citizen of the United States.

Mich. Shortly after, Lau was sucked into the netherworld of espionage.

"I was a CIA operative," Lau alleges. "(They) operated me inside the USA."

evidence-handling failures in the FBI Lab.

long way in verifying his remarkable claims.

do the most damage against the enemy.

government's court pleadings related to Lau's firing.

"handlers," Lau states in federal court pleadings.

in danger in a very real way.

placed assets had betrayed him."

Lau describes his undercover work as follows:

"Chinese alien smuggling, Asian organized crime and Asian cultural issues in general."

is to request whether my client ... is in any danger as a result of these revelations."

performed your myriad duties in an exceptional manner, far above the call of duty."

Should the situation change, we will advise you accordingly."

But the covert assignment did take its toll on Lau.

understand the contributions or sacrifices made.

dragon slayer, you can't help becoming a dragon yourself."

become disabled -- a fact he claims the FBI has refused to acknowledge.

Dragon tales

ours.' It's all covert."

incentive award to Lau.

Return to the lair

over his head.

assignment."

Getting the boot

with some two years earlier.

Vasquez said of the incident:

for food.

FBI."

not returned to him until March 1997.)

bizarre behavior, to end his career.

through the dark hallways and squad areas with his gun drawn.

By February 2000, Lau had been dismissed from the ranks of the FBI.

security clearance and had no power to act with respect to the FBI's decision to fire him.

has, to date, failed to authorize the necessary security clearances for his case to be heard.

"The psychological tests did not reveal any psychological or emotional problems," Vasquez states.

In the wake of his firing, Lau, who still lives in Sacramento, has taken his plea for justice to the courts.

that impacted his judgment and rendered him unfit for duty as a special agent."

resources arm, as well as from Social Security.

plans to bring Lau's case to the attention of Congress.

finished with you, they'll chew you up and spit you out."

it does. It's a straight-forward disciplinary action."

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Whitehurst echoes LULAC's message:

importance in gathering crucial intelligence in the war on terrorism, LULAC argues.

their lives and the lives of their families at every turn, 24 hours a day, while they are involved in undercover work."

Out in the cold

treatment."

adds.

subjects and obtained four federal Grand Jury indictments.

aggressive foreign powers for years," court records indicate.

Becoming the dragon

people who held high-level roles within the FBI also have stepped forward in defense of Lau.

Former federal agents' spy story opens Pandora's box for FBI British intelligence agent Alec Leamas runs the gauntlet of the seedy underworld of espionage only to get cut down by a bullet at the Berlin Wall in the 1966 film "The Spy Who Came in From the Cold."

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Former FBI special agent Lok Thye Lau, like Leamas, also took on a covert assignment overseas and now finds himself up against another form of the Berlin Wall -- one he contends is built on a foundation of ruthlessness, racism and indifference. And like the fictional Leamas, Lau, too, says he faces the

Lau, who claims he served for a time, in essence, as an international spy for the FBI, was fired from his job as a special agent in February 2000. Since then, he has been fighting to prove that he was hung out to dry by the FBI because, as Lau and others assert, the Bureau views him as an expendable pawn who

Factoring into the equation, Lau contends, is that he was a minority agent operating in an FBI culture replete with institutional racism. He alleges such a

Kristin S. Door, the assistant U.S. Attorney defending the FBI against a civil-rights claim filed by Lau in federal court, describes Lau's case as "pretty

But this is more than a simple case of Lau's word against that of arguably the single most powerful law-enforcement agency in the nation. A number of

Vasquez, who retired from the FBI as unit chief of training, research and development, is the founder of the Bureau's Safeguard Unit, which evaluates

"They needed him for a particular (undercover) task, and then they chucked him," adds Dr. Frederic Whitehurst, an attorney and director of the FBI

"(Lau) has a lot of information that would be very embarrassing to the government," Whitehurst says, "so they are trying to destroy his credibility."

Whitehurst, a former FBI chemist and explosives expert, in 1995 was catapulted into national prominence after exposing a pattern of management and

Lau has gone to great lengths to create a paper trail of his story. He has filed a civil-rights lawsuit in federal court in Sacramento, Calif., alleging he was discriminated against by the FBI because of his race and disability -- a disability he claims was caused by the extreme stress of his five-year FBI undercover

Lau also has several pending Equal Employment Opportunity (EEO) administrative-law cases, one of which is ripe to be filed in federal court. In addition, Lau has accumulated reams of federal Freedom of Information Act documents that, despite being heavily redacted to remove sensitive information, still go a

However, because of the highly classified nature of Lau's undercover work, he is prohibited from disclosing specifics about his assignment. That fact, he asserts, has made the job of proving his case in the courts nearly impossible. Even Lau's attorney does not have the security clearance necessary to hear his

"I was part of an elite group. So few do what I do," Lau explains. "... We were like the Flying Tigers (fighter squadron). We do not wear a uniform, but we

On the surface, the FBI's rationale for firing Lau seems pretty clear-cut. During his tenure as an FBI agent, he was arrested twice for shoplifting, once in 1990 and again in 1996, which led to his termination. The Bureau claims Lau was not forthcoming during the investigation of those events and that he

"The FBI, as a law enforcement agency, must take severe disciplinary action, including dismissal, against employees who engage in illegal activity ..." state

Lau is a native of Singapore who is fluent in both Mandarin and Cantonese -- the two major languages spoken in China and Taiwan. He immigrated to this

After attending several colleges and operating an Asian restaurant in Michigan for a few years, Lau says he enrolled in the police academy in Oakland,

In July 1984, Lau successfully brought on board a valuable asset for the U.S. intelligence community, for which he was commended by his FBI and CIA

Lau says he was recruited heavily by both the CIA and FBI, but made the decision to join the Bureau "because the FBI recruiter painted a more glamorous picture." He completed his college degree in 1985 and a year later reported to the FBI Academy in Quantico, Va., for training as an FBI special agent.

As part of his undercover work, Lau was immersed in the world of his targets, cut off from his family. He did not go into the office like a regular agent, but worked the streets, filing reports on napkins at times to ensure his cover was not blown. He also alleges in court filings that he had numerous problems with his desk-bound supervisors, who seemed more concerned with budgets than with his life. Lau contends racism also entered into the picture, putting his life

"As the funds were finally allocated, management risked my life and safety by being so skeptical they would not even turn over the title of the government's motor vehicle to my name because some were worried ... I might steal it," Lau alleges in a declaration filed in federal court in Sacramento. "Driving an FBI

But Lau says he persevered and penetrated the target community further. By 1987, Lau's subjects had invited him to go overseas, the real goal of the

The pressure mounted further, as on the eve of his overseas trip, Lau states in court pleadings that he was made aware that one of the Bureau's "highly

"I did not cancel my trip for it would confirm the asset's allegation," Lau contends in his court pleadings. "... The historic trip turned out to be very stressful, with subjects giving me enhanced security during the visit. Personnel armed with machine-guns were a constant reminder to me of my fate if something

Lau says his mission was a success, setting the stage for a second overseas trip that would take place in 1989. However, after returning from his first covert overseas trip, he discovered that his girlfriend -- who had no clue as to the nature of his trip -- had finally given up waiting on him. She had married someone

Lau is prohibited due to national security concerns from discussing specifics about his undercover mission. However, the public record does offer some

"I was dealing with life and death stuff on a pretty regular basis. If I got killed, and they do kill people, the day I died they would not want my family to know. That way, my family would not be pulled in. Every day, intelligence operatives are killed, but the government is not going to say, 'Oh, that was one of

In a letter to the FBI dated Dec. 7, 1995, Lau was praised for the thoroughness of a briefing he provided to CIA agents and analysts on the subjects of

Keep in mind that through that date, the bulk of Lau's in-the-field experience as an FBI agent was garnered through his five-year undercover assignment.

Also telling is an April 23, 2003, letter sent to the FBI by Lau's attorney, Antonio Silva of El Paso. The letter concerned the case of Katrina Leung -- a Los

"As a former special agent of the FBI, Mr. Lau worked in covert undercover operations against very dangerous instrumentalities and individuals," Silva's letter states. "Mr. Lau has now learned that Katrina Leung compromised many covert operations of the FBI and many operatives. The purpose of this letter

The FBI responded to Silva in May 2003, stating that "at this time, the FBI is not aware of any facts that would compromise the safety of your client. ...

Even with all the stress, bureaucratic obstacles and life-threatening risks that Lau encountered in his undercover assignment, he somehow managed to succeed in his mission. That success was recognized in January 1988 by then FBI Director William Sessions, who flew to Chicago to personally present an

"Without your dedication and professionalism, you might not have been able to endure the personal sacrifices and hardships brought to you during this time," Sessions wrote in a Jan. 20, 1988, letter addressed to Lau. "Your acceptance of this very difficult role is a tribute to all FBI special agents as you have

"Until 9/11, the government was saying the FBI can't conduct undercover work overseas and the CIA can't do domestic surveillance. Look at me and you know that it was not true." Lau says. "I'm like one of the first to do what I did for the FBI, and I assure you there have been a lot of people after me.

Lau's attorney, Silva, is extremely cautious about what he says about his client due to the national security implications of Lau's case. However, Silva admits that, due to those national-security restrictions, he probably knows only about "40 percent" of what he ideally would like to know to represent Lau in court.

Chief among Lau's claims, according to his legal pleadings, is that he was so psychologically traumatized by his five-year undercover assignment that he has

"It's like a jig-saw puzzle where I have the outer edges and some of the inner pieces. ...," Silva explains, referring to Lau's case. "Whatever is not there is of

By 1990, after being immersed in the high-stakes game of espionage and treachery for more than four years, Lau was beginning to crack. He told his supervisors he needed to get out, but it took time to wind down the assignment, to extract him properly. The pressure cooker was too much for Lau, he

The FBI reacted by keeping him on his undercover assignment for six more months. When Lau emerged from his undercover role, he was not sent for psychological treatment, but instead received a couple weeks of re-training before being shipped off to the FBI's Sacramento field office -- despite his request to be located in Seattle. As he began his new job as a special agent in Sacramento, an investigation into the shoplifting incident was still hanging

"One cannot simply (take) an agent undercover for years and then simply place the agent in an office and expect that person to function normally," argues former FBI Unit Chief Vasquez in legal pleadings filed in federal court. "It is similar to a veteran returning from the war and finding persons who did not

"Mr. Lau should have been placed in a teaching position wherein his expertise could be used," Vasquez states in a legal declaration. "Mr. Lau gained

expertise that does not appear in the manuals and the FBI did not recognize this. Instead, Mr. Lau was (made) a nobody who did not know how to be an FBI

"The supervisor of the squad in Sacramento probably felt he was a thorn in the side of the office and the Bureau, as a 5-year agent should be able to do any

In 1993, nearly three years after the shoplifting incident occurred, Lau's punishment was meted out by the Bureau. He received a 14-day suspension without

Steven Pomerantz, then assistant director of the FBI's Administrative Services Division, in an Oct. 12, 1993, letter to Lau, stated that "were it not for (the) unique circumstances and attendant stressors" of Lau's undercover assignment, he would have no choice but to fire him for the shoplifting incident.

"However, inasmuch as I believe that your actions on that date were, to some degree, the by-product of the unusual work-related stress you were subjected

The head of the FBI's Safeguard Unit at the time, Dr. Stephen Band, stated in a June 29, 1993, memorandum that Lau "may again exhibit unacceptable

Still, the FBI provided Lau with no treatment. In fact, Silva argues in court pleadings that through the date of his firing, "Mr. Lau was denied adequate medical and psychological treatment since he could not discuss the basis of his medical and psychological condition since it related to classified work".

The situation in the Sacramento field office only got worse for Lau after he was punished for the Sears shoplifting episode. In 1995, his supervisor tasked him with the humiliating job of running photocopies for the office after Lau failed to perform to expectations on several assignments. Then, in the fall of 1996, Lau's government vehicle and gun were taken from him due to a medical mandate related to Lau's sleep apnea -- a sleeping disorder he was diagnosed

"Incredibly, despite being stripped of his weapon, agent Lau was required to investigate, make arrests and serve search warrants as any normal armed agent," writes attorney Brian Varner in an April 21, 1997, letter to the FBI. "Between Nov. 14, 1996, and March 24, 1997, Agent Lau executed four federal search warrants on residential and business properties which were controlled by Asian organized crime subjects, executed two federal arrest warrants on two

"I have represented law enforcement personnel from many different agencies," Varner adds. "I cannot recall ever coming across a law enforcement agency

Matthew Fogg, executive director of the Congress Against Racism and Corruption in Law Enforcement and an inactive Chief Deputy U.S. Marshal who

"By putting him out there without his gun, that's someone telling him, 'We can get you killed easily,' "Fogg says. "Racism has infiltrated law enforcement.

Lau did survive, but he was not unscathed. One month after his weapon was yanked, he again was arrested for shoplifting, this time at a grocery store in

"Mr. Lau was alleged to have shoplifted in (1996). This was a desperate cry for help and an indication he needed help. Mr. Lau was trying hard and making

suspicious individuals were observed lurking near the FBI office one evening, Lau confronted them with a sword in a scabbard. (Lau's gun and vehicle were

In the summer of 1997, after hearing an unexplained noise one night in the FBI field office, Lau drew his handgun from an ankle holster and began to slink

And in the fall of 1998, the executive director of the FBI Agents Association gave a special presentation at the Sacramento field office. During the talk, the guest speaker asked if housing was expensive in Sacramento. Lau responded by saying it was so expensive he was forced to raise fish in his swimming pool

Even though the shoplifting charges against Lau in the Sacramento case were eventually dropped, the FBI used the incident, coupled with Lau's other

As part of the dismissal process, Lau's security clearance also was yanked. However, the Access Review Committee, a federal authority that deals with questions of access to classified information, did find fault with the FBI's handling of Lau's case. But, the committee was only charged with reviewing Lau's

Lau's psychiatrist has diagnosed him with severe depression and post traumatic stress disorder --- a condition caused by exposure to extreme stress.

Lau says he has been seeking to collect workers' compensation through the Department of Labor for the past three years. However, he alleges the Bureau

Ironically, Lau says he has qualified for disability retirement benefits from both the Office of Personnel Management, the federal government's human

And, according to the legal declaration provided by the founder of the FBI Safehouse Unit, Lau was mentally fit at the time he went undercover.

The FBI, in court pleadings in Lau's case, claims that its doctors found that "Lau did not have any major mental illness, but that he had a personality disorder

However, both he and his attorney understand the struggle there will be difficult, because of the restrictions placed on Lau due to national security concerns. Even the judge in his pending civil-rights case filed in U.S. District Court in Sacramento does not have the security clearance necessary to hear Lau's full story. In that case, Lau is seeking compensatory damages of \$300,000, back-pay, attorney's fees and, as he says, "security (clearance) for shrinks for my

The judge is slated to rule in the near future on the FBI's pending motion for summary judgment in Lau's case. Should the court rule in the Bureau's favor, Lau could appeal. He also has a separate EEO case that has wound its way through the administrative-law process and is ready to be filed in federal court. But the reality is, according to Lau, if the judge dismisses his current case, it will take years and thousands of dollars to continue pursuing his litigation

But Lau recently attracted an ally in his legal battle. The League of United Latin American Citizens (LULAC) has come on board in support of Lau's cause. The Hispanic civil-rights group lodged a friend-of-the-court brief in Lau's federal case in Sacramento and, according to a spokesperson for the group, also

LULAC officials contend that Lau's case is of critical importance to the American people because it demonstrates how racism and the cover of national security can be used to subvert our national security. In the post 9/11 world, the work of undercover agents, particularly agents of color, is of critical

"How the FBI, the United States and the American People deal with those who sacrifice themselves and put their own lives at risk to safeguard the freedoms we treasure, in our great country, will send a message of how we, as a country, deal with the faceless heroes who protect us and our way of life," LULAC states in its court pleading. "... (Lau's) case is of paramount importance to the safety and security of all of us in the United States and to those ... who risk

"I think what the FBI did to Lok Lau is criminal. They put him undercover in a manner that the FBI manual says should not be done," he says. "And then, because he learned too much, they are trying to destroy him, and the public record shows that. This should be a warning to any minority agent: When they're

Doug Hartnett, national security campaign coordinator for the Government Accountability Project, a Washington, D.C.-based watchdog group, says Lau's

"They (the agencies) consistently hide behind the cloak of national security and thereby cut short any credible accountability for their actions," Hartnett

The FBI, though, contends Lau was dealt with fairly. In arguing that Lau's federal court case be dismissed, the FBI's pleadings state, "With respect to the

Assistant U.S. Attorney Door adds that Lau's case "doesn't have all these mysterious cloak-and-dagger overtones that Mr. Lau is trying to convince everyone

John Le Carré wrote the novel that was the basis for the 1960s movie "The Spy Who Came in From The Cold." In his book, Le Carré offers a literary insight

"We have to live without sympathy, don't we? That's impossible of course. We act it to one another, all this hardness; but we aren't like that really. I mean ...

case highlights the inherent problem that our society faces in dealing with classified information and abuse by a national security agency.

"... termination claim, Lau cannot demonstrate that he was treated differently than any other special agents who were similarly situated. ..."

Lau, for his part, stresses that he is far from giving up the ghost in his quest for justice. In his mind, that struggle is about survival.

"The FBI treated me like dirt," he says. "If they do it to one of their own, what do you think they do to the American people?"

The more pressing question in Lau's case, though, might boil down to the measure of compassion.

into the life of a spy who, like Lau, has been immersed in the Big Game for too long.

one can't be out in the cold all the time; one has to come in from the cold. ..."

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"The FBI clearly failed in its obligations to provide Mr. Lau with psychological treatment and organizational support," wrote U.S. Deputy Attorney General John C. Vail, chairman of the Access Review Committee, in a Dec. 13, 2000, statement on Lau's case. "Based on this failure, it could be argued, the FBI contributed to his current and past psychological problems, which led to the revocation of his security clearance and his termination from the rolls of the

The shoplifting incident was followed by a series of other strange behavior episodes on the part of Lau. For example, in the winter of 1996, after two

such a horrific nature, and what Lok (Lau) had to do, is of such a horrific nature, that whatever it was it has destroyed him as a human being."

claims, leading him to act out in December 1990 by shoplifting a paint brush and some paint rollers from a Sears store in Ann Arbor, Mich.

Predictably, according to Vasquez, Lau began to run into problems adjusting to the special agent job -- for which he had no real training.

to, I have concluded that disciplining you for the incident at Sears would be inappropriate," Pomerantz wrote.

Despite not having a gun or car, Lau claims his supervisor ordered him to continue performing his normal duties.

that would even consider for a moment sending an investigating agent out into the field unarmed."

blunders and the FBI was holding it against him. Mr. Lau's contributions were not recognized."

Lok (Lau) got caught up in that system. All he is saying is, 'Let me survive.' "

Sacramento. Lau allegedly lifted some toothpaste, coffee and a small padlock.

".successfully sued his agency for civil-rights violations in 1998, claims what happened to Lau is "criminal

behavior (shoplifting) if he was placed in a position which (he) perceived as stressful."

"They taught me to be ruthless, and for a while I was immersed in that. Thank God for a conscience, which is why I pulled back. But if you become a

clues as to the nature of his work and also indicates that travel to China and Taiwan was a probable part of his undercover assignment.

Angeles socialite and Republican party stalwart who has been accused by the Bureau of spying for the Chinese government.

undercover assignment. His FBI supervisors, though, remained skeptical, Lau claims, afraid that he might set off "an international incident."

went wrong, and there were frequent roadblocks on my route of travel. I anticipated death on several occasions, but I somehow survived it all."

vehicle on a deep undercover assignment is suicide, but the FBI did not seem to care. This realization was mentally devastating."

From there, Lau was sent to Chicago and immediately put into a deep, dangerous undercover assignment that required him to "work against hostile and

In 1984, court records state, Lau was recruited as an asset by the government to work in foreign counter-intelligence.

But if you delve beneath the surface of Lau's case, you will find yourself immersed in a house of mirrors where few things are as they appear to be.

"The FBI used Mr. Lau and then when it was over discarded him. Along the way, the FBI did nothing to support him," states former undercover FBI agent

"He (Lau) claims he was fired because he's Chinese, from Singapore, but he was fired because he shoplifted and then lied about it," Door claims. "They (Lau