

## U.S. informants take part in murder and drug running in Mexico

By **JESSE HYDE**

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There is one chair in the room and they sit him in it. He pulls out his wallet. He's looking for a number. A phone number, an address. That is why he is here. Fernando the lawyer. Fernando the drug trafficker. He's got a load of marijuana, and they want it.



**Craig Larotonda**  
La Casa de la Muerte



Lalo used to work for the Mexican highway patrol.



**JESSE HYDE**  
Eleven bodies were found buried inside the house.

Fernando thinks he's in the company of friends. He thinks this man standing in front of him, this Lalo, is going to deliver the marijuana for him to New York. That's what the numbers are for. They are contacts. They are the people Lalo will call, the people who are waiting for the load. But this little room with the blinds drawn and the light streaming in from the kitchen window, this is a trap.

Fernando doesn't know that. He doesn't know that two members of the Chihuahua state police are here in this house, hiding. He doesn't know that they are here to kill him.

It is August and these white walls are baking. Outside, a thick layer of dust and smoke hangs over Juárez. It is from the burning garbage in the slums and the steaming factories down here in the valley and the smelters belching their chemicals down along the highway.

Someone asks Fernando for some candy, which is *narco* slang for personal-use cocaine, and he says, "Of course." And then suddenly, while Fernando's got his head down, one of the cops emerges from the back. Fernando doesn't see him coming, doesn't notice the gun until it is pressed hard up against his face. "No!" he screams. "Why? Please don't kill me."

There had been some talk of using a gun, but they decided it would be too loud. They are in a quiet, middle-class neighborhood, not far from a Radisson hotel, and someone would hear the pop of the gun. But he's screaming now, and they've got to shut him up. The other cop comes across the room in a flash and begins frantically wrapping the tape around Fernando's mouth, trying to stifle the screams. Around and around the tape goes. Now Fernando is

fighting with all he's got. He's kicking and his arms are flailing wildly. So they bring him hard to the floor and he's thrashing about and the three of them, Alex and the two cops, are having a hard time holding him down, and Lalo, with his little mustache and his double chin, he's just standing there, leaning against the television stand. Alex looks up at Lalo with a glare that suggests he better get down





Vicente Carrillo Fuentes took over the drug cartel from his brother.



Sandy Gonzalez blew the whistle on the U.S. involvement.



A Bobcat front loader broke ground...



...then health workers dug the bodies out by hand.



Mexican soldiers surrounded the house before bringing in dogs to sniff for bodies

there and help. So Lalo does what he can to keep Fernando's legs still while one of the cops wraps an extension cord around Fernando's neck. He's pulling it tight, and the veins in Fernando's neck are bulging and Fernando's kicking for his life and the cord snaps.

"What now?" the cop asks. Lalo looks around the room and notices a plastic bag. The cop grabs it and pulls it over Fernando's head, and Alex winds the duct tape tight around the bag. And then they stand and they watch Fernando kick and twitch and gasp, until finally, he's lying there motionless and someone says, "Are you sure he's dead?"

So one of the cops takes a shovel and whacks Fernando in the back of the neck, and Lalo hears something snap. Maybe they broke his neck. It doesn't matter; he is dead.

They pick him up and hide him under a staircase. They will bury him in the backyard later that night.

Lalo crosses the street and finds Santillan at the little convenience store on the corner. Santillan, known to U.S. intelligence as El Ingeniero, is one of the top bosses in the Juárez cartel. He has thinning dark hair and a mustache and a bit of a gut. When Lalo first met him down in Guadalajara, he dressed like a cowboy, but now he is a big shot, and he wears a Rolex with diamonds.

Lalo tells him it is done. Fernando, Santillan's childhood friend, is dead. They've got his load of marijuana.

Santillan is pleased. He tells Lalo he is now No. 4 in the Juárez cartel. He takes him to the Big Brother House, which is only for high-ranking members of the cartel. Here, you can have anything you want, Lalo is told. Groceries, beer, women, whatever. Soon, you will meet Vicente Carrillo Fuentes, the boss of the cartel.

That evening, Lalo crosses the border into El Paso and tells his handlers at Immigration and Customs Enforcement (ICE) what he has seen. They listen to a recording he made of the murder, and they transcribe it. They write memos detailing everything Lalo saw, and eventually, these memos will find their way to Washington.

But they do not arrest him for his part in the murder, or deactivate him as an informant, or prepare to arrest Santillan, their target. Instead, they continue with their investigation, and when all is said and done, there will be 11 more bodies buried in the backyard.

The story of what happened at the House of Death, dubbed as such by the online publication *Narco News*, has been told in bits and pieces since *The*

*Dallas Morning News* first broke it three years ago, but the complete story has never been told, at least not by the mainstream press.

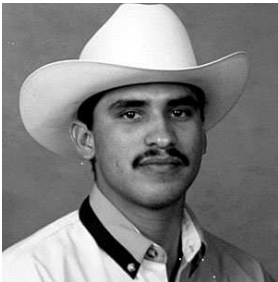
In fact, major American media have mostly ignored the story, perhaps because it happened on the other side of the border. But this is more than a border story. This is a story that goes all the way to Washington.

**Julian Cardona**

Digging out the bodies took three weeks. Victims' families assembled at the morgue.

**JESSE HYDE**

Blood-soaked clothing was left behind in The House of Death.



Was Luis Padilla an informant, a drug trafficker or something in between?

**JESSE HYDE**

Three years later...

**JESSE HYDE**

...they say the cartel still watches the house.

"This is a big deal, a very big deal because of the scope and duration of the activity. For six months, you had members of the U.S. government who knew that a person on their payroll was engaging in murder and they did nothing to stop it," says Bill Weaver, a University of Texas at El Paso law professor who has closely followed the case. "As much as they deny it, they had prior knowledge."

To date, Lalo's handlers at ICE and the U.S. Attorney's Office in El Paso have declined comment. An official report of what happened at the House of Death has been classified for national security reasons. To Weaver's knowledge, that has never before happened with a report of this kind.

"Has there been a cover-up? Absolutely there has been a cover-up," says Sandy Gonzalez, the former head of the DEA in El Paso who blew the whistle on the case. "The executive branch has decided not to investigate this because there is a very real possibility here of government officials committing crimes, and they don't want that to get out."

But the story will not go away. Now, three years later, a wrongful death lawsuit is pending in federal court on behalf of several of the victims. It names Lalo, his handlers at ICE and prosecutors at the El Paso U.S. Attorney's Office as defendants. Within the next three weeks, a judge is expected to decide whether the suit goes to trial. And if it does, the attorney for the plaintiffs -- Dallas lawyer Raul Loya -- says he will call Lalo to take the stand.

"Anyone with half a brain would know there's not a chance in hell [the U.S. government] is ever going to allow this guy to be put on the stand to testify. They're afraid of what he might say," Weaver says. "Now they want him dead. They want him killed."

And that's exactly what will happen, Weaver says, if the U.S. government succeeds in its current bid to deport Lalo back to Mexico.

Lalo has already testified that his handlers at ICE knew about each murder he participated in or witnessed at the House of Death, and that on at least two occasions, they knew beforehand.

If this is true, it reveals a disturbing truth about the way America is waging its War on Drugs -- that agents sometimes look the other way when murder occurs, especially if it means making a case, and especially if the victims are from the other side of the border.

What follows is the first narrative account in the U.S. press of what really happened at the House of Death. The story reveals new information: that in all likelihood, one of the last people killed at the House of Death was a U.S. government informant. Supported by sworn affidavits, court testimony, confidential memos and interviews, this is a journey deep inside America's drug war. It is a story of murder, corruption and the great lengths to which the United States government will sometimes go to cover up the truth.

This story, like most drug stories that find their way to Texas, begins on the other side of the border. It begins with a Mexican highway patrolman, the son of two civil engineers, a man who was born as

Guillermo Eduardo Ramirez-Peyro, but would come to be known as Lalo, or in secret U.S. intelligence reports as special agent 913.

It is 1995 and the Juárez cartel is rising in power. For two years now, women and men have been disappearing in this city, with its smoking factories and its crooked, dust-filled roads. There are rumors that the women from Anapra, the ramshackle slum along the river, are being kidnapped and taken to all-night orgies organized by the cartels, where they are raped, murdered and then hacked to pieces. There are other stories about Satanic worship and organ-harvesting and whispers about the sons of the city's elite, that maybe they are committing these murders.

Men go missing, too. Most are drug mules who lose loads trying to cross the border, or foolish men who try to steal from the cartel or the stupidly naive who report what they have seen to the police. Some of these men are buried alive. Others are tortured first, with ice picks -- they call it tickling the bones -- to discover what they know.

At this time, Lalo is nothing. He is not a member of the Juárez cartel, he is not an informant for the U.S. government. He is in Guadalajara and he has been with the federal highway patrol for a year.

Unfortunately, he will later testify, he meets drug traffickers during his stint as a cop, and when he is fired over disagreements with his commanders, these contacts lead him to his next job. That's the way it works in Mexico. If you are a cop, he will later say, the best job, or maybe the only other job you can get, is to become a drug trafficker.

And so that is what he does.

For six months he handles the logistics of large amounts of cocaine being shipped from Colombia to Mexico by members of the Medellín Cartel. For years, the Colombians have controlled most of the cocaine that enters the United States from Mexico. But things are changing. Pablo Escobar is dead, and already, the cartels in Mexico have consolidated their power. The heads of the most powerful cartels -- in Juárez and Tijuana and on the Gulf -- have agreed to work together as part of what becomes known as the Federation.

They are like the mob bosses of American movies, and they eclipse the Medellín Cartel. They live in gated mansions with marble floors and have swimming pools and airplanes, and they keep tigers in cages and money in Swiss accounts. They own the police, they own judges. They are no longer the mules who simply get the cocaine across the border. Now they have the money, they are the ones who are feared, and they don't have to cede control of the cocaine to anyone. Now they ship it themselves, through Tijuana and Nuevo Laredo and Juárez, up to Los Angeles and Houston and Dallas. These American cities are the key staging areas, and in each one the cartels have contacts, little cells that control the distribution of drugs in their respective cities.

In 1997, the head of the cartel, Amado Carrillo Fuentes, dies in a botched plastic surgery. His brother Vicente takes over. A year later, Lalo is contacted by a member of the cartel named Heriberto Santillan-Tabares. He suggests that he and Lalo work together, maybe smuggle some dope across the border.

As Lalo works his way up the organization, he begins hearing about executions. There is the fat man, El Gordo, who was decapitated and thrown in a ditch, and the two municipal police officers who were executed by another cop, and the drug runner who drove a black Jeep Cherokee with plates from some Midwestern state. One of the main executioners is a man named Loya (no relation to attorney Raul Loya), the night watch commander for the Chihuahua state police. He is Santillan's nephew and the ringleader of La Línea, or the Gatekeepers. They are the cartel's henchmen.

In 2000, Lalo comes in contact with U.S. government officials. How this happens is uncertain, but according to Lalo's own account (which several sources label as dubious), he reads in the paper that

U.S. officials are looking for informants. So he goes to the Bridge of the Americas, which runs between El Paso and Juárez, and tells an inspector he wants to meet with someone from DEA. Instead, they send a U.S. Customs agent named Raul Bencomo, who will become his handler off and on for the next three years. Lalo will later say that their contact is regular -- three to four times a day -- and that occasionally he briefs other agencies, including the DEA, the FBI and the ATF.

Some of these agents, he says, have links to the cartel.

He considers it a noble thing, working as an informant. Lalo is 29 years old. He has a common-law wife and two children, and maybe in his heart he still wishes he was a policeman. He doesn't like the traffickers, the way they operate, and he respects what this government, the U.S. government, is trying to do in Mexico. And he feels good about his part in this game, this thing they call the War on Drugs.

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Across the border, a man named Sandy Gonzalez is put in charge of the El Paso DEA office in April 2001. He has a beard and wears glasses and is soft around the middle. He came up as a street cop in Los Angeles, but now he wears a white shirt and a tie and spends most of his time in the office. Behind computers, going to meetings, being an administrator. But he has never forgotten what it is like to be on the streets. He is an agent's agent, they say.

He is at the tail end of his career. He is Senior Executive Service, the highest pay grade for a federal employee. He has served in Costa Rica and Panama and Miami, and soon he will retire.

He is here as punishment. They say El Paso is a dumping ground for federal employees in trouble, and maybe that's true. In Miami he accused his fellow agents, their supervisors and high-level federal prosecutors of covering up the disappearance of ten kilos of cocaine from a 1998 drug bust. Internal documents suggested no wrongdoing, but Gonzalez didn't see it that way, and that is why he is here.

In Miami, he supervised 300 agents. Now he is over 150. Still, he's busting his ass, trying to make things happen. He wants to get back to Washington.

He has no idea who Lalo is. He doesn't deal with informants, and even if he did, the name Lalo would mean nothing to him. Like every other informant, he is simply a number on a piece of paper. Insignificant. A small cog in the War on Drugs.

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Lalo, special agent 913, is proving to be something more; he is working his way up the cartel and feeding his handlers at ICE and DEA significant information. In 2001 and 2002, he tells them that Santillan runs things in Juárez, and that there is only one man between Santillan and Vicente Carrillo Fuentes. He doesn't know exactly where Carrillo Fuentes lives, only that he has several ranches in the state of Durango. He also confirms that the Juárez cartel has infiltrated the state police.

In 2003, the DEA launches an investigation with ICE, FBI and the Mexican feds into the Carrillo Fuentes organization called Operation Sky High. The idea is to share information and resources, and together, they will take these sons of bitches down, cut off the supply of all this cocaine and marijuana that makes its way to Phoenix and Dallas and Houston and beyond. Crush the head of the snake.

Santillan is one of the main targets.

In March of 2003, they make the first significant move of the operation: a controlled delivery of 29 kilos of cocaine belonging to the cartel, and Santillan specifically. The sting results in three arrests and

forms the basis of a federal indictment against Santillan.

The next month Lalo gives his handlers Santillan's home address in the state of Durango, and later, the telephone number and address of a cartel safe house in Juárez, all highly valuable pieces of information.

And then he makes a mistake, something that gives his handlers pause: He is arrested in June 2003 at a Border Patrol checkpoint in Las Cruces, New Mexico, with an unauthorized load of 100 pounds of marijuana. He explains to his handlers at ICE that he had identified a new target and hadn't had time to tell them first. The DEA office in Juárez doesn't buy this explanation and deactivates him as a DEA informant. But ICE, after a long conversation with the U.S. Attorney's Office in El Paso, decides it will keep using him. He is too valuable to get rid of.

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The next month, the killing at the House of Death begins. They are in a bar in Juárez and they have been drinking, and Santillan tells Lalo they are going to "rip" somebody. Lalo takes this to mean an execution, and he is pretty sure Santillan is talking about this lawyer friend of Santillan's named Fernando Reyes, but he can't be sure. Something Santillan says makes him think the hit might be on *him*. So he informs his handler at ICE of the situation. (According to a later investigation by the DEA, this is the first time Lalo would advise his handlers at ICE of a murder before it took place.)

Two days later, on August 5, 2003, at 11 a.m., he helps kill Fernando Reyes. When he is debriefed that evening by his ICE handlers, he minimizes his involvement. He only held Fernando's legs down, he says. He initially thought the cartel was going to kill him, he tells his handlers.

That night, the U.S. Attorney's Office in El Paso is told of the slaying and of Lalo's participation. In the following days, El Paso ICE agents advise their management in Washington, D.C., and Mexico City of the murder. They give the green light to proceed with the investigation of Santillan and to keep using Lalo.

When word of the killing reaches the DEA office in Juárez, they recommend that ICE take down Santillan immediately. They also request the location of Fernando's body so they can help Mexican officials solve the crime.

But ICE ignores these requests and then blows off a meeting DEA had requested to talk about the murder. DEA, they believe, is too cozy with their Mexican counterparts. And there is no federal agency, no government office in Mexico that ICE trusts. You tell the Mexicans what's going on, and boom, targets you've been chasing for months go into hiding.

Throughout the fall and winter of 2003, the killing at the House of Death continues. The cartel comes up with a code word for the executions that occur there: *carnes asadas*, or barbecues. Lalo is often called to open the house for a *carne asada*, and when the killing is done, he is responsible for the burial.

On September 11, 2003, Lalo is in Chicago, helping ICE with another investigation, according to the DEA. While there, he gets a call from Santillan, who tells him he needs to open the house for a *carne asada*. Lalo calls Alex Garcia, who assisted in the murder of Fernando, and asks him to open the house.

At this point, ICE has a wire on Lalo's phone and Santillan's phone, so it is likely that they hear the conversation. Still, they do nothing to stop the murder that occurs that day.

When Lalo returns to Juárez, the killing continues. In November, two drug mules, Paisa and El Chapo,

lose 70 kilos on the Free Bridge in Juárez. The load belonged to Comandante Loya of the state police, Santillan's nephew. So Lalo takes the two mules to the House of Death. Santillan shows up with Comandante Loya and another killer named Crooked Fingers. Lalo tells Paisa and El Chapo, "You have to take business with us seriously." The Comandante tells them to lift their shirts over their faces so they don't see the boss, who is going to arrive shortly. He begins wrapping tape over their heads, but they can still breathe. One of the men starts moaning, so the Comandante shoots him in the head, at which point the other tries to break free. The Comandante shoots him in the head, too.

And on and on it goes.

One arrives DOA in a black plastic bag. Two police officers carry him in. He is so fat they have to drop him in the kitchen; he doesn't fit under the staircase. Another is brought in with a rope around his neck. There was a third, the cops say, but he crawled under a truck, and so they shot him there and left him in the street.

Each time Lalo is asked to open the house for a *carne asada*, he will later say, he tells his handlers at ICE.

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Meanwhile, the cartel is bringing in at least \$10 billion a year from the distribution and sale of cocaine in places such as Dallas, Houston, Chicago and New York. The cartel's kingpin, Carrillo Fuentes, is said to be one of the richest men in Mexico. He has houses on both sides of the border, BMWs and Porsches and Lincoln Navigators at his disposal, fine jewelry and thick wads of cash bound in rubber bands.

He maintains his power in Juárez through violence and intimidation. It is a city of two worlds: In many of the slums, there is no electricity or running water. The houses are made of cardboard and old tires, and the dirt roads are full of stray dogs and barefoot children. And then there is the *Campestre*, the country club district, where the houses are built of brick and slathered in pink stucco and trimmed in gleaming white. They are guarded by ceramic lions and the air smells sweet, of cut grass and palm trees and flowers. Carrillo Fuentes and his band are of this second world.

Although many of them maintain houses on both sides of the border, they confine most of the violence to Juárez. The cartel spends a rumored \$500 million a year in bribes to police and elected officials, and its control is complete: Mayors are not elected, judges are not nominated, police chiefs are not appointed without its blessing.

Across the river, they say, it is different. The police are not corrupt. The streets are clean, the houses are tidy and it is America. But sometimes, the cartel reaches across the border, into the schools and the churches and the small poor communities along the river. "You have to understand how it works over here," law professor Weaver says. "You go to a quinceañera or something, and you have the cousins over here who work for ICE or DEA, and you have the cousins over here that run for the Juárez cartel. Everybody here knows people who are running or are in the drug trade. It is a career progression or career aspiration, just like joining ICE or DEA would be."

A man named Luis Padilla lives in one of these towns. It is called Socorro, and it sits just miles from the Rio Grande, out where the mountains and hills of El Paso flatten into the desert and the hay fields and orchards are surrounded by barren stretches of dirt and sage. The son of migrant workers, Padilla was an athlete in high school, and he still carries himself with a quiet grace. He is very religious, they say, and a devoted family man.

On the morning of January 14, 2004, he leaves for work. He doesn't call at 9 a.m. to check in with his wife, which is unusual. Then he doesn't call at noon and she begins to worry.

His car is found at his parents' house. The keys are still in the ignition. His wife calls his work, a diesel repair truck shop. No, she is told, he never showed up.

And then her mind races. People are kidnapped in Juárez all the time. But these are drug runners, she says to herself, and Luis has nothing to do with drugs. He is a good man.

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That day in Juárez, three men are taken to the House of Death. Before they are killed, one of them gives up the address of undercover DEA agent Homer McBrayer, who is stationed in Juárez.

At about 6 p.m. that night, hired killers show up at McBrayer's house. McBrayer is not home, but his wife and two children are. The killers ring on the doorbell for ten minutes straight. McBrayer comes home when his wife calls him, and the ringing stops. They pack their two girls in their car and head to El Paso.

But as they're leaving the subdivision, they are pulled over by a marked Juárez police car. Two cars then pull in front and behind them. A man steps out of each vehicle and stands behind McBrayer's car. McBrayer doesn't know it, but these are state police officers who belong to the cartel.

When the uniformed cop asks McBrayer to step out of his car, he refuses. Instead, he calls another agent, who arrives shortly.

In the meantime, one of the men standing behind McBrayer's car relays the names of McBrayer and the other agent to Santillan. Santillan calls Lalo, who he knows has connections with corrupt customs inspectors, and gives him the names. After calling ICE, Lalo confirms to Santillan that these men are indeed from the *tres letras*, or the DEA. McBrayer, his family and the other agent are let go. The cartel doesn't want anything to do with extreme provocations like killing a DEA agent.

A few minutes later, ICE agents call the DEA. They have a crisis on their hands. U.S. law enforcement has been identified by the cartel, as well as the house of one of the agents. A forced entry is planned for later that night. All DEA agents stationed in Juárez, as well as their families, are in grave danger. They must evacuate immediately.

That night Sandy Gonzalez is called at his daughter's home near Washington, D.C., where he is traveling on business. On the other line is a supervisor from ICE in El Paso. Gonzalez is told about the murders, the burials and the evacuation of the agents. He cannot believe what he is hearing.

Finally, the investigation of Santillan is over. Lalo is told by his handlers that it is time to take Santillan down. So Lalo arranges for a meeting with Santillan in El Paso. They talk about the previous day. And then Lalo, driving with Santillan, purposely commits a traffic violation. His car is pulled over and Santillan is arrested.

At 4:11 p.m. that day, January 15, 2004, an e-mail is sent to the Department of Justice attaché in Mexico City. Santillan, one of the top bosses in the Juárez cartel, is in custody in the United States.

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Eight days later, at about noon, members of the AFI, Mexico's elite federal police agency, descend upon the House of Death. Carrying assault rifles and dressed in fatigues, they form a perimeter around the house, and then they go into the backyard, which is surrounded by a cement wall.

They use dogs to sniff the ground for bodies, and then they begin excavating the ground with a Bobcat

front loader. Six hours later, the first body is found. Health workers wearing white smocks and green plastic gloves continue the digging by hand. At 11 p.m. that day, the second body is located.

For six days the digging continues. Journalists from both sides of the border camp out in front of the house. Relatives of the missing stand outside, their hands clasped over their mouths, hoping and at the same time fearing that their loved ones will be found.

On January 26, seven more bodies are found. One is wrapped in a newspaper dated January 14, the day Luis Padilla disappeared. His wife is called in El Paso and asked to come to the house. She identifies his blood-soaked clothing and then his body. Because he's the only U.S. resident killed there, his death makes headlines. Unlike the others, he had nothing to do with drugs, the stories say. He was an El Paso family man, a devoted father, a diesel mechanic, a man who was simply at the wrong place at the wrong time.

Comandante Loya and some of the other killers go into hiding. DEA informs ICE that there are 80 AFI agents from Mexico City on their way to Juárez to help capture Loya and his henchmen. They will take the police station by force if necessary. DEA suggests that they set up a trap for the Comandante, using Lalo. But ICE refuses. They worry that it wouldn't be safe for Lalo. The Comandante escapes, but 13 other state police officers assigned to the night shift under him are arrested and taken to Mexico City for questioning.

The cartel has been weakened, the newspapers say. There is a new alliance, called the Triangle of Gold. It is an alliance for the cartels that operate out of the states of Sinaloa, Chihuahua and Durango. Vicente Carrillo Fuentes, the head of the Juárez cartel, is the odd man out, reports say.

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On February 10, 2004, nearly a month after the evacuation of the Juárez DEA office, two agents are flown in to El Paso: one from ICE, and one from DEA. Officially, they are called a Joint Assessment Team, and they have been sent by Washington because the reports from their respective agencies on what happened at the House of Death are not jibing. They will spend nine days in El Paso and Mexico, conducting 44 interviews of DEA, ICE, U.S. Attorney's Office and Department of State personnel.

When they sit down with Sandy Gonzalez, the head of the DEA office in El Paso, they stress that this is a fact-finding mission and nothing more. Gonzalez tells them what he knows and then they leave. He can already tell what is happening. He has seen this before. "This is not an investigation," he will later say. "No one is going to be prosecuted for what happened there. This report will be filed in a desk drawer somewhere in Washington, and it will never be seen again. It will be like this whole thing never happened."

So on February 24, 2004, he sits down to write a memo to his counterpart at ICE, Giovanni Gaudio. He also sends a copy to the U.S. Attorney's Office in San Antonio. If crimes have been committed by U.S. law enforcement, as Gonzalez believes, federal prosecutors must be advised so they can take the appropriate steps.

"There is no excuse for the events...which led to the emergency evacuation of our personnel and their families in Ciudad Juárez," he writes. "I have no choice but to hold you responsible for this unfortunate situation."

Gonzalez then lists his frustrations: ICE ignored the DEA's request to take Santillan down after the first murder, they had blown off a subsequent meeting and from there on they had sealed the DEA out of communications concerning Lalo. ICE had also misrepresented Lalo's involvement in the first murder to the Mexican authorities, telling them Lalo had merely witnessed a murder, when their own debriefing stated he had participated in the killing. In short, they had shown no respect for the rule of

law in Mexico. And finally, they had known in advance of at least two murders at the House of Death and had done nothing to stop them.

When word of the letter reaches Washington, an e-mail is sent from the office of the associate deputy attorney general advising DEA and ICE officials that the memo could cause a problem. The *El Paso Times* has already asked for the report, which states that the confidential informant "supervised murders." The e-mail concludes that they should avoid making any comments to the press.

On March 5, 2004, DEA chief Karen Tandy responds to the e-mail. DEA headquarters in Washington had no idea Gonzalez was planning to write the letter. Gonzalez has also been advised that he shouldn't write anything else about the Juárez case or speak to the press. Tandy's e-mail concludes by saying that Gonzalez will be brought in the next week for a performance evaluation.

In the meantime, ICE agents in El Paso are already reportedly doctoring the memos and debriefings related to the murders to minimize Lalo's involvement.

Later that summer, an attempt is made on Lalo's life at an El Paso Whataburger. After that, ICE takes him and his family into protective custody. Lalo is put into an undisclosed prison. His family is housed in New Mexico.

The next year, Santillan pleads guilty to one count of a continuing criminal enterprise and is sentenced to 25 years. Eleven other charges, including five for murder, are dropped.

In a press release, U.S. Attorney Johnny Sutton says he dropped the charges because the murders happened on foreign soil. But others say he cut the deal because he didn't want Lalo to take the stand.

Lalo's handlers at ICE and several prosecutors at the U.S. Attorney's Office in El Paso are temporarily transferred to Washington as part of a shake-up designed to restore confidence in their respective agencies, and one prosecutor is forced to resign, but no one is fired. Lalo's handler, Raul Bencomo of ICE, remains on paid administrative leave to this day.

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At an immigration removal hearing in Bloomington, Minnesota, the next summer, Lalo is asked what would happen to him if he was sent back to Mexico.

"Well, they will kill me or they will torture me and then they will kill me," he says.

"Who will?"

"Yeah, the police, the cartel, the government, it's all the same people."

"Why do you say it's the same people?"

"Because the police works for the cartel."

He testifies that the power of the Juárez cartel extends all the way to former Mexican President Vicente Fox, and that the cartel once used ships from the Mexican Navy to transport drugs from Colombia to Mexico, and that the PGR, Mexico's federal police, would then fly the drugs to Juárez.

The attorney arguing for Lalo's deportation scoffs at these claims, but the judge rules that it would be a violation of Article 3 of the Convention Against Torture to send him back to Mexico. He orders Lalo deported to any other country. The Board of Immigration Appeals has been fighting that ruling ever

since. They want him sent back to Mexico.

"My experience with other informants, it's not incredible at all to me that ICE turned their back on him, because ICE always turns their back on them. I've never ever had one informant client for whom all the promises are fulfilled," says Lalo's attorney, Harlingen immigration lawyer Jodi Goodwin. "What's incredible to me about this is that, despite how helpful he was to ICE and to the U.S. Attorney's Office and the DEA and ATF, despite how much he was paid by them, how many arrests and drug seizures he was able to bring in, they turned their back on him."

As for Sandy Gonzalez, he is out of the DEA. In December, he won an antidiscrimination lawsuit against the Department of Justice. At trial, Karen Tandy, chief administrator for the DEA, testified that Gonzalez was demoted and passed over for promotions after he wrote the memo exposing what happened at the House of Death. "That letter was inexcusable," she said. "...It was like tossing a hand grenade into the middle of a firefight.

"It was such colossally poor, fatal judgment on Sandy's part, to get in the middle of what he knew was a sensitive, established, ongoing process to deal with the issues."

But Gonzalez says he doesn't regret writing the memo.

"Someone had to take a stand. If you're connected to a bunch of murders, what do you do? Not say anything for political correctness? That's basically what they wanted me to do."

Gonzalez says it was never his intention that the memo find its way to the press. "My intent when I wrote the memo was, hey, here's what we found out, and like I said before, this is reprehensible, and here's a courtesy copy for you, U.S. Attorney's Office, because you're a prosecutorial authority, and there may have been crimes committed here."

"What Sandy was convinced was going to happen, because he had seen it time and time again, was that nothing was going to happen," says UTEP law professor Weaver, who is also the senior advisor for the National Security Whistleblowers Coalition. "Nobody was going to be called on the carpet. You'd have 12 people dead, 15 if you count the three slaughtered outside the house, you'd have an informant running ICE like a bunch of monkeys, you'd have DEA cut out of communications and you'd almost have the death of a DEA member and his family and nothing was going to occur. No accountability, no nothing.

"It was going to be business as usual, and this whole thing was going to be swept under the rug. And Sandy, I think, made a conscious decision. When he wrote that memo he knew he was putting his career on the line, but he didn't want this thing to go away."

The U.S. Attorney's Office in El Paso did not respond to repeated requests for comment for this story, nor did the ICE office in El Paso. The U.S. Attorney's Office in San Antonio referred questions to the U.S. Attorney's Office of Eastern Louisiana, which declined comment. A spokeswoman for DEA administrator Karen Tandy said the agency would have no comment.

The definitive account of what happened at the House of Death may be the report compiled by the Joint Assessment Team, which conducted 44 interviews of U.S. Department of Justice personnel after the House of Death was discovered. To date, the Department of Justice has refused to release this report.

One can speculate, however, that some of the agents who were aware of what was happening at the House of Death allowed it to continue, believing that the end would justify the means. That argument could still be made. Everyone who died at the House of Death was at one time or another involved in drug trafficking. Because of Lalo, Santillan, the boss of the cartel in Juárez, was taken down. Others went into hiding, and the cartel suffered a serious blow. It hasn't been the same since.

Still, none of the killings after the death of Fernando Reyes had to happen, Gonzalez says. Santillan could have been lured to El Paso and arrested after that murder. Why did they wait nine more months to arrest him?

In sworn affidavits, Lalo's handler at ICE, Raul Bencomo; his supervisor, Curtis Compton; and the agent in charge of the El Paso office, Giovanni Gaudio, all testified that they didn't know about any of the murders that occurred after the first one. Also in a sworn affidavit, Juanita Fielden of the U.S. Attorney's Office in El Paso said she began preparing an indictment against Santillan in November 2003, and that from that moment preparations were being made to arrest him.

Gonzalez has problems with this explanation.

"So through August and September and October and almost all of November, they were planning and gathering stuff for this?" Gonzalez says. "See, I don't think so. You know why? Because they didn't indict him for murder, number one. And the dope case they indicted him for had been done months before. So how long does it take them to put a routine case together?"

Gonzalez thinks ICE delayed arresting Santillan because they wanted to keep using Lalo in another case involving a cigarette smuggler out of New Mexico. According to what Gonzalez has heard, ICE had been chasing the suspect for some time and didn't have enough to take him down. So they brought Lalo in with hopes that he could dirty up the smuggler by convincing him to haul cocaine.

"Why was this allowed to go on? That's the question that needs to be asked by a congressional committee or a special prosecutor," Gonzalez says. "These guys have to answer that question. Because there is no good answer. Do you say, 'Well, we're working on this big case and we're trying to penetrate the organization?' The organization's already been penetrated. You've got a top lieutenant and a good dope case and a murder. What more do you want?"

To date, Gonzalez and Weaver have met twice with U.S. Senate staffers, requesting a congressional hearing to look into the matter. So far they have been ignored.

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It is February 2007. Three years have passed since the House of Death was first discovered. Today, the house is abandoned. In place of a doorknob, there is a strand of rusted wire running through an empty hole.

They say the cartel still watches the house, that everywhere you go in Juárez there are little shopkeepers and flower vendors who are paid to be the eyes and ears of the cartel. But others say these are just stories. Yes, Juárez is dangerous, they say, but the violence is contained in the drug world, just like in any other big city.

So yes, it would be fine to go to this house, they tell you. No one is watching it anymore. Just don't stay too long.

On this crisp winter morning, the house is still. The door creaks open easily. The living room where Fernando was killed is covered in dirt and shattered glass. In the kitchen, the clothing of some of the victims remains, as do dusty bags of concrete and lime. The concrete was part of an unfinished plan to cover the backyard in cement so that the bodies would never be discovered.

To this day, the death of one of the men killed here remains a mystery. It is the death of Luis Padilla, the El Paso diesel mechanic who disappeared from his house in January 2004.

So far, every media report that has touched on Padilla's story has concluded that he was an innocent bystander, that he had nothing to do with the drug war. But this is not true.

A year before Padilla was executed at the House of Death, he was busted for running a load of marijuana. In court records, the load is described as more than 50 pounds and less than 2,000 pounds. Considering that an ounce of Mexican marijuana has a minimum street value of \$75, Padilla was carrying somewhere between \$60,000 and \$2.4 million worth of marijuana. His wife, Janet, says he was carrying the loads in hidden compartments in a truck, something that would have been easy for him to arrange as a diesel mechanic.

"That kind of a load has to be sanctioned by the Juárez cartel. I mean you can probably go in to Culiacán and buy two and three kilos yourself and try to sneak them across the border," says Phil Jordan, the former head of the DEA's El Paso Intelligence Center and the former chief of the DEA's Dallas field office. "But a load like that, with compartments and everything else, that is the Juárez cartel. There's no way he was working independent."

When Padilla was arrested, he was not given jail time, even though a load of this size typically carries a penalty of anywhere from three to ten years in prison. Instead, he received probation.

To Jordan this suggests one thing: Padilla was given this deal because he agreed to become an informant. And then there is this -- after Padilla's body was found, his wife says, Bencomo, Lalo's handler, visited her. Janet Padilla says Bencomo and another agent told her they would do whatever they could to help her. But when Padilla later asked them to write a letter for her, saying she had nothing to do with her husband's death so she could qualify for government benefits, they didn't respond. To this day, she says, they have done nothing to help her.

"I think they just wanted to know what I know," she says. "Once they realized I didn't know anything, they weren't really interested in helping me."

This visit proves to Jordan almost beyond doubt that Padilla was working as an informant. "He meets the total criteria for an informant. A guy being killed by the Juárez cartel, there's no reason other than if he's an informant that anyone from the government would visit his wife. They were not going to help her; they wanted to know if this guy, Padilla, had told his wife any secrets. And then maybe Customs could try to do something to quiet her, and when she told them basically that she didn't know anything about it, then they didn't come back to her."

Lalo also thinks Padilla may have been an informant, says his attorney, Jodi Goodwin.

"Lalo's point when we talked, about Luis Padilla being killed, was, 'Look, not only does the government not have respect for life in general, they don't have respect for the lives of people who work for them. I mean, look at Luis, look at me.' It just goes to show you even further that the big G government will do whatever they have to do to get their good press, do their drug war and try to come out covering their asses."

To Jordan, it doesn't matter if Padilla was an informant, a drug trafficker or something in between. "If you're in law enforcement, you don't kill people. Period. It doesn't matter what kind of case you are trying to build."