

The Juarez Connection
**The Strange Case of a Drug-War Informant, a Ferrari and an
Alleged Kidnapping**

by Bill Conroy

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[NOTE: pulled from Borderland Beat]

Guillermo Eduardo Ramirez-Peyro, a.k.a. Lalo, insists he's no longer the same man who participated in cartel murders. Missouri officials aren't so sure.

After a few long days visiting family in California, Guillermo Eduardo Ramirez-Peyro was now fighting off sleep behind the wheel of a cherry-red Ferrari. Transporting the exotic coupe — a \$200,000 612 Scaglietti — back to New York was to be the highlight of the Christmas holiday out west. But in reality the vehicle's tight quarters and the brooding silence of his girlfriend — Kelly Schroer — were making for an uncomfortable last leg of the journey.

Ramirez-Peyro recalls that they were heading toward the southwestern border of Missouri when Schroer's phone began to vibrate.

"I saw the 111111 [on the screen], and I knew it was the cops," he says. "I said, 'Hey, Kelly, the police is calling you.' She said, 'No, I don't want to answer.'"

"And then they call once again, and she did not want to answer. And I don't even force her to call or not call or speak," continues Ramirez-Peyro, a soft-faced Mexican with wispy black hair.

The couple, both in their forties, would continue east on Interstate 44 for a few more miles without speaking. Schroer, a strawberry blonde from Ramirez-Peyro's new hometown of Buffalo, New York, considered her boyfriend too controlling. He, in turn, didn't trust her.

They met last summer in a Buffalo bar, and their relationship had been a prickly one from the outset. Within a few months of dating, Schroer accused Ramirez-Peyro of harassing and physically abusing her — a complaint that led a New York court to issue a "stay away" order of protection against Ramirez-Peyro in early December.

That same month, police in the Buffalo suburb of Tonawanda picked up Ramirez-Peyro for violating the order. He was soon released, and a few days later Schroer signed an affidavit, prepared by Ramirez-Peyro's attorney in Buffalo, stating that the allegations of harassment and abuse she made "are not true."

"He never physically hit or abused or hurt me, and I want to be able to spend time with him without there being a violation of a court order," Schroer wrote in an affidavit.

Now, alone in the cramped Ferrari, whatever reconciliation the two arrived at before setting out on their cross-country journey was gone. As they entered the city limits of Joplin, Ramirez-Peyro exited the highway and pulled the sports car into the parking lot of a La Quinta Inn. By 11 p.m. he was in bed and out cold. He awoke an hour and a half later to a pounding on the door. Schroer was gone.

Ramirez-Peyro pulled himself together, slipped out of bed and opened the door. In front of him were several Joplin police officers with their guns drawn. While he had been asleep, Schroer had gathered up her possessions and quietly run off. She checked into a nearby Quality Inn and immediately called the front desk to ask the attendant to flag down a pair of cops she had seen conversing in their patrol cars in an adjacent lot.

Once the officers arrived, Schroer breathlessly launched into a story that seemed almost too outlandish to believe. Ramirez-Peyro, she told the patrolmen, was an extremely dangerous man holding her against her will.

"He has cartel contacts in the U.S. that will kill my family, and I'm afraid what's going to happen now. He's going to have them killed," Schroer told the cops, according to a probable cause statement.

Schroer then handed one of the patrolmen her smartphone, on which the officers could read for themselves the articles about how Ramirez-Peyro — better known by the nickname "Lalo" — had once been a police officer in Mexico before becoming a top lieutenant for the powerful Juárez Cartel. In that role Ramirez-Peyro had overseen multiple murders in a home, just across the El Paso, Texas, border, that came to be known as the "House of Death." And the story didn't end there.

This Lalo character — fast asleep in Room 365 of the adjacent La Quinta — was more complicated than that. According to the articles, while working for the cartel Lalo had also been an informant for U.S. Immigration and Customs Enforcement. He later became an embarrassment to the American government when it got out that one of its own undercover operatives participated in gangland killings south of the border.

It's a hell of a tale, and, if Lalo's version is to be believed, includes a government conspiracy to discredit him. One thing is certain, though: The story of the alleged kidnapper and former cartel snitch in a Ferrari is one of the sexier cases to hit rural Newton County in a long time.

"This is really more intrigue than I'm used to dealing with. I'll tell you that," confirms prosecutor Jake Skouby. "Basically, I-44 runs through my district, and that's how I caught this case. That's it.

Dressed in an orange jumpsuit, his limbs shackled, Lalo enters the Newton County courthouse and labors to lower his six-foot-two-inch frame into a chair next to his public defender. It's late July, and he's in court for a hearing regarding the charges of kidnapping and violating a protection order that have kept him an involuntary guest of the Newton County jail since December 29.

Lalo's hair is longer than it was in his mugshot, and his body is thinner — a result, he says, of the crummy prison cuisine. As the lawyers debate his case before the judge, Lalo sits expressionless, occasionally looking down at his attorney's notes.

In April the court reduced his bond from \$250,000 to \$125,000. Around the same time, some individuals Lalo says he does not know offered to provide the funds necessary to secure his release. Captain Richard Leavens, with the Newton County Sheriff's Office, confirms that an offer was made to bail out Lalo. But the inmate refused the assistance, fearing they might be with the cartel. Lalo says he has heard from inmates associated with the Latino gang MS-13 that his old associates in the Juárez Cartel have placed a \$500,000 bounty on his head. Attorney Mark Conrad, a former supervisory agent with ICE's predecessor agency, U.S. Customs, says that figure seems a bit inflated.

"Heck, for \$10,000, they could get the job done," he says.

Still, for now it could be that jail is safer for Lalo than the streets. And the cartel is not his only adversary. Lalo believes the charges he's currently facing are trumped up in order for the U.S. government to finally deport the former spy it no longer has a use for.

"I'm absolutely going to be killed by the Juárez Cartel or the Mexican government, which is basically the same thing," says Lalo, speaking by phone to Riverfront Times.

That the cartel would want him dead is not all that surprising to Lalo. But that the U.S. would now be complicit in it by seeking to deport him is something he never foresaw back in 2000 when he crossed into the United States at El Paso and offered to provide ICE with intelligence on drug trafficking and other crimes.

Lalo says he had his reasons for offering to help the U.S. government. For starters, he didn't really like or trust his new colleagues in the drug trade.

He also stood to make a good sum of money serving as a stool pigeon for the feds.

Lalo (short for Eduardo, his middle name) says he grew up "kind of spoiled" in upper-middle class surroundings in his home state of Durango. His parents were both civil engineers, and while his siblings chose careers in medicine and engineering, Lalo opted to enter the less lucrative field of law enforcement, working for the Mexican federal police.

ICE began paying him thousands of dollars per case for his information, and the return on investment for his tips proved substantial. In a four-year span Lalo's work for ICE — which included counterfeit credit-card, illegal-cigarette and drug-smuggling investigations — resulted in the arrest of more than 50 people and the seizure of some 660 kilos of cocaine and in excess of 20,000 pounds of marijuana, according to one accounting.

Eventually the U.S. Drug Enforcement Agency also began using Lalo as an undercover operative in its larger efforts to stem the flow of narcotics across the border. But the DEA lost faith in Lalo and severed ties with him after he was busted smuggling 100 pounds of marijuana into New Mexico in June 2003.

"Confidential informants are liars 99 percent of the time," cautions former DEA deep-undercover agent Mike Levine. "The worst thing you can do is believe them. You have to check out whatever they say, even if they tell you it's nice outside."

Yet ICE wasn't as willing to let Lalo go. It was only natural that its cartel operative would have to break a few laws in order to not blow his cover. So after a U.S. prosecutor intervened to get the drug charges in New Mexico suspended (and later dismissed), Lalo returned to his clandestine work for ICE.

By now Lalo had wormed his way into the confidence of Humberto Santillan Tabares, one of the major players within the Juárez Cartel. One of

Lalo's primary jobs for Santillan was to oversee a house at 3633 Parsioneros Street. On the outside the home was like so many walled-off houses in Juárez. But in reality the modest, cinder-block abode was an execution chamber for Santillan and the crooked Mexican state cops who served as his assassins.

Santillan's men buried at least a dozen lime-covered corpses in the back yard of the property. As news reports would later detail, some of the victims were tortured and murdered at the house on Parsioneros Street; others were brought there after being assassinated elsewhere. Santillan and his men referred to the murders in code as *carne asadas*, Spanish for barbeque.

For Lalo, the killings began in August 2003, when he participated in the slaying of a Mexican attorney by the name of Fernando Reyes who had arranged to meet Santillan to discuss moving a large stash of marijuana. Santillan had other ideas; he planned to whack Reyes and steal his drug load. Inside the House of Death, Santillan's corrupt cops tied up Reyes in duct tape and covered his head in a plastic bag. Lalo got in on the action too, but only, he says, because his fellow cartel members were having such a hard time subduing Reyes.

"They just look at me, saying, 'Hey! Help us!'" recalls Lalo. "So I pulled his left leg like that, so they put him on the floor."

When Reyes wouldn't suffocate fast enough, Lalo says one the dirty cops slammed a shovel against the victim's head, breaking his neck. Lalo made an audio recording of the entire gruesome slaying, in which Reyes can be heard pleading for his life, and provided the tape to his ICE handlers. A memo drafted by ICE agents after that murder confirms Lalo's participation in the homicide. But even with that knowledge, officials with ICE and the U.S. Department of Justice approved keeping Lalo in the field, where more murders would play out. And they did, with Lalo present for at least two more killings inside the House of Death.

"After going through everything that happen [with the Reyes murder], [ICE] said, 'If something like this happens again, don't record it. Now go back [to Juárez] and see the state police and do whatever Santillan told you, and supervise the people making [the grave to bury Reyes], or whatever they have to do, and then come back to the [ICE] office,'" says Lalo today.

"I report all these situations to ICE, but they don't say nothing, really," he continues in his fractured English. "They don't really do nothing. It not happen on U.S. soil, and nothing we can do, so they just listen to it, but not show no interest in that."

But the House of Death wouldn't be the cartel's — and ICE's — secret for long. In January of 2004 Lalo informed his handlers that Santillan and his henchmen were planning to take out an undercover DEA agent and his family whose Juárez address was coughed up during the torture and execution of three drug mules at the home on Parsioneros Street.

The DEA, once made aware of the threat, evacuated all personnel from Juárez. Moreover, in learning about the assassination plot, the DEA also became aware of the full extent of ICE's and Lalo's association with the House of Death murders.

Soon after, the DEA special agent in charge of El Paso, Sandalio Gonzalez, fired off a blistering letter to his ICE counterpart in El Paso (and a copy to U.S. Attorney Johnny Sutton of the Western District of Texas) decrying the needless loss of life as a result of the ICE informant's "homicidal" activities, his role in the threat to the DEA agent and the complicity of ICE in the whole sordid affair.

"Your CS [confidential source] knew on January 13, 2004, that Santillan was planning a 'carne asada' for the Parsioneros house the following day, and nothing was done about it until Santillan called your CS on the night of the 14th to check the names of our agents," Gonzalez wrote. "By that time, three more human beings had been tortured and killed."

Lalo was now a political liability for the ICE. Still, the agency needed him for one more task: nabbing Santillan. On January 15, 2004, Lalo lured Santillan to El Paso by arranging a meeting with him to discuss cartel business. ICE agents then arrested the cartel chieftain following a prearranged traffic stop initiated by El Paso police.

The feds got their target in Santillan, who's currently serving a 25-year sentence for drug trafficking. And, Lalo, his cover now blown, found himself a marked man.

Newton County prosecutor Jake Skouby says the Lalo case is "more intrigue than I'm used to dealing with."

Kelly Schroer declines to talk to Riverfront Times when reached by phone to discuss the kidnapping charges facing her ex-boyfriend. Her brother, Jeff, is a bit more willing.

"She's having a tough time dealing with this case," Jeff Schroer says from suburban Buffalo.

"Did [Lalo] tell you about the restraining order in Tonawanda, New York? All the violations?" Jeff Schroer asks. "I don't even know, but there's a whole shit-ton of detectives up here waiting to get their hands on him."

The Erie County District Attorney's Office in New York confirms that a case against Lalo for "harassment, unlawful imprisonment and criminal contempt" was presented to a grand jury in February, a little more than a month after Lalo was taken into custody in Joplin, but no charges have been brought to date. The D.A.'s office says the case remains open.

"They had talked about transferring the charges to New York because that's where the events originated," says Captain Leavens with the Newton County Sheriff's Office. "[The prosecutor's office in Erie County] had been in contact with our prosecutor's office, but I don't know where that stands now. We've not heard anything further on this."

For Lalo, Buffalo was supposed to be a place where he could start life anew without constantly having to look over his shoulder. He landed a job there as a long-haul truck driver, allowing him to maintain a low profile and an unpredictable schedule — all the better for staying off the radar. Still, it wasn't always easy to shake the edgy excitement and glitzy lifestyle that the drug trade had offered. So when a wealthy cousin asked Lalo if he would do him a favor and fly out to California and retrieve a Ferrari he owned, the former cartel member jumped at the chance.

Lalo first asked a friend in Buffalo to accompany him on the trek, but the pal, a businessman who asked not to be named because he fears cartel retribution, tells the Riverfront Times that he told Lalo he was "nuts." For starters, driving a Ferrari — with Mexican plates — through a well-known drug route like Interstate 44 was bound to attract the wrong kind of attention. And if the cops didn't stop the car, the late-December snows along the way likely would. The Ferrari rides only about three inches off the ground.

The friend insists that Lalo asked Schroer to accompany him only as an "afterthought." He says he doesn't understand how Lalo can still remain in Missouri nine months after his arrest.

"How can they keep him incarcerated so long over a hearsay case, where [Schroer] could have stopped anywhere along the line?" Lalo's friend asks. "He didn't intend to kidnap her. That's ridiculous."

The point of bringing the Ferrari to New York, Lalo says, was so that he and his cousin could attend the NFL Super Bowl in New Jersey last February. Joplin Police Department's Lieutenant Matt Stewart says the Ferrari was towed after Lalo's arrest, but no charges have been brought against him in relation to the vehicle. Lalo says his cousin has already reclaimed the car.

In her statement to Joplin police, Schroer told authorities that Lalo "took her cell phone" and prohibited her from contacting anyone "without his

permission" throughout their journey. But according to a police report in New York, Kelly Schroer and her brother were in communication during the trip. Just eight hours prior to Lalo's arrest in Joplin, Jeff Schroer filed a report with police in their hometown of Tonawanda stating that he was "concerned about his sister's welfare" because his phone calls with her were "very short," and the text messages he received appeared to be written by someone who "speaks little English." Jeff Schroer told police he believed his sister was "being held against her will" by her boyfriend with connections to the "Mexican drug trade."

The Tonawanda police then contacted ICE. The agents responding indicated that "there are no restraints" on Lalo's ability to travel. However, the ICE agents asked to be made aware of any charges that might be brought against him and also to be kept apprised of any developments.

Lalo, meanwhile, contends that Schroer's kidnapping allegations are "all lies," pointing out that he has photos of them together, smiling and embracing during the trip. He also notes that she could have left at any time or brought her concerns to authorities prior to them arriving in Joplin. Lalo believes the affidavit she signed, denying that she had ever been abused or threatened by him, is further proof that she accompanied him on her own free will.

At the court hearing on July 21, Lalo's public defender, Kathleen Byrnes, raised another point, arguing that Missouri has no jurisdiction to try this case.

"The prosecution has filed [charges] in the case, but there are no facts alleged concerning what particular crimes were committed in Missouri," Byrnes told the judge. "The probable cause statement refers to things that may or may not have occurred in other parts of the U.S."

"There is nothing to show why the state thinks there was a kidnapping," Byrnes continued. "Ms. Schroer said they were on their way back to New York. She desired to go there, and there does not appear to be any acts in

the allegations that occurred in Missouri. What did my client do in Missouri that constitutes kidnapping?"

The hearing ended with Judge Timothy Perigo, a middle-aged magistrate with close-cropped hair, stating that he would draft an order spelling out what the state needs to disclose. "The prosecution will not be required to answer interrogatories [from the defense], but they should give the defense some more specificity on the charges."

A jury trial is now slated for October 29.

Lalo says he is so worn down by the course of his life since working for ICE that he is now reconciled with his fate, even if that's prison, death at the hands of the cartel — or both.

"I'm not afraid at all," he says. "I'm so tired at this point in my life of everything, that if they kill me it would be the best thing for me. Since 2004, for me it's been job after job, one thing after thing, so believe me, the last thing I care right now is if someone come and kill me."

The cartel has tried to take out Lalo before.

A few months after the arrest of Santillan, Lalo was living under protective custody and working as a shopping-center security guard in San Antonio when he made the fateful decision to return to the border region of Juárez for a few days.

The trip had a dual purpose. Lalo, whose ex-wife and kids were also living under government protection in San Antonio, wanted to visit his then-girlfriend in El Paso. He also had arranged to pick up some money at an El Paso Whataburger. Lalo says that the money drop was tied to some work he was still doing for ICE, but federal agents say that's not correct. They suggest the money stemmed from the proceeds of some property Lalo had recently sold in Juárez.

Whatever the case, the ever-wary Lalo sent a friend to the Whataburger to collect the money. Lalo's fill-in was sitting in his car in the restaurant parking lot when a gunman appeared out of nowhere and pumped four bullets into his chest before disappearing.

Lalo's friend, who also happened to be an FBI informant, died instantly, and ICE swept in and placed Lalo under lock and key. Over the next six years ICE moved Lalo from prison to prison, in Texas, Minnesota and finally New York — while pressing deportation proceedings against him. Eventually Lalo was freed after convincing a U.S. appeals court that he would be murdered with the Mexican government's acquiescence if sent back to Mexico.

Last year Lalo filed a \$125 million lawsuit against former and current officials with ICE and the Department of Justice, among others, claiming they violated his constitutional rights by conspiring to keep him imprisoned against his will for years, while seeking to return him to Mexico where he would likely be murdered. Lalo, who earned more than \$200,000 as confidential source SA-913-EP, also claims ICE still owes him \$400,000 for his undercover work. The case, filed in U.S. District Court for the Western District of New York, is sealed and still pending.

Lalo believes it's because of that lawsuit, and the damage it could do to current and former government officials, that he remains locked up in Newton County.

ICE spokesperson Danielle Bennett says she's not familiar with Lalo's kidnapping case in Missouri, but sees no merit in his claim.

"When a local authority has someone on criminal charges, that's not an influence that we would have," she says. "If he's got criminal charges, it would be the local authority that is setting the limits for keeping him in their custody."

However, Steven Cohen, the Buffalo attorney handling Lalo's federal civil lawsuit, says he is quite certain "the U.S. Attorney's Office and the Department of Justice are well aware of Lalo and the particular embarrassing facts and events he is witness to, and will do all they can to marginalize him."

Gonzalez, the DEA agent who blasted his colleagues in ICE upon learning of Lalo's involvement in the House of Death, echoes Cohen's take: "I think [the DOJ and ICE] would have reason to do whatever they could to prevent that lawsuit from ever seeing light of day from a trial."

The now-retired Gonzalez, who won a civil suit against the government after his bosses gave him poor job marks in the wake his complaints about ICE's handling of Lalo, asserts that the coverup in the House of Death murders went to the top of the U.S. Department of Justice. In testimony in Gonzalez's civil case, former DEA administrator Karen Tandy confirmed that she "personally briefed" then-Attorney General John Ashcroft and Deputy Attorney General James Comey (now head of the FBI), on the House of Death affair after Santillan targeted the DEA agent.

Ashcroft, who now heads a Kansas City-based law firm that bears his name, did not return calls for comment. Nor did Johnny Sutton, the former U.S. Attorney for the Western District of Texas, who now works for Aschroft's law firm and who oversaw the House of Death case as the top U.S. prosecutor in southwest Texas.

ICE agents and prosecutors claim in court pleadings that they were not kept in the loop on Lalo's murderous activities because his handler failed to properly brief them. That agent was ultimately served up as a scapegoat and fired by the agency. But ICE and DEA also conducted a subsequent joint investigation into the House of Death case, the results of which have never been made public — despite several Freedom of Information Act requests seeking the report. Lalo's pending civil case, if it proceeds, could result in the release of that report as part of the discovery process.

Back in Missouri's Newton County, prosecutor Jake Skouby says no one from the federal government has contacted him about Lalo.

Joplin PD's Stewart, though, says officers with his department work with federal law enforcers from the FBI, DEA and ICE on various task forces, "and they are aware of [Lalo's] case and have talked about it. But as far as I'm aware, they haven't done anything with it."

Lalo remains unconvinced.

"They are trying to portray me as a kidnapper, which is not true," he says. "In my mind, I knew from the beginning from what my public defender told me. She said, 'Oh, we got a big case here. They will make it a high-profile case because of who you are...that you were a member of a cartel.'"

Lalo stresses that the only current tie he has to the cartel is this: "They want to kill me."