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REPORT OF INVESTIGATION

1. PROGRAM CODE		2. CROSS FILE	3. FILE NO.	4. OEP IDENTIFIER
BY: Wayne Schmidt, S/A		RELATED FILES	FILE TITLE	7
AT: Los Angeles, CA				
7. <input type="checkbox"/> Closed <input type="checkbox"/> Requested Action Completed				
8. OTHER OFFICERS:			8. DATE PREPARED	
Rector Berrellez, G/S			February 13, 1990	

10. REPORT RE: Debriefing of

SECRET NOFORN

Change to PRA Sec 12 3/21/90

SYNOPSIS:

On February 9, 1990, Special Agent Wayne Schmidt and G/S Rector Berrellez debriefed BUENDIA-TELLESGIRON concerning intelligence information related to the murder of Manuel relating to Ruben ZUNO-Lopez; arms trafficking by GERHARDT MERLINS; and other related intelligence concerning corrupt Mexican Police Officers and elected Mexican officials.

DETAILS:

1. [redacted] reported the following intelligence information with regard to the murder of Manuel BUENDIA-TELLESGIRON:

Manuel BUENDIA-TELLESGIRON was an investigative reporter in Mexico who supported candidate (FNU) DELMASO, PRI party member who aspired to be the President of Mexico. BUENDIA conducted an investigation into the collusion that existed between Manuel BARTLETT-DIAZ, former secretary of the Interior, Miguel ALDANA-Ibarra former head of the Mexican anti-drug program and Manuel IBARRA-Herrera, former head of the Directorate of Federal Security (DFS) who were acting in consort with narcotic traffickers.

2. Between 1981 to 1984 BUENDIA received information from another reporter, (FNU) TELASCO, in Vera Cruz, that Guatemalan Guerrillas were training at a ranch owned by Rafael CARO-Quintero in Vera Cruz.

The operations/training at the camp were conducted by the American CIA, using the FS as a cover. In the event any questions were raised as to who was running the training operation.

[redacted] reported that representatives of the DFS which was the front for the training camp were in fact acting in consort with major drug overlords to insure a flow of narcotics through Mexico into the United States.

11. SIGNATURE		12. DATE
Wayne Schmidt, S/A		2 March 90
John M. Zientar, S/A		6 MAR 6 90

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13. Two individuals who were allegedly involved in the murder of BUENDIA, Comandante (FNU) ESTRELLA and Juan SANCHEZ (DFS), are currently in jail, charged with murder. However, they had been protected by the De-La Madrid Party since the murder in 1985 and only recently have been incarcerated over the past year as the result of pressure being asserted by the colleagues on the new administration.

14. [redacted] allegedly was told by the colleagues of BUENDIA that they had been approached by DEA agents sent by Country Attache Edward Heath (DEA).

The agents allegedly physically handed over a principal file, taken from the BUENDIA office, by the DFS after the murder, and allowed it to be viewed by the colleagues.

15. There was no explanation given by the DEA agents as to how they obtained the file. The colleagues however recognized the file and most of its contents. They indicated that the file was genuine. However, the colleagues also observed that information had been apparently added to the file to implicate BARTLETT-Diaz in CIA arms smuggling and a connection to narcotics traffickers.

16. In exchange for the information in the file, the agents wanted information on DFS credentials signed by Jose Antonio ZORRILLA-Perez and Manuel IBARRA-Herrera which were in possession of various narcotics traffickers at the time of their arrests.

17. It should be noted that the Colleagues of BUENDIA are former Communist Party members and are not affiliated with the PRI or any other political party.

18. [redacted] has learned that a German identified as GERHARDT MERTINS had lived at one time (circa) 1981 to 1985, in Mexico City and owned a company identified as MERMEX located in Guadalajara. In addition, [redacted] learned that MERTINS allegedly had a connection to the CIA with regard to arms trafficking.

19. At the time of Manuel BUENDIA's death in early 1985, BUENDIA was allegedly working on a story of arms trafficking by the CIA in Mexico and the CIA's involvement with MERTINS.

20. In 1985 MERTINS was allegedly expelled from Mexico as a direct result of revelations in BUENDIA's newspaper articles, which linked MERTINS with the CIA.

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2. G-DEPT IDENTIFIER

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of Ruben ZINO-Arce. [redacted] and AVINA-Batiz were engaged in conversation when AVINA-Batiz told [redacted] that the flow of drugs into the United States is the best solution to Latin America's problems. The poisoning of american youth is the best answer to the down trodden Latin American masses in retaliation against the Imperialistic Actions of the United States.

31. [redacted] reports that Eduardo AVINA-Batiz is a strong contender for the Governership of the State of Jalisco following the expected departure of Guillermo COSTO-Vidaurre, uncle of Sara Costa the former paramour of Rafael CARO-Quintero, who purpordeley kidnapped and took her to Costa Rica during his flight from justice after the murder of S/A Enrique Camarena.

32. Also in January 1990 [redacted] was present at a meeting in the office of EVERARDO ROJAS CONTRERAS, in Guadalajara Mexico.

Also present was Juan GABEZA de Vaca, a former State Judicial Police Officer.

33. EVERARDO ROJAS-Contreras is an attorney who has done extensive legal work for Rafael CARO-Quintero and Ernesto Fonseca. During the past three years ROJAS has acted as an aid to General Vinicio SANTOYO-Peria, in the administration and purchasing of properties with large sums of money, the origin of which is unexplained.

34. One of the properties, is a ranch in Puerto Vallarta Jalisco adjacent to property owned by Victor TURBE aka EL PIRULI a well known latin singer who for the past 1 to 1 1/2 years has been associated with gangster elements in the Puerto Vallarta area.

35. The ranch and property adjacent to the ranch were purchased for \$600,000.00 U.S. by SANTOYO as a summer residence. The \$600,000.00 represents a portion of the money SANTOYO extorted from Miguel FELIX Gallardo and Manuel SALCIDO-Uzeta aka Coche Loco when they were arrested at Los Pinos, Guadalajara on November 7, 1988 by elements under the command of SANTOYO. The arrests were as a result of information from DEA Mazatlan and Guadalajara offices.

36. [redacted] was present in November 1988 at Gallardo's residence. When employees of GALLARDO stated that they needed money to operate the house because GALLARDO had paid one million dollars to SANTOYO as a bribe and that there was no money left for household expenses.

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