

BORDERING ON INSECURITY

How Investigators Linked a Headless Body to a Border Patrol Agent

When Franky Palacios Paz was found naked and decapitated floating off South Padre Island, the local sheriff thought the murder would lead investigators back to Mexican drug cartel violence. He didn't expect a U.S. Border Patrol agent to be among those arrested.

BY [JAY ROOT](#), THE TEXAS TRIBUNE AND [NEENA SATIJA](#) THE TEXAS TRIBUNE AND REVEAL
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Ex-Border Patrol agent Joel Luna confers with attorney Carlos Garcia after his arraignment in Brownsville before Judge Benjamin Euresti on Feb. 3, 2016. Douglas Young

SOUTH PADRE ISLAND — It looked like a crab trap floating in the calm waters of Laguna

Madre, just off South Padre Island. At least, that's what the man who spotted it while boating with his two daughters would tell police.

But when he poked the floating mass with a pole, he discovered otherwise. He dialed 911 and told the South Padre Island Police Department what he'd found: "a headless body floating in the bay."

Blood was still dripping from the neck when Cameron County Sheriff's Deputy Ulises Martinez arrived, he would later report. It looked to him like the head "had been cut off with one swift motion with a fine sharp cutting instrument."

The grisly discovery came at a busy time on the island. It was March 16, 2015, the frenzied start of Texas Week, when thousands of spring breaking college students descend on Padre to guzzle from beer bong and get rowdy. Maybe one drank too much, fell in the water and collided with the wrong end of a propeller-driven barge?

That was an early theory, but Cameron County Sheriff Omar Lucio, with more than a half-century in law enforcement, sensed something more sinister.

"We're just across the border from Matamoros," he said. Investigators couldn't find the man's head, and there were other suspicious cuts on the body. Mexican drug cartel payback often comes at the end of a fine, sharp cutting instrument, Lucio observed.

"It's just kind of the way that they handle people," he said. "They take revenge that way."

Luckily, the body still had hands. Using a portable fingerprint reader from U.S. Homeland Security Investigations, police quickly matched the prints to Jose Francisco Palacios Paz.

Before he was found naked and decapitated days after his 33rd birthday, Palacios Paz — "Franky" to his friends — worked at Veteran's Tire Shop in Edinburg, one county over. In no time, authorities came to suspect that tire repair wasn't the only thing going on there. It's where they think Franky — about to rat out a drug trafficking operation with links to the powerful Mexican Gulf Cartel — met his end.

Over the ensuing weeks, the investigation led authorities on a meandering journey through the Gulf Cartel's internal bloodletting, featuring tales of a supposed double-crossing cartel hitman, a U.S.-born narco turned folk legend and a major mafia capo nicknamed "Commander Pussy"

now locked up in a federal prison in Houston, Texas. And by last summer, they had arrested four of Franky's tire shop associates on murder and drug trafficking charges.

With fall trials expected, authorities say they have turned up the familiar markings of mafia muscle and hardball tactics experts have come to associate with 21st century cartel warfare — complete with a severed head supposedly secreted off to Mexico to prove a snitch was dead.

“We believe this is a clear case of ‘you’ve got the wrong guy.’”— Carlos A. Garcia, Joel Luna's lawyer

All of which would sound familiar to anyone versed in Gulf Cartel etiquette had it not been for one late-breaking and quite unexpected development: the alleged involvement and eventual arrest of a U.S. Border Patrol agent.

Joel Luna, a 6-year Border Patrol veteran, was supposed to protect the country from drug trafficking and spillover violence. If the indictments are to be believed, he participated in it instead.

“Guilt by association”

Dirty cops and dirty Border Patrol agents are nothing new. More than 130 officers employed by U.S. Customs and Border Protection have been caught in alleged acts of mission-compromising corruption — often by letting drugs, undocumented immigrants or both into the country — over the past decade. While that's a tiny fraction of the total number of agents, report after report has suggested the known cases may be the tip of the iceberg.

Still, even hardened South Texas lawmen long accustomed to cartel violence were surprised by Luna's indictment for murder — a cartel-inspired beheading no less. How did a decorated Iraq War veteran sworn to protect the U.S. border end up in an orange jumpsuit potentially facing life in prison?



The Veterans Tire Shop in Edinburg where the alleged murder of Jose Palacios-Paz took place. *DOUGLAS YOUNG FOR THE TEXAS TRIBUNE*

Cameron County authorities have a simple theory: Luna and his two brothers — Fernando and Eduardo— operated a criminal enterprise centered on drug trafficking, partially run out of Veteran’s Tire shop. Franky Palacios was killed because he knew too much, they say.

All three of the Luna men, plus two others who worked at the tire shop, have each been charged on four counts, including capital murder and drug trafficking. All five defendants have pleaded not guilty and asked for jury trials in Cameron County. All are presumed innocent until proven guilty.

“The Luna brothers were involved in a drug trafficking organization, and Franky was going to rat them out,” said Gus Garza, a Cameron County assistant district attorney and lead prosecutor on the case. “We believe that’s what led to his demise and to his beheading.”

Joel Luna’s South Texas lawyer, Carlos A. Garcia, said his client had nothing to do with Franky’s death and had no involvement in the drug trafficking business prosecutors are pinning on his brothers. Nor have prosecutors ever alleged that Joel was at the tire shop on the day of the murder, Garcia stressed.

“This is a case of guilt by association — or rather guilt because of his relationship to the people who were arrested [first],” Garcia said. “We believe this is a clear case of ‘you’ve got the wrong guy.’”

Lawyers for the other four defendants, including Joel Luna’s brothers, did not return repeated phone calls from The Texas Tribune.

Scene of the crime?

It didn’t take long for investigators to place Franky at the Veteran’s Tire Shop the afternoon before he apparently was killed. The Honduran national had worked there for several years and often slept on a couch in the front office.

Investigators traced him there after finding a missing person report filed on March 14 by his on-again, off-again girlfriend, Martha Sanchez, who said she hadn’t heard from Franky since Tuesday, March 10, six days before he was found. The silence was “not like him,” she told police.

“The Luna brothers were involved in a drug trafficking organization, and Franky was going to rat them out.”— Gus Garza, Cameron County assistant district attorney

Though records and interviews indicate they fought a lot, sometimes quite violently, when sheriff’s deputies told her they’d found Franky’s headless body floating in the bay, Sanchez threw herself on the bed and began crying, according to court records.

“Franky, Franky. Why?” she asked.

For weeks homicide detectives, including an investigator from the Texas Rangers, attempted to answer that question.

According to court records, Martha Sanchez’s 13-year-old son told investigators he saw “stacks of dollars brought from Reynosa, Mexico” and had seen “marijuana inside play station games at the tire shop.” The teenager also said Franky had told him “that he was a Gulf Cartel member and that they would chop off heads.” Another girlfriend said he had boasted of

smuggling immigrants into Texas.

When investigators showed up at Veteran's Tire Shop the day after the body was found, they identified at least three people who worked there: Aaron Rodriguez Medellin, 23, whom everyone called "El Guero;" Nestor Manuel Leal, 19; and Eduardo Luna, 25. The shop was co-owned by Fernando Luna, 35 — Eduardo Luna's older brother.

The Luna brothers' cell phones yielded clues and mysteries that, over time, would help investigators flesh out the story of Franky's murder.

Text messages in Spanish were sent the day before Franky went missing from Fernando's phone number to Eduardo's phone, and they alerted police to a possible motive.

"This Franky is a fucking traitor," read one of them. Another warned that "at any moment he is going to snitch on you," court affidavits indicate. A third, possibly garbled and using improper syntax, said Franky "is going around saying and your brother sells drugs." The identity of the brother isn't specified.

It's not clear if Fernando Luna authored the messages, or merely forwarded them to his brother.

Other clues would take longer to piece together. Why did Eduardo have photos on his phone of newspaper stories describing the 2014 capture of a man who used to be a high-ranking Gulf Cartel member known as Comandante Panochitas, or "Commander Pussy?"



This handgun, stamped with the word “Pajaro,” Spanish for bird, was uncovered from a safe Cameron County authorities say belonged to Border Patrol Agent Joel Luna, who has pleaded not guilty to capital murder charges. The gun is a key piece of evidence in the murder investigation. *DINA AREVALO, PORT ISABEL-SOUTH PADRE PRESS*

Investigators were also puzzled that stored on Eduardo’s phone was a picture of an unusual gun — a “highly engraved” .38 Super pistol, inscribed with the word “Pajaro,” or bird, on the handle, sources close to the probe said.

Surveillance camera videos from the tire business weren’t much help. There were recordings from March 9, 2015, and March 11, 2015. But everything from March 10 — the day Franky went missing — was gone.

Franky’s cell phone records, obtained by investigators, proved more useful: They showed many ingoing and outgoing calls on March 10 — especially with co-worker Medellin, whom called Franky numerous times that day, a source close to the investigation said. But Franky’s phone appears to have gone dead at 4:27 p.m.

Hours after Franky quit using his phone, cellular phone records — including tower pings — indicated that Eduardo Luna and Nestor Manuel Leal drove to Port Isabel, just across the causeway from South Padre Island, and called Fernando multiple times during the drive.

By early May, DNA testing of stains on the walls of the tire shop office turned out to match Franky's blood.

A little more than a month later, on June 24, 2015, Eduardo Luna, Nestor Manuel Leal and Aaron Rodriguez Medellin were arrested at the tire shop. Fernando wasn't there but was found the same day crossing the border from Mexico into the United States. An agent at the port of entry in Hidalgo County, arrest warrant in hand, recognized him in a white Chevy pickup.

Another man was also in the truck — Joel Luna. Until then, investigators hadn't known there was a third Luna brother, much less what he did for a living.

Born in the USA?

Why the two Luna brothers were traveling from Mexico into the United States that June day sits atop a pile of unanswered questions about Joel Luna and his alleged connection to the brutal death of Franky Palacios.

Even the circumstances of Luna's birth are a matter of dispute. He has a U.S. birth certificate indicating he was born in San Juan, Texas, on May 20, 1985, which would have been found during his initial vetting process with the Border Patrol. But authorities recently discovered a Mexican birth certificate for him, issued in Reynosa, Mexico, three years after his birth was reported in the United States. The discovery prompted authorities to place a "detainer" on Luna at the Cameron County jail, meaning if he is ever set to be released from custody, federal agents can hold him for possible deportation.

His lawyer and family members say Joel was born in Texas, and that — like many kids who grew up along the border — his parents later obtained a Mexican birth certificate to meet school admission requirements.

Joel's mother, Concepcion Rodriguez, is a housewife. His dad was a cook. Both are from Reynosa, where Eduardo and Fernando were born. Concepcion had bigger dreams for Joel — and for the whole family by extension, according to Concepcion's sister, Josefina Palomo. She wanted him to be born in Texas.

"Back then you could get (U.S. residency) papers through little children," Palomo said, so her sister gave birth to him in San Juan.

Joel mostly grew up Reynosa, at least through elementary school — and after that on weekend visits. His cousin Maria Lepe called him a “very honest kid” who did his best to care for an ailing, diabetic father.

“The army and police largely have been bystanders. Residents cower in their homes or in stores, waiting for the next outburst.”— A 2013 McClatchy newspapers report from Reynosa

Joel was about 12 when his parents sent him to live with Josefina Palomo in Hidalgo County, where he stayed for fewer than two years before moving again with associates of his father, his aunt said.

Joel was drawn to ROTC, and in high school commanders took him under their wings, giving him rides back and forth to class, Palomo recalled. It surprised no one in his family when he joined the Army after graduating from Pharr-San Juan-Alamo High School. He served in Iraq and earned a number of honors, including the coveted Expert Infantryman Badge.

Joel’s achievements were a source of pride for the extended family. He’d gone farther than his brothers in school. Honorably discharged from the Army in 2008, Luna entered on duty with the U.S. Border Patrol in 2009, and in a few years was working at a highway checkpoint an hour north of the border in Hebronville. Joel never forgot about his family in Mexico, helping care for his father until he died in 2011.

In the spring of 2013, investigators would later learn, Joel’s brothers and their families apparently had to flee Mexico in a hurry. They came to him for help and a place to live — and he obliged, sources close to the investigation say.

Bloody cartel wars

Early 2013 was a tumultuous time in the patch of northern Mexico that Joel Luna’s two brothers called home.

Drug lords were locked in a fierce internal battle for control of the major smuggling corridors in Tamaulipas, which borders Texas from Brownsville to Laredo. A major wing of the Gulf Cartel — more a loose confederation than united front by then — was falling apart.

Gunfights erupted in broad daylight. Grenades were tossed. Battles raged for hours on end.

“The army and police largely have been bystanders. Residents cower in their homes or in stores, waiting for the next outburst,” a reporter from McClatchy newspapers wrote in a [dispatch](#) from Reynosa on March 28.

Records used to seize the Luna family’s property in Hidalgo County suggest that Eduardo Luna was anything but a bystander to the violence. In a court affidavit he is referred to as a Gulf Cartel “comandante” — a commander — associated with an infamous U.S.-bred narco named Mario Alberto Peña.

Born in Rio Grande City, Peña — known as “El Popo” — rose up from a Texas street gang to become a Gulf Cartel commander feared on both sides of the border. He was reportedly killed in Mexico on March 19, 2013.



Suspects (l-r) Aaron Rodriguez Medellin, Eduardo Luna Rodriguez and Joel Luna Rodriguez stand before District 107 Judge Benjamin Euresti on Feb. 3, 2016 for their arraignment on murder charges. *DOUGLAS YOUNG FOR THE TEXAS TRIBUNE*

Since his death, “El Popo” has become a sort of gangster folk legend. Multiple [rap videos](#) online pay [tribute](#) to Peña, who fled to Mexico after being charged in late 2011 with the

attempted murder of three people in Starr County. Two of the videos purport to tell the story of his death at the hands of a former ally who supposedly double crossed him and shot him in the back. U.S. authorities later confirmed Peña's death.

More than two years later, El Popo's sister would claim that Eduardo Luna was the double-crosser who shot and killed her brother.

After Eduardo Luna's mugshot flashed across TV screens in South Texas in connection to Franky Palacio Paz's murder, Jessica Peña told U.S. detectives she had met him several years before in a Tamaulipas border town across from Rio Grande City. She knew him as Eduardo Perez Rodriguez, which authorities believe is another name for Eduardo Luna Rodriguez, the full name of Joel's baby brother, sources close to the investigation say.

Jessica Peña told investigators that Eduardo "shot her brother in the back several times to steal two million dollars from the Gulf Cartel that her brother was guarding," according to affidavits cited as evidence that cartel money was used to purchase homes in the United States. She said that Eduardo "fled to the U.S. after killing her brother sometime around March 19, 2013."

There's no way to independently verify Jessica Peña's claims, and she declined to be interviewed by The Texas Tribune. Eduardo Luna's lawyer did not return phone calls and emails seeking comment.

Jessica Peña offered up two other details that led investigators to believe Eduardo was connected to the Gulf Cartel and its internecine warfare in 2013.

First, she told authorities that a man named Juan Saenz-Tamez, a former high-ranking Gulf Cartel capo known as "Commander Pussy," helped recover her brother's body. Saenz, whose lawyer did not return phone calls, is now serving a 30-year **sentence** in a federal prison in Houston after **pleading guilty** to laundering \$100 million while moving a half-ton of cocaine and 90 tons of marijuana through the United States.

Investigators hadn't known what to make of the news stories about Saenz they found on Eduardo's cell phone after Franky was killed. Jessica Peña's information hinted that Eduardo might have been paying attention to the fallout from her brother's murder.

A second piece of information was even more intriguing. Peña told police Eduardo Luna's nickname was "El Pajaro" or "the Bird." Investigators had seen that name before, in pictures on

Eduardo's cell phone, inscribed on an unusual gun.

The Luna brothers flee Mexico

About the time Mario Peña was gunned down across the river from his hometown in Texas, multiple accounts indicate that the Luna family was forced to get out of Mexico quickly.

According to Josefina Palomo, the Luna brothers' aunt, some manner of urgent threat was made against the family in Reynosa, across the border from McAllen, Texas, during a baby shower the Luna family was holding for the upcoming birth of Fernando Luna's third child.

Palomo said she still doesn't know exactly what happened, but the family fled and her sister — the Luna brothers' mother — has not returned to Mexico since.

"My sister said they had to had to run out of there," she said. "It was, 'Get out! Get out!' And they left the tables and gifts and everything."

"She can't go back there," Palomo told the Tribune. "She's scared."

Joel Luna apparently was so worried about the incident that he alerted his Border Patrol supervisors in Texas. Multiple sources with direct knowledge of the investigation say that in March of 2013, Joel told the agency he'd been warned his family in Mexico was in danger unless he helped move drugs for the Gulf Cartel. Murder investigators would report two years later that "information discovered inside Joel Luna's personnel file where he worked" are now part of the government's case against him.

The Tribune requested Luna's urgent memo from U.S. Customs and Border Protection under a Freedom of Information Act Request, but the agency blocked its release, citing law enforcement and privacy reasons. CBP also declined to answer any questions about the memo and what actions it might have taken in response, if any.

Once the family fled to Texas, the extended Luna family settled near McAllen. Fernando and Eduardo Luna lived with Joel at first, sources close to the investigation say, and court records indicate they later moved into separate houses near his home.

What his bosses did or did not know about Joel Luna's family situation in 2013 isn't clear. After he was found in that white Chevy pickup with his brother Fernando — by then a murder

suspect — investigators assembled a Luna family tree and began looking into their backgrounds and activities.

A major break in the case came when they learned of a financial transaction under the name of Roxana Ruvalcaba, the half sister of Joel's wife, Dulce. Ruvalcaba had deposited \$42,000 in cash at a South Texas bank in May of 2013 — a transaction made at the request, she told investigators, of Joel Luna. The money was used, she said, to buy a house in San Juan.

That house on Sendero Street in San Juan, bought in June 2013, would later be seized by Cameron County on the grounds that it was “purchased with money which are proceeds of a drug trafficking organization comprised of the three Luna brothers, Fernando, Joel, and Eduardo.” Court records indicate Eduardo Luna's wife lived in the home.

Authorities would make the same argument to seize another Luna family home a few miles away. Records show it was bought in May 2013 by Concepcion Rodriguez, the Luna brothers' mother. Fernando Luna's wife lived there; she has since been deported to Mexico, court records show.

Ruvalcaba opened up another, more productive vein for investigators when she told authorities about a big, black safe Joel Luna had recently moved into the house of her mother — Joel's mother-in-law — in San Juan.

Ruvalcaba's husband Carlos worked at Sam's Club and had seen Joel and Eduardo Luna buy the safe there. Roxana Ruvalcaba told police she believed Joel “had a large amount of bulk United States Currency” inside the safe.

On Nov. 4, 2015, investigators arrived at the home of Joel Luna's mother-in-law, Maricela Villanueva, with a search warrant. Inside they found “a large black steel ‘SENTRY’ SAFE,” court records show. Villanueva told investigators it belonged to Joel Luna.

Luna was there and denied knowledge of the safe. In a statement recorded on police dash cam video, he told detectives “that the safe did not belong to him and that he had never seen it before in his life.” Investigators called his denial “deceptive” because three other people pegged him as the owner of the safe, records say.

Inside, authorities found a trove of documents and contraband including Joel Luna's commemorative Border Patrol badge, his work station password, documents related to his

credit union account and medical excuse paperwork.

They also discovered \$89,000 in cash, more than a kilogram of cocaine, 17 grams of meth, a scale, measuring spoons and “a ledger documenting the sales of narcotics and firearms and ammunition,” his arrest warrant says. To date, authorities have not charged any of the defendants with arms trafficking.

One of the two guns found in the safe drew immediate attention. It was a 1911 style .38 Super pistol, a model frequently associated with cartel assassins, gold plated, highly engraved and stamped with “Cartel del Golfo” on one side and the likeness of Saint Judas on the other.

The word “Pajaro” was embossed on the handle. It was the pistol pictured on Eduardo’s phone, bearing Eduardo’s supposed nickname. Authorities believe it may be the gun used to kill Franky.



In November 2015 Cameron County authorities recovered \$89,000 in cash, two pistols, illegal narcotics and other items from a safe they say belonged to Border Patrol Agent Joel Luna, who has been charged with capital murder and drug trafficking. Luna has pleaded not guilty to all charges. CAMERON COUNTY SHERIFF'S OFFICE

Culture of violence

A trial will eventually examine whether Joel Luna was involved in his brothers' supposed drug trafficking and the death of Franky Palacios. The U.S. Border Patrol issued a statement after his arrest saying Luna would be placed on administrative leave. His lawyer said he is not being paid.

But when a Border Patrol agent winds up in jail awaiting trial on murder charges, it raises a few questions. Why didn't federal authorities find his conflicting birth certificates? The nation's largest federal law enforcement agency has long been dogged with questions about **loose vetting procedures during and after hiring.**

How did the agency allow one of its own to stay on the job months after his two brothers were arrested for murder, and more than two years after he alerted them to a Gulf Cartel threat against his family? Why didn't the \$42,000 bank deposit by his wife's half-sister — now said to be drug money — set off any alarms?

The Border Patrol referred all questions about Luna's case to the the U.S. Attorney's office in Houston, where spokeswoman Angela Dodge declined comment.

Generally speaking, the Border Patrol doesn't include checks of any foreign databases, including criminal records or birth certificates, said agency spokesman Carlos Diaz. During the hiring process and every five years the agency looks at financial information, such as "unexplained affluence," but he didn't say how deep into family members the checks go.

Imposing at 6'4" and prone to passionate outbursts about evidence gaps and government overreach, Carlos A. Garcia says Cameron County's case against his client rests on circumstantial evidence at best, along with the unfair inference that Joel Luna must have been up to no good if his brothers were.



Border Patrol agent Joel Luna Rodriguez confers with his attorney Carlos A. Garcia prior to his arraignment in Brownsville on Feb. 3, 2016 by District 107 Judge Benjamin Euresti. *DOUGLAS YOUNG FOR THE TEXAS TRIBUNE*

Garcia acknowledges there are cell phone calls between Joel and his brothers around the time Franky was allegedly killed at the tire shop. But phone calls to family members are “no evidence of guilt,” he said.

And in Joel Luna’s arrest warrant, authorities say co-defendant Nestor Manuel Leal told police during interrogations that he, Franky, El Guero and Joel’s two brothers were “involved with narcotics trafficking activities by ... the Gulf Cartel” — but those records don’t mention the middle Luna brother.

“I represent Mr. Luna. Joel Luna,” Garcia said. “What his brothers may have been involved in or did or didn’t do, have nothing to do with his behavior or what he is accused of in this case.”

The safe and its contents are harder to explain, Garcia conceded. But he notes the safe itself “wasn’t found in my client’s possession” and that the government has the burden to prove it was Joel’s.

But what about the Border Patrol badge? The evidence that Joel Luna bought the safe with brother Eduardo in tow? The personal documents sitting alongside a big bag of cocaine and piles of cash? And then there’s the “Pajaro” gun — possibly the murder weapon. What was that doing in there?

“I agree that when it’s presented that way, it gives one pause to think about, ‘those two things don’t go together,’ ” Garcia said. “This cartel pistol with the bad guy’s name on it should not be with the badge of a border patrolman, you’re right ... those things don’t belong together. But those things being together don’t make someone part of a killing. They don’t make them part of a criminal organization. That in and of itself is not evidence of any criminal act.”

Gus Garza, the lead prosecutor, declined to go into the evidence blow-by-blow but expressed confidence in the indictments. Prosecutors are preparing to argue that Joel Luna was an integral part of a criminal enterprise, a cartel-connected drug trafficking ring that Franky was going to expose — and the enterprise struck first.

As far as Garza is concerned, the alleged criminal act of one Border Patrol agent doesn’t tar the entire agency. But the fact that investigators are connecting a federal official sworn to secure

the border to a Mexican cartel hit job — executed on U.S. soil — worries him a great deal.

“Of all the cases I’ve prosecuted, murder case, etc., this represents a step higher,” Garza said. “I’ve seen and I continue to see, a move, an effort, to bring the culture of violence from across the river to South Texas ... The message is, ‘Don’t squeal. Don’t finger anyone. Don’t identify anyone, or you are going to get beheaded.’”

*This story is part of The Texas Tribune’s yearlong **Bordering on Insecurity** project.*

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