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HSCA STAFF MEMBER: _____

PAGE NUMBERS OF NOTES ON CLASSIFIED MATERIAL REVIEWED AT CIA:

Mexico City History

PAGE NUMBERS OF ACCOUNTABLE NOTE PAPER ISSUED FOR FURTHER NOTES GENERATED AT HSCA

DATE	FOLDER REQUESTED BY (PRINT NAME)	REQUESTOR'S SIGNATURE
23.08.78*	G.R. Blakey	
* c.o. memorandum for the Record, 24.08.78		

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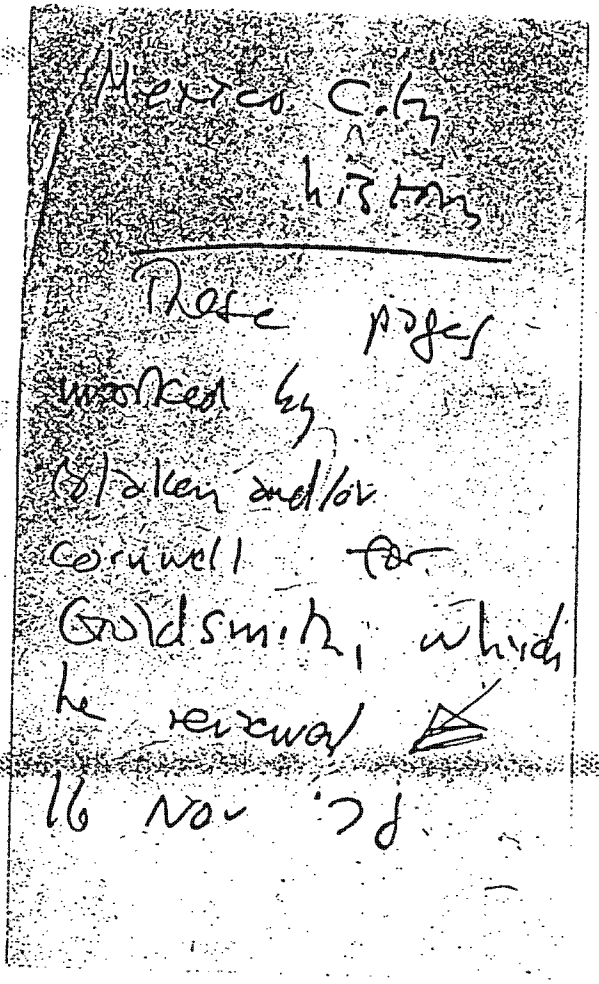

Mexico City
history

60 pages
Marked by
ITSCA Goldsmith

16 Nov 18

CONFIDENTIAL

16 November 1978

MEMORANDUM FOR THE RECORD

SUBJECT : HSCA Access to Mexico City History

1. HSCA requested access to some 200 pages of the three-volume history of Mexico City - about a third of the material. The substantive content runs the gamut from the history of Mexico University through detailed operational support capabilities and high level political connections and activities. It is an impressive accumulation of operational activity - classical sources and methods, as well as detailed revelations about past events.

2. We pointed out that the agreement between Chairman Stokes and DDCI Carlucci directly faced the issue of the irrelevancy of the vast majority of the history, and the sensitivity of it. The HSCA position had been that it had to verify this, and the access given to senior levels was to satisfy this. Now it was being requested in connection with depositions, which would serve to get this material into a Committee transcript. Since some two-thirds of the station's history (the work covers 1947 through 1969) preceded the visit of Oswald to Mexico in 1963 and assassination of the President, that clearly had nothing to do with the Committee's charter. I added that Mr. Carlucci is out of town, and will not be back until some time Sunday, so I could not go back to him. The request was so far beyond the agreement, that I felt I could not modify it. Cornwell then asked that I speak to the Director.

3. I saw the Director at about noon, and summarized the agreement and the dilemma, also going over the above. He stated that I could offer access to one senior staff member (in addition to Blakey and Cornwell)on the condition that material from the history not be used in depositions.

4. I spoke with Cornwell, giving him the message. He said that they may wish to use some of the material. I replied that the history is based on other sources; those related to the portion that is within the Committee's charter

CONFIDENTIAL

was based entirely on sources to which Committee investigator's have had access. Our problem was the overall collection, and particularly some of the substance of the history. He asked if he could come back and ask for it, if they wanted to use something in particular. I said that we had never closed a door completely, but that the Director's condition was fairly clear. Those things relevant to their authorized inquiry were already in their hands, so I could not think what they would have to use from this. They will ask us, and we can react when they do.

5. Goldsmith came over to start reading.

S. D. Breckinridge

Distribution:
1 - F. Hitz/OLC
1 - H. Smith/SA/DDCI
1 - N. Shepanek/PCS/LOC
1 - W. Sturbitts/LA/Div
1 - OLC/Subj
1 - OLC/Chrono

SECRET

24 August 1978

MEMORANDUM FOR THE RECORD

SUBJECT: Examination by Mr. G. Robert Blakey of Sanitized Portions of History of Mexico City Station

1. At 1745 hours on 23 August 1978, Mr. Scott Breckinridge, Mr. Norbert Shepanek and the undersigned met with Mr. G. Robert Blakey, Chief Counsel of the House Select Committee on Assassinations (HSCA). The meeting took place in Mr. Breckinridge's office. The purpose of the meeting, inter alia, was to make available to Mr. Blakey certain sanitized portions of CS HP 329 (SECRET), a three volume history of the Mexico City Station covering the period 1947 - 1969. The portions selected for sanitization were previously designated by Mr. Gary Cornwell as being of interest to the HSCA. Mr. Edwin Lopez, of the HSCA staff, was also present, but did not have access to the Mexico City Station material.

2. Mr. Blakey was furnished the following sanitized portions of the Station history which he read in my presence:

a. Volume I, Chapter II (C) - Station Expansion and Joint Operations (1959-1969), consisting of pages 34 through 57.

b. Volume II, Chapter III (A-3) - The Cuban Embassy, consisting of pages 221 through 256.

c. Volume II, Chapter III (A-4) - Operational Support and Technical Collection Activities, consisting of pages 257 through 298.

d. Volume II, Chapter III (B) - Covert Action Operations (portion relating to student operations only), consisting of pages 327 through 336.

e. Volume II, Chapter IV - Joint Operations and Projects Using Mexican Government Officials (portions relating to Project LIENVOY and LITEMPO only), consisting of pages 409 through 423.

f. Volume III, Chapter X - Merida Base (1962 - 1965), consisting of pages 485 through 494.

SECRET

3. I assured Mr. Blakey that I would be happy to discuss with him any of the deleted items and explain the nature of the content and the reason for its deletion. I told Mr. Blakey that since he was personally reviewing the material, and the same would hold true for Mr. Cornwell, I felt that I could be very candid in describing the deleted portions. Mr. Blakey thanked me, but did not at any time raise any questions about deletions. After he had finished his review I repeated my offer to discuss any portion of the material. He again thanked me and said he had no questions.

4. Mr. Blakey did not indicate (nor did I ask) whether he would continue to seek access to the entire three volume history in its unsanitized form.

Martin C. Hawkins
C/LA/MGSB

MEXICO CITY STATION History

200 selected pages

Blakey reviewed on 23 August 1978

Historian's Note

This paper covers activities of the CIA station in Mexico City and bases in Monterrey, Nogales, and Merida from 1947 to 30 June 1969. While research on this paper was being done from late 1969 to mid-1970, some projects of long duration were terminated for security or economic reasons. In those instances, the descriptions of these activities extend beyond 30 June 1969.

Because the paper is not indexed, the table of contents contains a detailed synopsis of each chapter. The reader will note some repetition of operational events in the text. There is a reason for this. Chapters I and II were an effort on the part of the writer to reduce to a reading minimum a chronological summary of the origins of CIA operations in Mexico from 1947 to 1969 for persons who do not have the time or the need to read several hundred pages of station history. Subsequent chapters treat the projects in more detail.

For the convenience of the reader, the writer has grouped together those projects which pertain to

the same target. Each of these target categories begins with an introduction which is nothing more than a brief history of the target for the benefit of persons not familiar with the Mexico operations.

The Mexico City Station had one of the most extensive and expensive unilateral technical collection programs conducted by the Agency. For that reason, those projects are presented together, although they are also mentioned in station coverage of specific targets. These unilateral projects had two characteristics which should be remembered: the majority of those still current in 1969 were sources turned over to the station in 1947 by the FBI or were recruited from contacts of these sources; the agent networks in the unilateral operations were a series of family relationships.

Readers may be confused by a Mexico Station practice of changing cryptonyms of sources when they were switched from one project to another. Some sources used by Mexico were identified by as many as four project cryptonyms. Insofar as possible, the writer included all the previous cryptonyms for

the convenience of readers who may wish to review the inactive projects in which the sources were used.

Inactive project, chronological, and subject files were provided by Lucille Long and Dorothy Kishter of the Records Integration Division (RID), both of whom devoted considerable time to searching indexes for records which were not included in the Clandestine Service records system. A presentation of the current projects (1969) could not have been written without the cooperation and generous assistance of all personnel of the Mexico Branch of the WH Division in making available their operational files which were excellently maintained in comparison with other records.

Anne Goodpasture
Historical Writer
Western Hemisphere Division

responded by asking that Jones be assigned to Mexico City as a "civil attache" to investigate the activities of German residents.

Jones opened the FBI office in Mexico City in June 1942 on the second floor of an office building at Londres 85, across the street from the US Embassy chancery and residence which was located in a compound at Londres 101. He had a staff of two men, the assistant civil attache, Marion Stokes Davis, and the chief clerk, Charles Turnbull. In the fall of 1942 Clarence Moore replaced Jones, and in August 1943 Birch D. O'Neal replaced Moore.[10/]

By mid-1943 the FBI had between 25 and 30 agents working under cover throughout Mexico. One of them was [redacted] who became the chief of the CIA station in Mexico in 1951. The number of [redacted] slots in the Mexico City [redacted] office had also increased to eight. These agents concentrated on two cases which involved extensive investigations, the code names of which were ALTO and CLOG. The ALTO case involved censorship of letters of persons trying to obtain the release

[redacted] They visited 16 countries in Latin America to examine relationships between station officers and those in other Embassy components, station morale, and operational and administrative matters. A memorandum prepared by these inspectors after their return to Headquarters noted that Ambassador Walter C. Thurston was completely satisfied with the manner in which [redacted] was handling his operations. The same memorandum reported that the administration and operations were in excellent condition, and that the Mexico City Station gave every indication of being the outstanding station on the circuit.[17]

In the early years the station acquired some surveillance assets for sporadic use on the CP and leftist groups, but they had no organized team that could cover the activities of Soviet Embassy officials. The FBI refused to turn over the background data from their files on the Soviets. Furthermore, it soon became apparent that the Mexican Government could not be relied upon to provide detailed coverage of the activities of such a large number of the

Soviet Bloc officials who had complete freedom of movement all over Mexico and clandestinely into the United States. The Mexican security agents had neither the training nor the motivation for this sort of effort. Accordingly, the station embarked on a program to develop unilateral support operations.

This was not to the detriment of the other targets which, according to SOI 23, took priority over the Soviets. LIFTER, LIBETHENITE, and LIONHEART (turned over by the FBI) were covering Communist and leftist activities. LIBELER (turned over by the FBI) was a high-ranking Mexican Government official who kept the station fairly well informed on events that were happening inside government circles. He also provided some personality information on the Soviet officials with whom he came in contact.

B. Development of Unilateral Operations (1951-1958)

The first significant, productive unilateral support operation was developed by Charles W. Anderson, III, in October 1950. This was LIFEAT, which in 1969 passed its 19th anniversary. Initially a

small telephone tap operation with a yearly budget under $5,000, it developed into a large, sophisticated, audio operation covering telephones, TELEX* systems, and microphone plants with capabilities limited only by the availability of persons to man the recorders and transcribe the take. In 1969 the LIFEAT budget was $102,000.

In the process of getting the telephone tap operations under way, other support agent prospects were developed. LIMESTONE (201-150706), a Mexican employee of the Hoof and Mouth Control Unit, US Department of Agriculture; and LIMEWATER (201-183704), a telephone company supervisor, were the original LIFEAT agents. They suggested their sons, daughters, parents, in-laws, and friends for recruitment. From this assortment, the first 12 agents were recruited for an umbrella-type project (LIPSTICK) to provide mobile and fixed surveillance teams to parallel LIFEAT and to man three photo observation posts around the Soviet Embassy. These agents were all untrained in clandestine activities; they were

* Automatic Teletypewriter Exchange Service (of Western Union).

mechanics, clerks, salesmen, a housewife, and the quarterback on the football team at the University of Mexico. Their one common bond was that they were related in some way to LIMESTONE and LIMEWATER. This project was developed by Charles Anderson and Harry T. Mahoney. These original LIPSTICK agents formed the nucleus for the extensive operational support projects in Mexico, and in 1969 many of them were still on the job.

E. Howard Hunt opened the first Office of Policy Coordination (OPC) station in Mexico in December 1950. This office was combined with the Office of Special Operations (OSO) in 1952. The base in Monterrey, Mexico, with a staff of two, was opened in the US Consulate in June 1951 by [redacted]

While the station was developing unilateral support operations, contact was continued with the head of the Mexican Security Service (Direccion Federal de Seguridad - DFS). In 1952, a police training officer, [redacted] was assigned to Mexico under official cover. His assignment

was to develop and train a liaison investigative unit to be used jointly against the Communist target.

[redacted] (LIVESTOCK). No sooner had the training program started, than LIVESTOCK-2 (the team leader) [redacted]

[redacted]

In early 1954, while Harry T. Mahoney and his wife were occupying temporary quarters after their arrival in Mexico City, a young Mexican-American student tapped on the door one day. He introduced himself to Mahoney's wife as a student at Mexico City College. He explained that his mother was an American schoolteacher, and that he was working his way through college by selling eggs, chickens, and cheese to people in the apartment building where the Mahoneys lived. That evening Mahoney learned about the egg salesman and stayed home the next day to meet him. After that

meeting, Mahoney checked citizenship files in the Embassy and gathered enough background information for a request for an operational clearance. The salesman was Raymond H. GERENDE (201-119523) who became the principal agent for the photographic bases, acted as a transcriber for LIFEAT, alternated as a handler for the unilateral surveillance teams, and performed various other operational tasks from 1955 until 1970.* His family and friends provided a recruitment field for several other agents within the operational support agent network of the station.

In 1954, the budget requirements for the Mexico City Station were $463,692.[18/] The five categories were:

Station Support	$275,545
FI	133,795
FI/OA	15,000
PP	35,352
PP Project Development	4,000

There were [redacted] foreign intelligence (FI) and [redacted] political and psychological warfare (PP) field projects. The same year, the Deputy Chief, FI, at Headquarters, Ronald A. MacMillan, sent Walter Jessel to Mexico to observe what MacMillan regarded

* GERENDE was terminated on 26 June 1970 because of security problems arising from hostile divorce action by his European wife.

as the finest technical surveillance operations in the Agency.[19/] The table of organization (T/O) at that time totaled [redacted] officers and [redacted] clerical). From January 1953 to March 1954, the station forwarded 337 FI reports to Headquarters of which 324 were disseminated to customer agencies.

By 1955 the Mexico City Station had tapped every telephone line in the Soviet, Czechoslovakian and Polish embassies, as well as the Communist Party headquarters. In addition, Projects LIFEAT and LIPSTICK had the capability for a quick swing off to cover targets of opportunity as they arose. There was contact with the Mexican Security Service and the FBI. The latter then had a large staff of 20 to 30 people in Mexico and used the cover of legal attache in the US Embassy.

Operational support projects by the end of 1955 included two indigenous surveillance teams, four observation posts, a photosurveillance truck, a 20-line telephone tapping capability, and several independent investigators. All of these operations were handled on a unilateral basis. [redacted]

[redacted]

[redacted]

The CIA base in Nogales, Mexico, with a staff of two was opened in [redacted] in May 1956 by Robert T. Shaw.

Another person recommended by LIMESTONE was LIKAYAK-2 (201-119970). He was recruited by Anderson in 1956. LIKAYAK-2 developed the unilateral mail intercept and Mexican Government file search project (LIBIGHT). Indirectly, LIKAYAK-2 laid the groundwork for the joint telephone tap operation (LIENVOY) by introducing his Mexican mentor (LIELEGANT) to his station case officer, Alfonso G. Spera, in 1958. In 1969 the LIBIGHT Project, with LIKAYAK-2 as the principal agent, passed its 13th anniversary.

Shortly after Winston M. Scott* was appointed

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* A native of Alabama, he had served as a professor, FBI officer, and a naval officer assigned to the X-2 Section of the Office of Strategic Services (OSS) in London during World War II. He was Chief, Office of Special Operations (OSO) in London from January 1947 to January 1950. At Headquarters from January 1950 until December 1952, Scott was Chief, WE, and from 1952 to May 1956 he was Chief, Inspection and Review Staff. While Scott had had no previous experience in Mexico, he had served with the FBI in Havana and had a broad understanding of intelligence operations from his Headquarters and European assignments.

COS in early 1956, the WH Division (WH) prepared a proposal for reclassification of the Mexico City Station T/O which raised the COS slot to GS-17 and the deputy Chief of Station (DCOS) slot to GS-16, contingent on the simultaneous reclassification of chiefs and deputy chiefs of station at [redacted] and [redacted] to GS-16 and GS-15 to be compatible with emphasis placed on these countries by the stepped-up program for Latin America.20/

When Scott arrived in Mexico on 8 August 1956, Lyman D. Kirkpatrick and [redacted] were there conducting a review of the Station. The inspectors noted in their report that lack of clerical and operational personnel had caused problems in administration and in the utilization of operational data from the technical operations. The inspectors further noted that Ambassador Francis A. White.* and Counselor William P. Snow

* White, at age 61, was appointed as Ambassador to Mexico in 1953 by President Dwight D. Eisenhower. White had been a career Foreign Service officer (1915 to 1933) and resigned as Envoy Extraordinary and Minister Plenipotentiary to Czechoslovakia when Franklin D. Roosevelt was elected. At the time White was appointed to Mexico, he was a banking executive. He followed flamboyant William D. O'Dwyer. The atmosphere at the Embassy changed to reflect the appearance of the chief. White was elderly, portly, quiet, business-oriented, and very conservative.

the same title of other embassy section chiefs (Consular Section, Political Section, Economic Section, and United States Information Service (USIS)).[24/] Headquarters agreed with the title for the station but the chief's title was changed from "attache" to "First Secretary." The DCOS and the covert action (CA) officer had the title of "Second Secretary." No other officers were

[redacted]

In December 1956 the station rented a small two-story house which had a maid's room on the roof that was an ideal lookout into the adjoining garden of the Soviet Embassy. This was used as a third photographic base to observe the activities of the Soviet officials and their visitors.* In September 1957, the station (through LIMOUSINE, 201-5762) purchased

* This project first had the cryptonym LIPSTICK/LICALLA. Two other photographic bases, LIPSTICK/LIMITED and LIPSTICK/LILYRIC, were located across the street from the front entrance to the Soviet Embassy in separate apartments. These three bases were later managed through the LIEMPTY Project.

the property adjacent to the Soviet Embassy.* The four houses, including LIPSTICK/LICALLA, were remodeled by CIA. The three vacant houses were rented to selected tenants. It was planned to place a monitoring device in [redacted] of each house. [redacted] were purchased and sent to Headquarters where the installation was made. When the [redacted] were returned by special plane, it was discovered that the audio unit had been put in the [redacted] which faced the street instead of the one adjacent to the Soviet Embassy compound. This original disappointment did not alter the later importance of the property for very sensitive, highly classified close support audio operations.

The station offices until mid-1957 were located on [redacted] building in downtown Mexico City. After the 1957 earthquake, the offices were moved to [redacted][25/] of the same building

* The property consisted of four row houses, one of which was LIPSTICK/LICALLA, but the occupants were not aware that CIA owned the property. LICALLA paid the rent to the ostensible owner and was handled as a part of LIEMPTY. Operationally, the other three houses were a part of the LIMESA/LIMUST Project.

elaborate briefings took place with various visual aid props prepared by the station.*

Unilateral agents in the umbrella support project (LIPSTICK) numbered [redacted] in early 1958 with members of the surveillance teams, basehouse operators, transcribers, and general handymen all related to each other. This relationship of the agents was thought to be good security until LIEMBRACE-1 and LIPSTICK-47 were arrested by the Mexican Secret Service while on surveillance in June 1958, and the whole network fell apart. Through hasty recruitment of a prominent American lawyer, the station paid [redacted] for release of the agents, but not before they had revealed all of the cases they were working on and the identity of their CIA case officer. The remnants of the project were separated into four operations.

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* This project continued until August 1961 when Ambassador Thomas C. Mann said he did not want any American businessmen involved in these briefings.

C. Station Expansion and Joint Operations (1959 - 1969)

The only new requirement in the Related Missions Directive (RMD)* for 1959 was the addition of the Chinese Communists as a minor reporting target even though there was no official Chinese Communist establishment in Mexico. (The Mexicans had diplomatic relations with the Chinese Nationalist Government.) There was a flurry of [redacted] activity [redacted] which resulted in having a troupe of Chinese Communist acrobats denied entry to Mexico.[31/]

The outstanding achievement of the station in early 1959 was the setting up of a joint 32-line** telephone tap center (LIENVOY) [redacted] [redacted][32/] This gave the station the capability for intensified coverage of the Soviet and Satellite installations.

In July 1959 the Nogales Base, after operating for three years, was closed.[33/]

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* See Appendix D

** Two of these lines were reserved for testing equipment.

General James Doolittle of the President's Board of Advisors on Foreign Intelligence Activities visited Mexico for a study of station activities. Pat M. Holt of the Senate Foreign Relations Committee was briefed on Soviet and CP activities during the same month.[42/]

In November 1961, two inspectors from the staff of the Inspector General (IG) spent four days inspecting the station. The inspectors reported that the Mexico City Station was the best in WH and possibly one of the best in the Agency. It had a broad range of assets commencing with a close personal relationship between the station chief and [redacted] [redacted] high-level telephone taps, photographic surveillance, unilateral intelligence assets, and a broad scale of CA capabilities. The station had been aggressive and well managed with the exception of a possible tendency to neglect administrative details. During 1961 the station produced 722 intelligence reports of which about 45 percent came from telephone tap operations. The technical facilities and capabilities were described as extraordinary and impressive. The intercept operation under

for offensive purposes. On 25 October 1962, with the approval of Headquarters and Ambassador Mann, Scott met with Lopez Mateos in Mexico City and showed him photographs (supplied by Headquarters) of some of the areas where Soviet missiles and launching sites were located in Cuba. Lopez was very grateful for this briefing.[49/]

In November 1962, approval was obtained to open a base in [redacted] Merida, Yucatan. [redacted] opened the base in December 1962. The base was to provide support to possible paramilitary operations against Cuba.[50/]

In January 1963, four additional secretaries arrived at the Mexico City Station with designee cover. They were needed because of the increased emphasis on technical operations against the Cuban and Soviet installations and the vast quantity of paper produced by these operations which could not be processed by the previous staff.[51/]

At the request of Headquarters and the [redacted] Station, the Mexico City Station devoted a great deal of time and manpower to the coverage of the

activities of Juan Jose Arevalo Bermejo (201-006803), former President of Guatemala, and a candidate in the 1963 presidential elections of Guatemala. Station operations against Arevalo included a LIFEAT telephone tap, an informant (LICOOKY), and physical and photographic surveillance (LIEMBRACE and LIENTRAP). From some of the information collected through these sources, the Mexico City Station prepared a composite photograph of [redacted] (201-018498), standing together in the lobby of the apartment building where [redacted] lived. This photograph appeared in at least three [redacted] newspapers.[52/]

In May 1963, Scott learned "confidentially" from Gustavo Diaz Ordaz that he would be selected by Lopez Mateos as the next President of Mexico.[53/] Later in the year, Diaz became the PRI candidate (tantamount to election) which assured LIENVOY of an extended six years under virtually the same management.[54/]

In 1963 the routine reporting of an operational lead by LIENVOY developed into a long investigation.

A man with a US accent, speaking broken Russian, telephoned both the Soviet and Cuban Embassies on 26 September and 6 October 1963. He identified himself as Lee Oswald and Harvey Oswald. This information was cabled to Headquarters for traces and identifying data. After the assassination of President Kennedy on 22 November 1963 in Dallas, Texas, the Mexico City Station spent several months investigating leads in connection with Oswald's visit to Mexico.[55]

The outside counterespionage/counterintelligence (CE/CI) unit (LILINK) was activated in December 1963 and was envisaged as an unofficial composite of the station which would reduce the number of official cover positions.*

During January 1964, Headquarters approved and furnished equipment (radio central and four automobile radios) for the chief of station to give on loan to [redacted][56] In addition to the equipment, CIA gave Diaz Ordaz $400 per

* The project failed and was terminated in 1967.

month as a subsidy from December 1963 to November 1964. It was ostensibly to pay for his two bodyguards during his campaign tours. In reality, it was paid to LITEMPO-1 (Diaz Ordaz' nephew) and may well have gone into his pocket. This was in addition to a regular salary of $512 per month paid to LITEMPO-1 as a station support agent.

The LITEMPO Project provided cover for a 16-millimeter passport camera concealed at the Mexico City International Airport.* For the first two years, [redacted] the station technical officer, serviced the camera and picked up the film during meetings with the Mexican Chief Immigration Inspector (LITEMPO-10) in locations other than the [redacted] In 1964 the operation was turned over to their replacements, Lewis D. Humphrey, Jr. and LITEMPO-11). Later, the operation was turned over completely to indigenous personnel under LITEMPO-12. The film was delivered by LITEMPO-12 to his case officer for processing by the station.[58/] All passports of travellers arriving in Mexico City from Havana were photographed. This was a strategic

* This camera was installed in 1962 by [redacted] and two LIFIRE agents.[57/]

spot because Mexico was the only direct air link between Cuba and Latin America.

Station personnel devoted considerable time providing support for JMWAVE and other stations on a worldwide basis in their coverage of the Cuban target. This support consisted of: obtaining travel permits for Cubans to enter Mexico; obtaining visas for Cubans to enter the United States; renting and servicing accommodation addresses; and briefing, debriefing, training, and dispatching agents to and from Cuba. The station also handled Cuban defectors who chose to make the last minute jump in Mexico City rather than return to Havana.[59/]

One of the most demanding of these support cases was the reception and protection of the younger sister of Fidel Castro Ruz who was surfaced in Mexico City on radio and television on 29 June 1964. The station then kept her sequestered for the better part of a month. She and her two friends were first accommodated for four days in the luxurious guest house of an American in the outskirts of Mexico City. Before the group could become a burden to these good

people, another American offered assistance in arranging very comfortable quarters at no cost in the remote but comfortable resort town of [redacted] on Mexico's Pacific Coast. The party, including the JMWAVE case officer who remained with the three women throughout the unorthodox situation, was flown to the destination and back in the private plane of still another friend of the station. Finally, when the delights of the Pacific retreat began to pall, the group was taken to a career agent's ranch located a couple of hours south of Mexico City. In addition to protective custody, the station was called upon to provide daily mail service to the group for the two weeks they were at the ranch. On 24 July 1964, they were restored to their relatives in Mexico City. 60/

A team from the Inspection and Review (I&R) Staff at Headquarters conducted a thorough review of the Mexico City Station administrative and operational program in July 1964. They wrote: "The Mexico City Station approaches the classic type station in opportunities and in operations." It had [redacted] liaison operations, unilateral operations, and joint

operations with the host government, as well as Soviet, Satellite, Cuban, and indigenous Communist Party operations. There was local collaborative liaison with other US agencies (the State Department, the FBI, the Immigration and Naturalization Service (I&NS), and the military attaches). To accomplish this wide range of tasks, the station was organized into Soviet, Cuban, Satellite, Covert Action, Communist Party, and Operational Support Branches. The last branch was an operational catch-all responsible for direction of all technical, surveillance, and liaison operations. In reality, operational support operations were an extension of the chief of station's personal clandestine capabilities, particularly those projects involving Mexican officials.[61/]

The extensive support capabilities, which concentrated on the Cuban community, included: a wastebasket trash operation from the Cuban Embassy handled by LITAINT-2; recruitment of staff officers of the Cuban Embassy; a tap on every telephone line from the Cuban Embassy or official residence by LIFEAT

or LIENVOY; photographic coverage of the entrances to the Cuban Embassy by a high speed "impulse" camera handled by LIONION; mail censorship of selected addresses by LIKAYAK-2; complete passenger lists from LIFIRE of all incoming and outgoing flights by the 45 international airlines which made daily connections in Mexico City; mobile surveillance of any target in Mexico City; and concealed microphones in the wall, in the telephones, in a love seat, and even in the leg of the coffee table in the Cuban Ambassador's office.[62/]

A Cuban Refugee Reception and Orientation Center (LICOMET) was also run by an American contract agent. This center screened refugees (about 350 per week during 1964 and 1965) for possible operational leads, and debriefed those with information of intelligence value.[63/]

During 1964 approximately 47 percent of the station's cable traffic was concerned with Cuban operations, and 70 percent of the positive intelligence concerned Cuban travel. The staff of the station had increased to 87 (54 inside and 33 outside) in addition to about 200 indigenous agents.

The budget for fiscal year 1964 was $2,278,219.[64/]

In the CA field, the inspectors noted in 1964 that the Mexico City Station had a comprehensive and competently managed program. It had effective projects in [redacted] and [redacted] and in the [redacted] and [redacted] fields. [redacted]

[redacted]

Three of the station's [redacted] operations (LILISP-E, LILISP-M, and LISIREN) included [redacted]

[redacted]

did not approve of CIA support to this type of organization.[67]

The inspectors in 1964 also looked over the file room. They considered the Mexico City Station files as being more complete than those of any other station in the Western Hemisphere Division. There were more than 9,000 personality files, a large number of subject files, and a vast accumulation of 3 x 5 cards. The volume of the files was increasing at the rate of almost two linear feet per month.[68]

The file section also had responsibility for name tracing for other Embassy components,* preparation of pouches to Headquarters and lateral stations, indexing, cross referencing, and filing. The smooth functioning of this section was hampered by a lack of trained clerical employees. It was difficult to get people to accept an assignment in the file room because the tasks were dull, tedious, and infinitely demanding of the individuals' time.

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* From December 1957 through December 1958, the station provided 69,135 file traces of which 65,000 were visa applicants.[69]

During 1965 two key officers were transferred from Mexico City to the Dominican Republic. They were David A. Phillips, chief of the Cuba Section, and [redacted] chief of the CA Section.

In response to an amendment in the RMD for 1965, the station began reporting information on leaders and activists of the Communist and extremist movements for the Key Subversive Watchlist.[74/]

For budgetary and operational reasons, the Merida Base was closed in May 1965 and emphasis was concentrated on covering the Cuban target in Mexico City by an increase in the outside case officer complement and inside offical staff of the Cuban Section.

Through Projects LIFEAT and LIENVOY, the station tapped the telephone lines and planted transmitters in [redacted]

The top personnel figure for the station was in FY 1966, when its size had increased to 90 American staff employees (51 were inside the station using official cover, and 39 were outside using

nonofficial cover). Of the total group, 28 were case officers and 62 were administrative, clerical, and operational support personnel. The number of indigenous agents and informants continued to be around 200. The budget was $2,300,000.[76/]

In response to a request from the Bureau of the Budget (BOB), Headquarters prepared an evaluation of the clandestine collection program in Mexico for FY 1966. This study included a brief description of the operational climate, CIA targets, and the general manner in which the Mexico City Station had satisfied the requirements. The paper was well received by the BOB.[77/]

Several significant personnel, organizational, and requirement changes were made in late 1966 and early 1967. [redacted] was transferred to Mexico as chief of the Cuba Section. [redacted] who had been chief of CA activities, was assigned as deputy chief of station. [redacted] was named as chief of the CA Section. The nonofficial cover technical unit was abolished with the transfer of the outside technical officer

to [redacted] The station gained a temporary official cover slot in 1967 and 1968, that of assistant attache for the Olympic Games, which was filled by Philip A. Agee. This Headquarters-directed assignment was of marginal value to station operations.*

The station holdings of classified material in the file room continued to expand to the point that by the end of 1967, they measured 1375.5 linear feet (874.0 for subject files and 501.5 for index cards).[78/] This tremendous influx of paper came largely from the extensive technical operations. The chief of station maintained a close personal hold over the administration of files and felt strongly with regard to his need for this volume of classified material. To a Headquarters survey team in late 1967, he pointed out that he felt he would get adequate advance warning of any critical emergency, in which case his plan was to ship the classified material to the United States. It was estimated that it would take approximately six days and nights of steady burning to destroy the quantity of material on hand. It was also estimated that over

* Agee resigned from CIA after the Olympic Games in October 1968.

III. Unilateral Operations

A. Foreign Intelligence Operations

The FBI and the I&NS regarded Mexico as the most important CE base abroad from the point of view of US internal security. CIA-thinking in early 1950 in regard to an intensification of CE effort within the Deputy Director for Plans (DDP) complex led to the concentration of effort on the more important operating centers instead of dispersing assets thinly throughout a given geographic area. The plan was to establish a "model" CE program in Mexico which would be beneficial in the general improvement of CE work and standards throughout WH as well as the DDP. This was the principal reason for the increase in the staff from 18 Americans in 1954 to 76 in 1961 (with a corresponding budget increase from $463,692 to $1,697,500).[87/]

To accomplish the CE and FI mission, the FI operations officers were assigned to four administrative sections, named for their targets or type of operations: CP and International Communism;

Soviet and Soviet Bloc; Cuban; and Operational Support and Technical. The official cover complement of these sections from about 1961 to mid-1969 consisted of [redacted] for the CP Section; [redacted] for the Soviet Bloc Section; [redacted] for the Cuban Section; and, [redacted] for the Operational Support Section.* The CP, Soviet Bloc, and Cuban case officers handled informants and penetration agents on their targets. The telephone taps, surveillance, and technical operations were run by the two Operational Support Section case officers. The processing of the large volume of transcripts, reports, and photographs was handled by the section concerned. Each section was responsible for the operational handling and station support for its respective case officers under non-official cover.

*This did not include a Technical Services Division (TSD) officer who occupied an official slot from 1957 through mid-1969. He usually made the technical installations but did not handle the agents.

Two other acquaintances of LIFTER-8 were Haitian exiles, Gerard Pierre Charles and his wife, Suzy Castor de Pierre Charles (201-350227 and 201-796149). They were studying and teaching at the University of Mexico and were active in the Communist movement in Haiti. LIFTER-8 and his wife

[redacted]

In 1968 Lombardo Toledano died and the PPS hierarchy underwent a change which did not improve LIFTER-8's position. However, he continued to be a valuable source on the WFTU and Haitian exile activities.

LIFTER-8 was besieged with personal and financial woes. His daughter, a perennial student, was married in 1962 but a year later left her husband and returned home with a baby girl. His wife had a chronic illness dating back to 1952, and constantly suffered from real or imaginary illnesses. At no time during the 22 years he worked for the

[redacted]

These operations were directed by the CIA case officers for LIFEAT, LIENVOY, LIKAYAK-2, and LIEMBRACE. Some of the tapes from the telephone taps were transcribed by the FBI which then returned the unerased tapes with copies of the transcript for station records and information. Most of the exploitable leads were in the United States and were investigated by the FBI. Summaries of the more interesting of these cases follow:

Albert Maltz (201-5239) was a motion picture screen writer who served a prison term for contempt of court when questioned regarding his membership in the CP of the United States. He was one of the "Hollywood Ten"* convicted by the US Government. Maltz arrived in Mexico in April 1951 after being released from the penitentiary. Gordon Kahn, one

* Ten motion picture writers and executives whose Communist Party activities were exposed by the US Department of Justice in 1948 and 1950.

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schoolteachers, cooks, and domestic servants. Some 16 families (guards, code clerks, and chauffeurs) lived in common quarters inside the walled-in compound. The others lived in apartments in the area near the chancery.[109]

The Soviet Union had only two diplomatic agreements or treaties with Mexico. One established diplomatic relations. The other was a cultural exchange agreement signed in April 1968 by Antonio Carrillo Flores, Mexican Foreign Minister, when he visited Moscow.[110]

The officials of this very large Soviet installation in Mexico were not there all those years to conduct diplomatic business or promote foreign trade. This was the headquarters for espionage operations against the United States, Mexico, and other countries in Latin America. Some two-thirds of the male staff were intelligence officers who did little or no overt work. These officers, with diplomatic rank and titles in most cases, were scattered throughout the Soviet official installations of which there were seven in Mexico City as of 1969. These were the Soviet Embassy, the office

University in Moscow under Soviet scholarships. Young leftists or CP youth members started out by enrolling in Russian at the cultural centers where they were carefully screened by intelligence officers from the Soviet Embassy who used the cover of cultural officer. The students who learned Russian and were considered politically reliable were given scholarships for four to six years of study in the Soviet Union.[113]

There were 12 non-Soviets who worked for the Soviet Embassy (Mexican chauffeur for the Commercial Office, eight Spanish Communists who edited the Soviet bulletin, and three Mexicans who ran the Films Office). They were all rabid Communists, and efforts to recruit them by the station and [redacted] met with failure.[114]

For the Soviets, Mexico was also an escape route for their espionage agents who got into trouble and were about to be caught by the FBI in the United States. The Sterns and Halperins used Mexico en route to the Soviet Union. William Martin and Vernon Mitchell, two National Security Agency (NSA) code clerks, also escaped by way of Mexico. Rudolph

Abel made it to Texas en route to Mexico before he was arrested. Americans in the pay of Soviet intelligence also went to Mexico for meetings with Soviet case officers.

In addition to the Soviet Union, Czechoslovakia and Poland had resident commercial missions in Mexico. While both the Soviet and Czech commercial offices were sizeable and active, only Czechoslovakia had any serious commercial interests in Mexico.* Under the aegis of a commercial treaty of 1949 and a payments agreement effective in 1950, the Czech commercial office actively worked to recapture its prewar market for textile machinery, machine tools, and consumer goods in the face of strong competition from Germany and Japan. A degree of success was evident from the fact that Mexican imports from Czechoslovakia in 1956 ($1,900,000) were more than double those of 1955. However, Mexico's trade with the Soviet Bloc was marginal to the Mexican economy, averaging less

* The commercial officer positions in the Bloc embassies were primarily cover for intelligence activities.

through [redacted] to talk with the NCNA representatives to try to recruit them but they all failed.*

During 1966 the station learned from the LITEMPO [redacted] that the Mexican Government had refused to renew the temporary resident permits for the NCNA representatives. [redacted] the station made plans again for an approach by a Chinese-speaking officer from Headquarters. The NCNA representative refused to talk with the officer when approached on the street in Mexico City.[122]

Station coverage of the Soviet Bloc installations consisted of telephone taps, surveillance, photographs, mail intercepts, and audio. In addi-

* On one occasion a Chinese-speaking Headquarters officer, on temporary duty in Mexico, planned to take the same plane with one of the NCNA representatives from Mexico to London via Bermuda. At the airport the Headquarters officer checked his ticket and baggage for the flight, seeing the Chinese in the waiting room with others departing on the plane. Just as the passengers were boarding the plane, the NCNA target walked out of the waiting room into the airport terminal, leaving the Headquarters officer no choice but to board the plane and depart for Bermuda or lose his baggage and the price of his ticket.

tion, from 1950 until 1966, the station maintained an extensive network of double agents. These were terminated one by one as individual evaluations of these operations revealed them to be of dubious value to CIA as compared with their greater value to the Soviets. This program was followed by the development of access agents through recruitment of informants who had a bona fide social or business relationship with Soviet officials.

From the time the station opened, several Soviet officials were singled out for recruitment approaches but none were successful. One of them, AEIMPULSE (201-185353) was approached through LIEMPTY-3 (an access agent) in 1961 by [redacted] the Soviet Bloc case officer in Mexico. AEIMPULSE remained under development for several years in Mexico and elsewhere in Latin America until it was decided by Headquarters that he was probably a provocation agent.*

The station obtained unique intelligence on

* A history of this operation and damage assessment of CIA personnel and assets exposed was prepared by William C.Bright of the Soviet Bloc Division.

the Czechoslovakian Embassy with the recruitment of LIBRIFORM and the surreptitious entry of LINIMENT. A move of their Embassy shortly after this operation thwarted plans for future entries.

LIFEBLOOD (201-30789) was a station informant on Polish diplomatic activities from July 1948 when she was first introduced to [redacted] by LIBRIFORM. LIFEBLOOD was the private secretary to [redacted] from 1945 until she resigned to remain in Mexico in 1949 with her husband, a medical doctor, who had immigrated from Poland to Mexico.

From 1964, DMPETAL, the Mexican secretary of the Yugoslav Ambassador, was used as an informant by the station.

Some of the more interesting of these operations were LIMOTOR, Alfred L. KONITZER, LIMAGPIE, LINEB, LIJENNET, LICOZY, LIOYSTER, LIMYSTIC, and DMPETAL; a synopsis of each follows:

LIMOTOR [123/]

This project provided for the use of an unlimited number of American students at universities in Mexico City from August 1957 through September

1964. A controlled staff agent enrolled at the University of Mexico School for Foreigners and acted as a spotter of agents in contact with Soviet intelligence officers, also enrolled at the school. The purpose of the project was to obtain information concerning the personnel, targets, and methods of operation of the Soviet intelligence service and to identify American students being developed by the Soviets. The first yearly estimate of the cost for the project was $9,840 for the period 1 August 1957 through 31 July 1958. The Mexico City Station case officer who developed this operation was [redacted]

The University of Mexico School for Foreigners was set up as a place to provide Spanish language training for foreigners, primarily American students who planned careers in Latin American studies. The University of the Americas (formerly Mexico City College) had a similar curriculum. Some liberal arts courses and fine arts workshops were taught in English while the students were learning Spanish. This atmosphere of several hundred students presented the Soviet intelligence service with an

ideal pool of candidates to choose from. Most of the students were impressionable and naive, responding to the attention of other foreigners interested in them. Four young Soviet intelligence officers from the Soviet Embassy in Mexico City were enrolled at the schools and quickly made headway contacting the students. Some of these students reported their contacts to the US Embassy, and others were spotted and developed by the outside LIMOTOR staff agent. LIMAGPIE was one of the first students to walk into the Embassy. He was handled as a project separate from LIMOTOR. [redacted] (201-185999) was recruited at Headquarters and enrolled at the University of the Americas in October 1957, acting as an agent spotter for the LIMOTOR Project.

Within the first few years of the project some 20 sources had been used at various times to report on contacts with the Soviets but their short one-quarter schooling in Mexico (in many instances) then going on to another location, created all sorts of security problems. Nevertheless, a stable of double agent operations threatened to

develop within the LIMOTOR complex. In other professional areas, the Mexico City Station already had a half dozen time-consuming double agent operations against the Soviets. In the LIMOTOR Project, the Soviets were not so interested in obtaining information as they were in guiding the young students into a US Government career. This raised the policy question of how far CIA could go in encouraging these students to maintain contact with the Soviets, knowing that this contact would surface (perhaps against them) if they should seek employment in some sensitive US Government job at some later date. In one test case the Mexico City Station was advised by Headquarters that LIMOTOR-21, who had passed the Foreign Service examination, should not be considered for recruitment as a double agent. It was also stated that while Headquarters could attempt to clear him with the State Department security that "at best LIMOTOR-21 would never be fully trusted by State Department Security." 124/

- 300
- 337 - 347
- 372 - 385
- 398 - 423
- 438 - 459
- 500
- 503 - 505
- 512 - 539

E. Howard Hunt: - opened OPC Mexico, Dec. 1950.

LIFEAT - [24] telephone tap operation. (18 lines)
p. 226, 258 et sq.

LIONION - pp. 230-231

LIENVOY - [24] telephone tap op. (30 lines; 15 by US - all Sovs & ... is ["])
p. 409 - 418.

LIEMBRACE - [24] surveillance

LIFIRE - travel control op.
LIEMPTY - p. 269-272 et sq.
*LIMITED - photo. surveillance [09] Sept. 1964 - Sov.
*LICALLA - p. 273 - " "
*LILYRIC - p. 272-273 " "
LIHABIT
LIONION p. 277 " " Cub.
LITABBY

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Extra copies.

by the CIC in coordination with CIA and the FBI. Soviet intelligence officers recruited a US Army corporal and used him for the collection of positive intelligence concerning US Army cryptographic procedures and equipment. The agent met his Soviet case officers in Teheran, Iran, and in Mexico City, Mexico. CIA's role in Mexico City was that of providing surveillance and investigative assets to CIC when the agent met his Soviet handler in Mexico City. The case is summarized here to show how easy it was for the Soviets to meet in Mexico City their agents operating in the United States.

The costs for this activity by the Mexico City Station were absorbed in the operational support projects of LIENVOY (joint 24 telephone tap operation), LIFEAT (a unilateral 24 telephone tap operation), LIFIRE (a unilateral 24 penetration of [redacted] 29 [redacted] for travel data), LIEMBRACE (a unilateral 24 surveillance team), LIMITED (a unilateral 24 photo base), LILYRIC (a unilateral 24 photo base), LICALLA (a unilateral 24 photo base), and LITEMPO (a joint 24 support project which photographed [redacted] 29 [redacted]

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3. The Cuban Embassy

Fidel Castro Ruz assumed power in Cuba following the collapse of Fulgencio Batista's government on 1 January 1959.[133/] Castro had launched his drive for the liberation of his homeland from the Yucatan Peninsula of Mexico in 1957, and many Cuban leftist exiles were still in Mexico as of 1959. One of them, Teresa Casuso Morin (201-169119), a former Cuban commercial attache in Mexico (1949-1953), assumed charge of the Cuban Embassy in Mexico on 1 January 1959.

Salvador Massip y Valdez (201-218391) was the first Ambassador to Mexico under the Castro government. Massip's tour in Mexico (February 1959 to March 1960) was characterized by a series of unpleasant incidents. Soon after his arrival, he alienated the Mexican Foreign Ministry by refusing to pay the normal courtesy calls upon many of his colleagues in the diplomatic corps because they represented "dictatorship countries." He also ignored many Western ambassadors at formal receptions, and associated principally, if not exclusively, with Soviet Bloc representatives. In

October 1959 Massip appealed to the Mexican public for support of Cuba in a "moment of imminent danger" from aerial bombardment by planes operating from "foreign bases." In January 1960 Massip publicly aligned himself with the Mexican Communist painter, David Alfaro Siqueiros, during the latter's attacks against Mexican President Lopez Mateos.* The Mexican press charged Massip with interfering in Mexican affairs. He was subsequently recalled to Cuba and assigned to Ghana.

Jose Antonio Portuondo Valdor (201-40662) replaced Massip in June 1960 as Ambassador to Mexico. After experiencing difficulties in using the Mexican press as a propaganda outlet, he turned to direct agitation among students and labor. Portuondo, a former university professor, invited Mexican professors to teach in Cuba and reportedly paid $8,000 to 12 students of the National Polytechnic Institute in Mexico City to organize and pay for agitation in support of Cuba. The Mexican Government retaliated by confiscating all incoming propaganda

* In 1959 Lopez Mateos ordered raids on Communist Party headquarters, arrested Siqueiros and a number of party leaders, and expelled two Soviet diplomats for plotting in a nationwide rail strike.

materials from Havana. The searches at the Mexican airport of baggage of incoming travelers from Cuba were so intensive that Portuondo went to the Mexican Foreign Ministry to ask that Cubans be permitted to travel through Mexico to other countries without having their baggage searched. The Mexicans, of course, went right on searching baggage of those who had a stopover in Mexico. Furthermore, the Mexican ringleaders in the pro-Cuba demonstrations were arrested and thrown in jail, and kept there for as long as six months before they were sentenced. They were charged with "social disruption" which, under Mexican law, resulted in sentences of from five to ten years.

Carlos Lechuga Hevia (201-262106) replaced Portuondo in May 1962 as Cuban Ambassador to Mexico. Lechuga was not particularly active in Mexico and soon went on to become Cuban Ambassador to the United Nations in New York. This appointment led some to believe that Cuba no longer considered Mexico as its key springboard for Latin America.

Joaquin Hernandez Armas (201-301755) arrived in Mexico in May 1963 as a replacement for Lechuga.

Hernandez did not participate in the Castro revolution to any extent, but his CP membership dated to his student days in law school at the University of Havana. In 1946 he was head of the CP in Pinar del Rio Province where he was said to be active in party espionage activities. He served in the Cuban Foreign Ministry under Castro and then was Ambassador to Brazil (1961-1963).

Mexico was the only country in Latin America which had continuous diplomatic relations with Cuba from the time Castro assumed power. The Cuban Embassy in Mexico City was staffed with four officers in 1959 and expanded to 28 Cuban officers by 1968. Half of those were known or suspect Cuban intelligence officers. There were three Cuban consulates in Mexico in the port cities of Merida, Veracruz, and Tampico. They were staffed in Veracruz and Tampico by a consul in each and by two vice consuls at Merida. All were known or suspect intelligence officers. They handled Cuban fishing boats and served as collection and shipping points for sending needed materials to Cuba which could not be obtained directly from the United States.[134/]

There were five branches of the Mexican-Cuban friendship associations run by Mexicans but supported by Cubans. They were located in Veracruz, Monterrey, Tampico, Morelia, and Mexico City. They distributed pro-Castro propaganda and maintained a steady program of free cultural events attractive to students. From 10 to 20 such students were given free trips to Cuba each month beginning in 1968 as "scholarships." Travel from Mexico City to Havana was provided by Cubana, the Cuban Government airline. 135/

The Cuban consul in Mexico City was the coordinating point for arranging travel of a steady stream of pro-Castro revolutionaries to Cuba from throughout the Western Hemisphere. Some went for sightseeing trips, and others went for guerrilla training. A large percentage of these travelers were dissident students from the United States. 136/

During 1968 there was a sharp increase in the number and type of Cuban travelers. These included visits to Mexico of a Cuban ballet group, a theater group, lecturers, artists with exhibits, delegations to international conferences, and travelers to the Olympics. 137/

Prensa Latina was the Cuban Government press organization which operated worldwide. In Mexico City, it had a staff of 13 employees in 1968 and had direct teletype service with Havana.[138]

CIA operations against the Cuban target were developed by Thomas J Hazlett who was assigned to Mexico City under official cover in February 1957 as the officer responsible for CP exile operations.

Hazlett was an unusually energetic and imaginative officer with fluent Spanish, who had the personality and background that appealed to exile intellectuals. He assembled information from informants among exiles, such as LINLUCK, and targeted the unilateral telephone tap, LIFEAT, against leaders of the groups as they were identified. He used agents [redacted] (LIVESTOCK) to supply information from their files on the activities of various exiles. Thus, he located their hangouts and meeting places which were usually restaurants and coffee shops, then circulated in these places developing friendships. In 1958, Hazlett chanced a meeting with Gustavo Arcos Bergnes, a leader of the pro-Castro 26th of July Movement

in Mexico. An avid reader, Hazlett visited every leftist bookstore in Mexico City collecting paperbacks published by leftist exiles. By the time he met the authors, he had read most of their books and had mutual topics to engage their interest and gain their confidence.

In August 1959 two officers of the Cuban Embassy in Mexico (LITAG-1, 201-267743, naval attache, and LITAINT-1, 201-98818, air attache) walked into the US Embassy office of the naval attache and expressed their dissatisfaction with the Communist influence over the Castro government. Hazlett talked with them and they agreed to remain in their positions and cooperate with CIA. Both of these officers were used as sources until early 1960 when they defected to the United States.*

In October 1959 Hazlett made contact with LITAMIL-1 who helped develop a network of 18 access

* LITAG-1 crossed the US border at Laredo, Texas, by automobile on 30 March 1960. LITAINT-1 was flown to San Antonio, Texas, in a private plane of LIENVOY-1 on 12 April 1960 through arrangements made by the station in Mexico. The CIA Office of Security in San Antonio arranged admission to the United States. Both officers were subsequently handled by the Miami Station.

agents consisting of former Castro followers.*

In April 1960 Hazlett recruited LITAINT-2 (a close friend of LITAINT-1) and developed, from information supplied by him, a network of 14 access agents who performed various tasks.** [redacted]

When the chief of station returned from a WH regional conference held in Panama City on 23-28 May 1960, the Cuban target was put at the top of the list for the Mexico City Station. As a result of this, every investigative asset of the

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* The long-term significant agents of the LITAMIL and LITAINT networks were incorporated into the LIRAVINE Project in 1964.

** See above footnote.

station was directed against the Cuban Embassy and the Cuban exile community in support of the JMARC operation. [redacted] was assigned as a second case officer under official cover to work with Hazlett on the Cuban target. During 1960 the Mexico City Station had [redacted] agents who were members of the Cuban Embassy staff and [redacted] others who were closely connected with the Embassy staff. The station also had the cooperation of the Mexican Government through LIENVOY and LITEMPO for support and security protection. Travel control was provided by LIFIRE. An outside covert action group working on the Cuban target was set up by [redacted] in August 1960 but was compromised in November 1960 when two briefcases filled with classified information were stolen from an unguarded station wagon on a Mexico City street.

During February 1961, the first transmitter was installed in the office of the Cuban Ambassador to Mexico.* 139/ It functioned well and provided a

* Between 1961 and 1968, at least [redacted] audio installations were made in Cuban installations and residences, but all of them eventually failed. LIROMANCE and LISAMPAN are two projects which provided for short-term multiple audio installations.

check on information provided by CIA agents in the Embassy.

In March 1961, Jose Pardo Llada, "mouthpiece" of Fidel Castro, defected in Mexico. He was hidden by the station (with the help of LITEMPO) until he gave a press conference and left for Madrid.[140]

Two months later three officials from the Cuban Embassy defected with subsequent, station-arranged, press conferences. All had been sources of the station.[141] In June of the next year, the assistant commercial attache at the Cuban Embassy, Pedro Lucas Roig Ortega (201-324221) defected and, after a press conference arranged by the station, departed for the United States.[142] He had previously been

[redacted]

In October of this same year the station set up in an apartment just across the street from the front gate of the Cuban Embassy a photographic surveillance project which provided photographs of visitors and license plates of automobiles of interest. By tracing license plate numbers and showing photographs to penetration agents inside the

Embassy, the station identified most of the visitors and exploited some of them for intelligence purposes. This photographic surveillance project was identified by the cryptonym LIONION.

The Merida Base was opened in December 1962 to provide support for Cuban operations in Mexico.*

Robert T. Shaw was assigned to Mexico City as the case officer for Cuban operations in April 1963 as a replacement for Hazlett who was transferred to the Dominican Republic. In October 1963 David A. Phillips, former chief of the CA Section, was added to the Cuba Section as the senior officer responsible for both FI and CA activities. In April 1965 Phillips left Mexico City for temporary duty at Headquarters, preparatory to a transfer to the Dominican Republic. Shaw resumed charge of the Cuba Section until 1966 when he was transferred to [redacted] and replaced by [redacted]

By 1964 the station had at least 50 agents working as sources against the Cuban target. Their usefulness was reviewed to eliminate nonproductive

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* The Merida Base was closed in May 1965 because the cost of maintaining the base outweighed its value to CIA and the intelligence community.

informants and to consolidate their administrative control into three formal projects: LIRAVINE, LICOMET, and LIRENO. Information from these informants was supplemented by that obtained from surveillance teams, telephone taps, audio operations, and [redacted]

The telephone taps (LIFEAT and LIENVOY) and audio operations (LISAMPAN) revealed Cuban involvement in subversive activities in Latin America. One example of this activity was a naturalized Mexican of Spanish origin, Victor Rico Galan (201-336474). He was one of the founders of the pro-Castro National Liberation Movement in Mexico. He visited Cuba for two months each in 1962 and 1963. In late 1963, at Cuban direction, he visited several Central American countries, Venezuela, and Brazil, contacting key Communists. He again visited Cuba in 1964 and 1965. In Mexico his contacts with members of the Cuban intelligence service at the Cuban Embassy increased sharply. In 1964 and 1965 he took trips to Guatemala and the Dominican Republic. The Mexico City Station had followed his activities from the unilateral telephone tap project

(LIFEAT) and passed some information on him to the [redacted] (LIENVOY).* This revealed intense criticism of the Mexican President Diaz Ordaz and that Rico Galan was trying to form a new leftist political party in opposition to the PRI. The result was that the Mexican Security Service picked him up in 1966. He was subsequently charged and convicted of being a part of a conspiracy against the Mexican Government.

The Mexican Security Service (through LITEMPO) cooperated closely with the station on Cuban operations. This included security protection and exchange of information. For example, in September 1966 a wooden box fell off a delivery truck in Mexico City and broke open. The box contained guns. The security service investigator called to the scene was a station agent, LITEMPO-12. He and another agent went to the address on the box, a small residence in Mexico City, and arrested the

* The LIFEAT coverage was dropped when it became apparent that the LIENVOY group intended to cover this line.

two people there. Two agents remained in the empty house and a short while later, after a tap on the door, the cultural attache from the Cuban Embassy, Julian Lopez Diaz, walked in. He flashed his diplomatic identification but the Mexican agents (after checking with their headquarters) tore it up, searched the man and discovered $6,000 in $20 bills in his wallet. They took Lopez to the security service detention room and held him incommunicado for 72 hours while he was being questioned. By almost sheer accident, the Mexican service had stumbled onto a shipment of arms intended for the Guatemalan CP guerrilla group. The police seized an additional $4,000 and a large quantity of carbines, submachine guns, and ammunition at the residence which was the home of a Guatemalan revolutionary. Lopez was released to the Cuban Ambassador and declared persona non grata. The Guatemalans and Mexicans were sentenced to prison terms.

The Cuban diplomats in Mexico resorted to terrorist tactics when it suited them. In September 1968 they kidnapped from a Mexico City street a Cuban (former code clerk AMDAUB-1, 201-802332) who

had been granted asylum in Mexico [redacted] [redacted] The Cubans took him to the Cuban Embassy and drugged him until departure of the next Cubana flight when the Cuban Ambassador and two Cuban Embassy diplomats waving pistols attempted forcibly to put him on the flight to Havana. Fortunately, AMDAUB-1's caretaker had advised the station that AMDAUB-1 was missing when he did not return from an unaccompanied trip into the city. The station notified LITEMPO-12 who arranged for a "stake-out" at the airport and at border points. When the Cubans arrived with AMDAUB-1, LITEMPO-12 intervened and took them into a small office where he asked the Ambassador and his two aides to wait while he and AMDAUB-1 talked in an inner office. Once inside the inner office LITEMPO-12 locked the door and had AMDAUB-1 sign a statement that he was being forced to go to Cuba against his wishes. Next, LITEMPO-12 telephoned for a ladder to be brought to a window from the inner office to the outside of the building below. He and AMDAUB-1 climbed out the window and down the ladder to a security office car which took them to a safehouse,

leaving the Ambassador and his two aides waiting in the outer office. They were furious when they learned that the defector had gotten away. Both the Cubans and the Mexicans had considerable press play over this episode.*

LISAGA-1 proved to be an embarrassment [redacted] the Mexican Government. He was a Mexican operating in Cuba [redacted] under Mexican diplomatic cover, who was discovered by the Cuban intelligence service and exposed publicly. Their complaints to the Mexican Government were brushed off as improperly presented.**

For reasons dictated by a nationalist foreign policy, Mexico appeared to have "bent over backwards" to avoid a break with Cuba, in spite of considerable evidence that Cuba used Mexico as a base to conduct subversive operations in the United States and Latin America. There was no reason to believe that Mexican foreign policy would change so long as Cuba's subver-

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* Later at the request of the Mexican Government, CIA arranged for AMDAUB-1 to enter the United States at Miami.

** See Chapter IV

sive activity was not a threat to the Mexican Government.

LIRAVINE [143/]

This project was submitted in late 1964 by Robert T. Shaw for the purpose of consolidating into one administrative group a number of active Cuban informants, some of whom had been working for CIA since 1959. The objective was to develop positive intelligence and counterespionage information on the activities and personnel of the Cuban Embassy complex in Mexico, with a view toward recruiting intelligence officers and placing technical devices inside the official installations. Both of these objectives were realized. The agents inside the Embassy provided CIA with sufficient casing data to permit the installation of the only unilateral audio network (LISAMPAN) [redacted]

[redacted]

The project was approved in 1965 at a cost of $20,000. Through some expansion and turnover of agents who left the area and were replaced by new recruitments, the cost edged up to about $30,000 for 1967 but dropped again to $20,000 in 1969 when

some of the fat was taken out of the budget by removal of marginal informants.

The first project provided for 11 access agents. The most productive of these were the LITAMIL's and the LITAINT's. Marginal agents were LIOLEO-1, LISICLE-1, AMSEVER-2, AMPACA-1, and LICARD-1.

LITAMIL-1 (201-267298) [144/]

This agent was born in Cuba in 1913. Becoming extremely anti-Batista, he went to Mexico City as a young man and went to work in a printing company which he later bought. He was an original member of the 26th of July Movement and had contributed $50,000 to this group. The leader of this group, Gustavo Arcos Bergnes, was also a close friend of LITAMIL-1.

Hazlett, in the course of developing information on Communist exile activities during 1957 and 1958, had met Arcos and held several conversations with him. LITAMIL-1 knew of this acquaintanceship because he had taken telephone messages from Hazlett when Arcos was not at home. He had also telephoned Hazlett on one or two occasions when Arcos could not keep an appointment.

When Castro took over the Cuban Government, Arcos returned to Cuba and received an appointment as Ambassador to Belgium. Hazlett was still following unilateral telephone coverage of exile activities and learned that Arcos' old friend, LITAMIL-1, was becoming disillusioned with Communist influence in the Castro government.

In October 1959, Hazlett contacted LITAMIL-1 as a friend of Arcos and arranged a meeting. LITAMIL-1 agreed to cooperate with Hazlett and provide information on persons in the pro-Castro Cuban colony who still considered him as a part of the revolution. This cooperation led to the recruitment of practically all of the early sources on Cuban activities in Mexico and lasted until 1963 when Hazlett left Mexico. LITAMIL-1 received no CIA salary but was given a loan of $800 in 1959 for which a request for repayment was not made because of his valuable service to the station.

LITAMIL-2 (201-275992)

Hazlett met LITAMIL-2 on 13 April 1960 in company with LITAMIL-1 in Mexico City. Hazlett had learned (from LITAMIL-1) that LITAMIL-2, once a fan

of Fidel Castro, had "soured" on the revolutionary government of Cuba sometime during 1959 when a hoped-for job in the Cuban Embassy in Mexico did not materialize. He agreed to cooperate with Hazlett and was recruited for use as a cutout for LITAMIL-3, consul of the Cuban Embassy in Mexico (1959 to 1961).*

LITAMIL-2 was born in 1918 in Cuba and lived in the United States from 1936 to 1941 when he moved to Mexico City as an employee of [redacted]

[redacted]

When Castro was in Mexico, prior to 1957, LITAMIL-2 joined the 26th of July Movement and worked as a support-type officer. He rented safe-houses, automobiles, and other equipment which were needed. On occasions, he fed and housed the trainees in his home in Mexico City. LITAMIL-2 worked closely with Castro but did not join the expedition back to Cuba in the Granma**; he remained in Mexico City assisting the revolution by collecting money

*LITAMIL-3 was the uncle of LITAMIL-1.

** Name of the boat used by Castro to return to Cuba in 1957.

which he used to buy arms and equipment for Castro and the group in the Sierra Maestra Mountains of Cuba. He also took part in the establishment of a clandestine radio station in Mexico which served the Castro forces with information and propaganda. Following the Castro victory, LITAMIL-2 went to Cuba but, to his dismay, was snubbed by Castro who, according to rumor, thought LITAMIL-2 had leaked information to the Mexicans. LITAMIL-2 returned to Mexico somewhat disappointed by this treatment. He also was distressed by Castro's turn to Communism. At this point, Hazlett met him and made the recruitment.

LITAMIL-2 agreed to play a middle-of-the-road role as a CIA agent and continue apparent friendship for pro-Castroites and anti-Castroites alike.

He was a source of information on all types of Cubans, and he provided information of a personality nature to use as a means of determining if the person might be of use to CIA and susceptible to a recruitment approach.

During 1966 he became friendly with members of the [redacted] in Mexico and exchanged

dinner invitations with them at station direction. While in their residence he memorized the interior of the house and supplied detailed descriptions and drawings which assisted the station in making [redacted] In fact, he was the only station source who had been inside the house before the [redacted]

[redacted]

LITAMIL-2's wife [redacted] was an American citizen who was also recruited by the station to process telephone tap and audio tapes.

LITAMIL-2 was paid a salary of $280 from 1961 until 1963 when he was raised to $300 per month. This salary continued until 1968 when it was raised to $320 per month which continued until 1969 when his salary was cut in half because of a decreased access and a different approach by the station to the Cuban target.

LITAMIL-3 (201-290894)

Hazlett recruited LITAMIL-3 on 29 November 1960 at a meeting arranged by LITAMIL-1. The meeting was made after the station CA assets placed a [redacted] brutally attacking LITAMIL-3

(pointing out his alleged pro-Communist activities [redacted] LITAMIL-3 was very upset [redacted] and wanted desperately to talk with some US official to see if this [redacted] could not be stopped since he was pro-United States and wanted to explain that his work [redacted] had always been that of a dedicated career diplomat. He was anxious to clear his name with US officials.

LITAMIL-3 was born in Cuba in 1907. He had spent 31 years in the diplomatic service and served in Mexico as attache and consul from 1938 to 1952 and from 1959 to 1961.

This agent was a proud old man who would not take any salary from the station. He arranged the recruitment of four officials from the Cuban Embassy, all loyal friends of his, who agreed to cooperate with Hazlett (LITAMIL-6, 7, 8, and 9). These were known as "deathbed" recruitments because he introduced Hazlett to each of them at different times when he was in the hospital awaiting surgery for kidney stones. As a token of appreciation, the station paid the hospital bill.

LITAMIL-3 resigned his job from the Cuban Embassy in 1961 to remain in Mexico. To support himself, he took a job working for his nephew, LITAMIL-1, as a salesman at $200 per month. During this time he continued to cooperate with the station by providing information and identifying photographs of Cubans and visitors to the Cuban Embassy until mid-1968 when he became a semi-invalid suffering from a recurrence of kidney stones.

LITAMIL-7 (201-330173)

This woman was the Cuban secretary of LITAMIL-3 at the Cuban Embassy. Hazlett met her in the hospital room of LITAMIL-3 the day before he was to undergo surgery in July 1962. In LITAMIL-3's presence, she agreed to cooperate with Hazlett and provide information on persons in the Cuban Embassy.

From 1962 until 1967 (when she retired after 30 years' service) she provided the station with personality and background information. This was a valuable source for identification of new employees and their positions. She also was helpful in identifying LIONION photographs of visitors to the Embassy.

LITAMIL-7 cooperated with CIA out of loyalty

to LITAMIL-3 and, like the proud old man, she refused to accept compensation for her services. During 1968 she became ill and was not available for contact for some time. After her retirement, her access to information of value to CIA became virtually nil. The only remuneration she received was some flowers sent when she was ill and a few inexpensive gifts.

LITAMIL-9 (201-329609)

Hazlett approached LITAMIL-9 on the night of 18 July 1962. The scene of the meeting was the hospital room of LITAMIL-3 who lay near death awaiting the kidney stone operation the following day. He had summoned LITAMIL-9, an old friend, to the hospital and then introduced Hazlett. This meeting, in the presence of LITAMIL-3, lasted three hours. LITAMIL-9 talked freely of Cuban personalities and activities but expressed reluctance at becoming involved in clandestine activities with a US official. At a subsequent meeting, however, he agreed to provide information. His position as cultural officer in the Embassy provided no access to classified information, but his observations gave the station

an additional source on personality data and relationships inside the Embassy.

He also traveled to Cuba but would not communicate with the station from there. In the spring of 1965 he was transferred to Cuba and remained there until December 1966 when he left his position with the Cuban Government and obtained permission to reside in Mexico. When he contacted the station in December 1966, he was paid $5,000 which represented accumulated salary while he was in Cuba, although he had not been productive during that time. He had no access of particular interest to the station after his return from Cuba, but he could be contacted if desired.

LITAINT-2 (201-275934)

This agent was recruited on 28 April 1960 by Hazlett who met him when he was trying to contact LITAINT-1 who, without prior station knowledge, had crossed the border at Laredo, Texas.*

LITAINT-2 was born in Cuba in 1930 of a Mexican

*LITAINT-1 (Cuban air attache) was recruited by Hazlett in August 1959 and cooperated with CIA until April 1960 when he defected to the United States.

mother. He had lived in Mexico City since 1957 and was a salesman for a television firm when he was contacted by Hazlett. LITAINT-1 and LITAINT-2 had been close friends for many years. As a result of this friendship, LITAINT-2 knew all of the Cuban diplomats and many of them patronized the store where he worked. Hazlett developed LITAINT-2 for access to Cuban intelligence officers.*

In 1962 LITAINT-2 was also used to direct a harassment team of lower-level agents (LITAINT-8, 9, 10, 11, and 12). This harassment team created confusion at the Cuban Embassy by [redacted] By late 1963, the station discontinued these operations because they were coming under the eye of the Mexican Security Service and the Cuban Ambassador was protesting loudly that it was the work of the American Ambassador. LITAINT-9 was transferred to the LIRICE surveillance team. The other members of the harassment group were terminated.

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* LITAINT-2 was sent by CIA to Miami, Florida, in November 1960 for clandestine training by the AMOT group.

LITAINT-2 was also in charge of the Cuban trash operation. A "rag-picker" sat in the truck that picked up the garbage and trash from the Cuban Embassy and sorted out the waste paper that had writing or photographs. This little garbage-spattered bundle was turned over three times a week to LITAINT-2 who passed it to the station where the bits were pieced together and, to the surprise of the station, contained some worthwhile information. One item was a draft of a report that concerned contact of an access agent with a US official. The operation also identified persons seeking employment with the Embassy or trying to get visas to go to Cuba.

LITAINT-2 was paid $256 per month salary in July 1962, and was raised to $304 per month in 1968.

LITAINT-7 (201-288953)

This agent was the second secretary at the Cuban Embassy and was a source of LITAINT-5 (201-287689)* until June 1961 when LITAINT-7 and his

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* LITAINT-5 was a Cuban vice consul in Los Angeles, California, who arrived in Mexico on 11 August 1960 and resigned from the Cuban Government. He was in touch with LITAMIL-1 and was recruited by the station to work with [redacted] in September 1960 until the operation folded after the loss of two briefcases.

wife (a consul at the Cuban Embassy) and LITAINT-6 (an employee in the Cuban Embassy Consular Section) went to the Mexican Minister of Interior and asked for permission to remain in Mexico after resigning their positions. LITAINT-7's greatest contribution was a dramatic defection speech which received widespread covert action coverage. He was retained by the station as a source until 1965 when he and his wife emigrated to the United States. He received no salary.

LISICLE-1 (201-350663)

This agent was a Mexican medical specialist who first came to the attention of the station in 1964 when he walked into the US Embassy to report that he had been invited to Cuba to participate in a medical congress. He was interviewed by a station officer and was given some operational training and guidance for his travel to Cuba. This initial assignment rattled him and he returned to Mexico full of cooperative spirit but psychologically incapable of performing any task which he considered risky. He subsequently dabbled at the Cuban target, attending cultural institute meetings

LICOMET-1 (201-285165) was the titular head of the unit and principal agent for the project from 1964 until 1968 when he obtained full-time employment with a private firm and was replaced in the LICOMET operation by LICOMET-2 (201-327270).

The project expanded in size from a staff of five in 1964 to twelve in 1969. The group consisted of a principal agent, four interviewers, two secretaries, a visa processer, a guard, a janitor, a receptionist, and an informant in an airline office. The project cost $30,000 in 1965, $56,000 in 1966, $50,000 in 1967, and less than $30,000 each year for 1968 and 1969. The production in 1965 was 52 positive disseminations. During 1966 the figure increased to 165 disseminations.

In 1967, despite a 75 percent drop in the number of Cuban refugees arriving in Mexico, intelligence production showed an improvement in both quality and quantity. During this year, 175 disseminations were made. Of special importance was information obtained on live practice firings of SA-2 missiles in Cuba. The project also provided the station with Prensa Latina pouches which were

opened in the station by the TSD officer, who photographed the contents, resealed the pouches, and returned them to the LICOMET agent for [redacted] In 1968 the production dropped to 46 disseminations, primarily because of the continued decrease in the number of Cuban refugees, as well as in their knowledgeability of information which was of interest to CIA.

One of the problems of the project, over which the station in Mexico could exercise little control, was a constant change of LICOMET personnel. The project staff consisted of refugees rather than permanent residents. These refugees were, for the most part, in Mexico waiting to go to the United States. No one could predict the processing time for US visas. As a result, it was impossible to plan for personnel changes. Once the visas were issued, the refugees, with very little notice, left for the United States. It was then necessary to train others to fill the vacancies.

4. Operational Support and Technical Collection Activities

The Mexico City Station had an extensive network of investigative operations which, for want of a better term, was called operational support. These included a unilateral telephone tap capability of 18 lines (LIFEAT); a joint telephone tap capability of 30 lines (LIENVOY); a unilateral surveillance team (LIEMBRACE); a travel [redacted] operation (LIFIRE); [redacted] (LITEMPO); a mobile surveillance phototruck (LIENTRAP); six photographic surveillance basehouses (LIMITED, LICALLA, LILYRIC, LIHABIT, LIONION, LITABBY); a [redacted] (LIKAYAK-2); audio operations (LIPALLET, LIROMANCE, and LISAMPAN); and highly sensitive technical operations (LINIMENT, LIMESA, LICASA).

From 1961 through 1969, the station spent approximately a [redacted] dollars annually for these operations. Most of this money was used for payment of salaries of the large networks of agents required to maintain the operational bases for these projects.

These operations were the primary sources of operational information on Soviet Bloc and Cuban

official installations. Mexico City was also a location with a continuous requirement for short-term targets and support to other CIA stations throughout the world. This consisted of surveillance of agents traveling from Latin America through Mexico en route to Cuba, providing accomodation addresses, arranging meetings for agents, hiding Cuban defectors, and providing clandestine transportation of agents to the US border.

LIFEAT [147/]

The basis for unilateral telephone tap operations was laid in the fall of 1950 when two employees of the telephone company were recruited by Charles W. Anderson, III. One was a supervisor for repairs and maintenance (LIMEWATER-1), and the other was one of his subordinates (LIMEWATER-2), a lineman who did repair and maintenance work. These two telephone company employees were handled by an outside principal agent, LIMESTONE.*

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* LIMESTONE worked for the FBI during World War II and knew that LIMEWATER-1 and 2 placed telephone taps for the FBI from 1941 to 1945. After World War II, LIMESTONE worked for the Department of Agriculture, Hoof and Mouth Control Unit, until about 1950 when they closed some of their offices. He was then hired by CIA. He died of a heart attack in 1956 while still employed by the Agency.

The principal agent (as of 1969) was David M. WILSTED (201-9195) who was hired in November 1951 as a transcriber of Polish in one of the LIFEAT basehouses.*

During 1951, taps were placed on the telephone lines of the Soviet, Czech, and Polish official installations. The cost for the first year was about $5,000. By the middle of 1955, the operation's coverage had been extended to leaders of the local CP and Communist-front organizations, and the cost had increased to $78,000 a year. In 1955, LIFEAT produced 19 positive and six counterintelligence disseminations. The Soviet Bloc country desks judged the operational information of this tap operation to be the best CIA had anywhere. In 1956, LIFEAT produced 36 positive and 74 counterintelligence disseminations. The cost of the project for this year shot up to $132,519 which included the

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* WILSTED was a technical sergeant with the Air attache in Mexico from 1946 to 1948. He then worked for the Department of Agriculture, Hoof and Mouth Control Unit, until 1951 when the office he was with closed. He was married to a Mexican, Olga A. PARFINIK, who was the sister of Oliver G. SCANTLING (201-79171) of the LIRAZOR Project. 148/

salaries and allowances ($35,000) of [redacted] staff employees under nonoffical cover, and salaries ($21,000) of [redacted] US contract employees under non-official cover.

During 1957, LIFEAT had 23 target lines and produced 141 positive intelligence disseminations. It also covered the lines of several US Communist expatriates (at the request of the FBI). There were seven listening posts located near the various intercept points. The station had plans to add four or five more lines, but expansion came in the form of a new operation (LIENVOY).* This was an [redacted] telephone tap operation [redacted] 149/

The targets of LIFEAT were adjusted to complement coverage by LIENVOY. For instance, in 1960 it was learned that LIENVOY coverage would be placed

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* LIFEAT and LIENVOY were handled independently, and represented two concepts of telephone tapping. LIFEAT taps were made from [redacted] As a result, LIFEAT required a listening post nearby for each tap. LIENVOY had [redacted] from which taps were made [redacted] All 30 LIENVOY taps went into the same listening post.

on all Soviet and Satellite official installations. LIFEAT taps were taken off and placed on other targets of interest to the station.

LIFEAT maintained an average of six listening posts (as of 1969) and could operate about three lines from each (in instances where there were three targets close enough together to run wires without security problems). One of the problems with LIFEAT was its cost, which hovered around $100,000 a year. Salaries and fixed allowances for this network of [redacted] Americans and [redacted] Mexicans were $73,241 in 1969. Rent for listening posts amounted to $16,600 for the same period.

Positive intelligence declined to zero in 1969. The reason for this was elimination of the disseminations of marginal information. Also, LIFEAT was used to concentrate on residences of Soviet Bloc and CP personalities considered susceptible to recruitment.

There was no indication that the Mexican Government was aware of this project.

The LIFEAT Project also gave the station a capability for mounting other unilateral operations.

LISAMPAN was a multiaudio project covering the Cuban Embassy and the residence of the Cuban Ambassador in Mexico. David M. WILSTED and the two LIFEAT telephone linemen, LIFEUD-2 and LIFEUD-3, made the installations. The group also tapped the TELEX system of two Soviet Bloc official installations.

LIEMBRACE 150/

This project consisted of a network of nine agents (a six-man surveillance team, a radio repairman, and a two-man phototruck team). This was an outgrowth of the LIPSTICK Project which was handled unilaterally from 1952. The surveillance team used four radio-equipped vehicles in addition to the panel truck which had a camera with telephoto lens mounted in a concealment device. As of 1969 the agents were LIEMBRACE-1, 2, 4, 5, 8, 10, and 14. LIEMPTY-10 and 11 manned the phototruck.

LIEMBRACE-1, 2, 4, and 5 were recruited in the 1950's under the LIPSTICK Project and were handled by Joseph G. Sancho, an outside case officer, until June 1958 when four members of the team

[redacted]* LIEMBRACE-8, the radio repairman, was formerly LINSTOCK. He was recruited in 1953 by LIMESTONE, the principal agent of LIFEAT. LIEMBRACE-10 and 14 were added to the team in 1960 and 1968 and were recruited by team members. LIEMBRACE-1 and 2 were brothers and were married to sisters. LIEMBRACE-4 was, according to the record, the nephew of LIEMPTY-10.**

LIEMPTY-10 (formerly LIPSTICK-2) was recruited in 1952 by his brother, LIFEUD-1 (the telephone company supervisor for LIFEAT) and handled by him until 1955. LIEMPTY-11 was recruited in 1955 by LIEMPTY-10.

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* Team members arrested were LIEMBRACE-1, 3, 6 and LIPSTICK-47. As of 1969, LIEMBRACE-1 was the only one of those arrested who had not been terminated. Sancho was blown to the Mexican police but the station arranged to evacuate him across the US border

[redacted]

** A similarity of names (mother of LIEMBRACE-4 and wife of LIEMPTY-10) suggests that LIEMBRACE-4 might have been a stepson of LIEMPTY-10.

These two agents were turned over to Oliver G. SCANTLING * from 1955 until 1958 when they were turned over to Raymond H. GERENDE and his brother-in-law, LIEMPTY-4. In 1968 LIEMPTY-10 and 11 were incorporated into the LIEMBRACE Project.

LIEMPTY-10 [redacted]

[redacted]

* SCANTLING had the cryptonym LIPSTICK-19 until 1958 and LIEMPTY-2 until 1965 when he became a singleton agent under Project LIRAZOR. He provided cover for an office and the automobiles for the LIPSTICK Project until [redacted].

[redacted]

During 1958, the project cost an estimated $24,000 of which $16,200 was for salaries of six team members. By 1966 the cost had increased to $50,663. Team members received a monthly salary of $250 each for the two leaders and $200 each for their subordinates in 1958. These salaries had doubled by 1966, increasing the cost of the project. However, the team members were recruited when they were young men, some just out of college, and in order to prevent their leaving for better-paying positions in private industry, the station had to periodically increase their wages.

The team was handled by a case officer under official cover who held clandestine meetings in various downtown areas with LIEMBRACE-1 to pass assignments and receive reports. During demonstrations or when the team was used during visits of US Presidents to provide current information on the security situation, the team leader communicated with his station case officer by radio to a base inside the station.

LIRICE [151/]

The LIRICE Project provided for a surveillance team handled unilaterally for investigations against the CP of Mexico. This project was the outgrowth of the LIJERSEY surveillance group, recruited in 1957 to parallel the LIPSTICK (LIEMBRACE group). After the arrest of team members in 1958 by the Mexican Secret Service, one surveillance team was given the cryptonym LIEMBRACE. The other team (LIJERSEY) was included in the LIEMPTY Project. In 1960 the LIJERSEY agents were taken out of the LIEMPTY Project and included in the LITEMPO Project. Their cryptonyms were changed to LITED. This change was made because their outside case officer, Simon D. CLACKETT, resigned and returned to his home in Arizona.

In 1961, CLACKETT asked for his job back. Since the team had not been effective under the LITEMPO Project the agents were again put under CLACKETT. A fourth cryptonym, LIRICE, was assigned. [redacted] agents were included in this project for various periods of time. They consisted, primarily, of marginal assets from other projects who were

assigned to surveillance and investigative tasks under CLACKETT after efforts to use them effectively in other areas had failed. However, at no one time were there more than [redacted] persons in the group. These men lacked the education, interest, and motivation to ever develop into good surveillance assets. The LIRICE Project was approved in May 1961 for $29,815, of which $13,115 was used for CLACKETT's salary and allowances. Salaries for [redacted] agents were $10,200. Approximately $6,500 was earmarked for operational expenses, including the purchase of a $4,000 automobile.

On 29 March 1965, Jeremy K. BENADUM, career agent for the LITEMPO Project, called his station case officer and advised that LITEMPO-4 agents had arrested two men on the previous Saturday morning, 27 March. The men were conducting a surveillance of a Panamanian, HYSAGE-1, who met another Panamanian under LITEMPO surveillance. As the two surveillance teams came together, the LITEMPO team arrested LIRICE agents. The LITEMPO surveillance was being conducted at station request. Clearly, there was a lack of proper station coordination of surveillances. The

LIRICE agents were taken to the Mexican Security Service headquarters and interrogated throughout the weekend. The two men had a meeting with CLACKETT scheduled for Monday morning at 1100 hours. They gave their meeting instructions to the Mexican police, and LIRICE-1 went along to identify CLACKETT who was known to him as "Ricardo." Three Mexican Security agents walked up to CLACKETT, put a gun in his back and escorted him to their headquarters. He was relieved of his identity documents (true name), money, and other personal papers. After questioning by the Mexican Security Service and intervention of the station through the LITEMPO Project, CLACKETT was permitted to leave the country. He resigned again on 31 March 1965. The agents (LIRICE-1 and 7) were also released with the project automobile which had been impounded.

After the above episode, the team members were again placed under the LITEMPO Project. This arrangement lasted until October 1966. [redacted] the station's CP case officer, was not satisfied with the LITEMPO handling of the team, justifiably because the communications were poor and investigations were

conducted in a haphazard manner. [redacted] took over direct handling of the team with LIRICE-5 as his routine channel of communication to other team members.

By November 1967, it was apparent that LIRICE would not become an effective investigative unit. Team members were constantly being replaced for various reasons. They had annoying personal problems that had been tolerated, such as constant requests for loans and histories of family illnesses for which they needed money. Their salaries were comparatively small for their large families. LIRICE-1 received less than $300 per month. The other agents received from $80 to $175 per month. By January 1968 there were only two members of the team left (LIRICE-1 and LIRICE-7) reporting on the CP target and neither of them had cover employment. They continued in contact with the station CP case officer until 1969 when a decision was made to pay them termination bonuses and release them.

LIEMPTY[152/]

This project was approved in 1958. LIEMPTY was a new cryptonym for the LIPSTICK Project which

had provided the station with visual and photographic surveillance of the Soviet Embassy in Mexico City from 1954. The original agents were recruited by Charles W. Anderson, III, and Harry T. Mahoney. One two-story house (LIMITED) and two apartments (LILYRIC and LICALLA) were used as observation posts overlooking the front and back of the Soviet Embassy chancery in Mexico City.

The LIMITED base was used until 1955 as a LIFEAT basehouse and was occupied by LIPSTICK-7*, the sister-in-law of LIMESTONE, the first principal agent of LIFEAT. In June 1955, the house was for sale. It was located diagonally across a four-street intersection from the front gate of the Soviet Embassy compound, the only exit and entrance to the compound. The station, using a US real estate dealer in Mexico, LIMOUSINE, purchased the two-story colonial house in 1955 for $12,000. Another $3,500 was spent for renovation, including a concealment area [redacted] which faced the Soviet Embassy gate. This small area, hollowed out of the

* LIPSTICK-7 was terminated in 1957.

corner of the stone building, concealed a camera and balscope lens with room for one person to operate the camera (provided he was not very large and did not stand up). [redacted] instructed LIEMPTY-6 (formerly LIPSTICK-14), the agent who moved into the house after renovation, how to operate the camera and how to prepare daily operational logs of events at the gate of the Soviet Embassy. This base operated without a major security problem until September 1964 when it was closed. The station received word from Headquarters of a decision to publish (in the Warren Commission Report) an operational photograph taken from this base in September 1963 during the time Lee Harvey Oswald was in Mexico City. Furthermore, the publication carried the statement that the photograph was made by CIA in Mexico City and showed an unidentified person leaving the Soviet Embassy. The photograph (of an unidentified man who appeared to be a Caucasian) was passed by the station to Eldon Rudd, FBI agent in Mexico City, on 22 November 1963. Rudd carried the photograph to Dallas, Texas, where it was shown to the mother of Lee Harvey Oswald to see if she could identify the person. Subsequently at a

press conference, Oswald's mother accused the FBI of showing her a photograph of Jack Ruby, taken by the CIA in Mexico City. To prove that the photograph was not Ruby, the FBI insisted that it be published in the Warren Commission Report.

To protect the LIMITED agents, the station had no choice but to remove the photographic equipment and relocate the agents. The LIMITED house had suffered from a long rainy season in 1964 during which time the concealment area caved in, leaving a gaping hole in one corner of the front of the building. LIEMPTY-6 and family were moved to another location in late 1964 (in the same apartment building which housed the LILYRIC base). The LIMITED property was sold to LIMOUSINE for $12,000.*

The LILYRIC base was first opened in 1957 and was maintained by LIEMPTY-14 (formerly LIJERSEY-12). She was recruited by Raymond H. GERENDE. She became the best source among the

* LIMOUSINE razed the old house and erected a new apartment building. In 1967, LILYRIC agents moved their base to the top floor front apartment in this building. LIEMPTY-6 was terminated in 1968 because of age and lack of interest.

photographic assets. Her daily logs and reports were detailed and complete. The photographs were sharp and clear. When the time came to select agents to move into LIMOUSINE's new building, there was no question that LIEMPTY-14 was the best observer in the group. The LILYRIC base was moved into the apartment with no security problems. As of 1969, she had completed her 12th year with CIA.

The LICALLA photobase was located in a row house, also owned by CIA (through LIMOUSINE) alongside the Soviet Embassy property overlooking the garden and back of the chancery. The agent in this base was LIEMPTY-9 (formerly LIPSTICK-39). He was recruited in 1956 by LIEMBRACE-1 as a member of the LIPSTICK surveillance team. LIEMPTY-9 was the brother of LIPSTICK-47 who was arrested by the Mexican Secret Service in 1958 and resigned when released. The LICALLA base provided photographs of Soviet activities in the garden areas. From the LICALLA reports, the station determined which Soviets worked in the same offices, identifying intelligence personnel by association. The LICALLA work base was located [redacted] on the roof of LICALLA and afforded

a view into [redacted]

The LIEMPTY Project was approved in 1959 for $95,000. This included salaries for agents in the three photobases, Oliver G. SCANTLING, Raymond H. GERENDE, the LIENTRAP truck and personnel, and a [redacted]man (recruited but untrained) surveillance team with LIJERSEY cryptonyms who were directed by an outside case officer, Simon D. CLACKETT. In 1960, the costs declined to $53,000 when CLACKETT resigned and returned to the United States and the LIJERSEY agents were transferred to the LITEMPO project. The costs for 1966 were $45,300 (as a result of SCANTLING's transfer to Project LIRAZOR). With the transfer of the LIENTRAP truck to the LIEMBRACE Project, the cost for 1969 was $43,500. Approximately $32,000 was spent on salaries for [redacted]agents in this group (1969); the remainder was spent on vehicle maintenance, rents, utilities, and equipment.

LIDOGTROT [153/]

This project was approved in 1954. It was developed by [redacted] to provide information on the Czechoslovakian Embassy in Mexico City.

LIONION 154/

This project provided the station with photographic coverage of the entrance to the Cuban Embassy [redacted] started this activity in 1962, using a mother and son team of Cuban exiles as basehouse operators in an apartment directly across the street from the entrance to the Embassy. The first project was approved in 1965 for an estimated $11,000, of which $6,000 was for salaries and bonuses. The remainder was used for rent, utilities, and miscellaneous expenses.

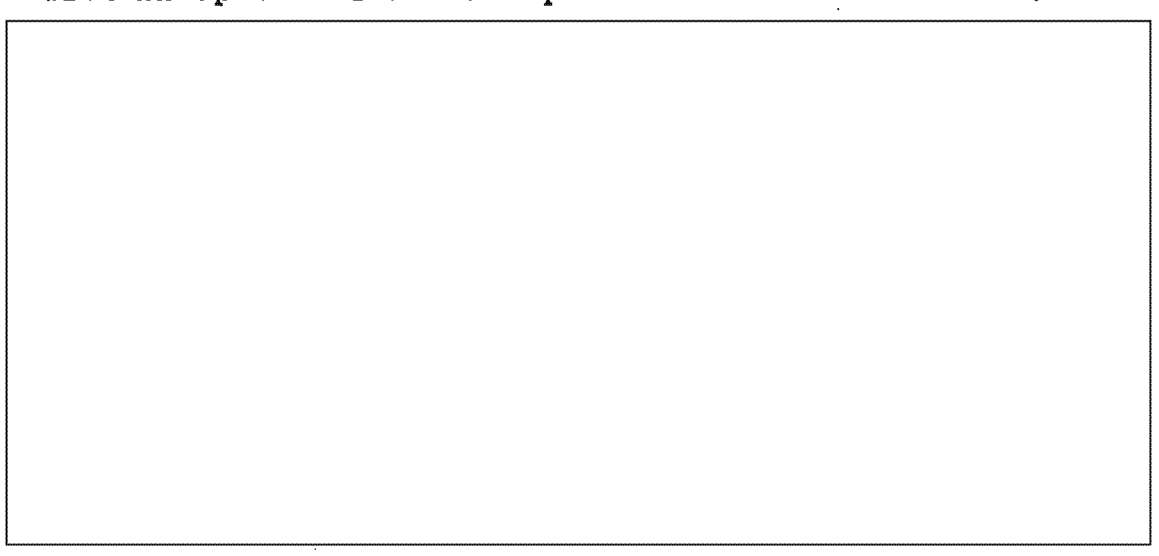
Two types of photographic equipment were used. One was a 35-millimeter Exacta, equipped with a balscope telephoto lens. The other was a high-speed "impulse" 35-millimeter camera devised by the TSD at Headquarters. The lens of this camera was activated as persons appeared near the entrance of the target. It photographed continuous shots until the person moved out of the line of sight of the lens. Two rolls of 100 foot 35-millimeter film were produced each week. This film was developed at the station but sent to Headquarters for exploitation because of its sheer volume. The manually-operated

balscope provided the station with sufficient daily coverage of persons visiting the target to satisfy local operational requirements for identification. The average yearly cost of the project from 1966 through 1969 was $10,000.

The value of the project was the identification of Cuban Embassy official personnel and visitors to the Embassy, for future operational exploitation such as the recruitment of access agents.

LIROMANCE [155/]

In January 1965 the Mexico City Station officer for Cuban operations, Robert T. Shaw, noticed in the telephone tap transcripts from the LIENVOY operation that the Cuban Embassy was negotiating with an upholsterer for repair of certain furniture.



[redacted]

LISAMPAN

LISAMPAN was a unilateral audio penetration of the Cuban Embassy and consulate in Mexico City from September 1967 until May 1969 when silence came to the last of six audio devices. It was the

[redacted]

world. The operation lasted 20 months and cost CIA about $60,000 for rent and salaries for the support mechanism. This did not include salaries of the principal technical specialists, David M. WILSTED, LIFEUD-2, and [redacted] who were paid from other projects. The project produced no positive

intelligence. It did yield useful background data and some very valuable operational leads. Initially, it also produced a volume of noise, which, if nothing else, added texture to the lives of the six monitors and transcribers.

LISAMPAN was first proposed in October 1966 when the Mexico City Station learned one of its agents, LIFEUD-2 (LIFEAT Project), a lineman for the Mexico City telephone company, would have access to the Cuban compound in connection with a modernization program of the telephone system.

Between April and August 1967, during three [redacted] The installations were supervised by David M. WILSTED, American principal agent of the LIFEAT Project, who in turn was directed by the inside case officer for the project, Michael J. Farmer,* and the station's technical officer, [redacted] Management of the monitors and transcribers was handled by

* James E. Anderson replaced Farmer as inside case officer for LIFEAT in the fall of 1966.

[redacted] chief of the Cuban Section at the station. Transcripts were processed by station personnel in this section.

Two separate listening posts were established to monitor the devices, LISARI, located behind the Cuban compound, and LISASH, located directly in front of the gate to the compound. In addition, another listening post was established, as a part of the LIONION Project, directly across from the door to the Cuban consulate on the corner. From this site, LIONION-1 and his mother ran an "impulse" camera aimed at the doorway of the consulate, and through a carrier current circuit running through the LISASH listening post, could also listen in on conversations of visitors [redacted] LISASH and LIONION were reportedly not witting of one another.

LISASH monitored two hot-miked telephones (DOG and EASY), while LISARI monitored one of the other three devices on a rotational basis. The

following indicates the location of each hot-miked installation.*

ABLE : The telephone of [redacted]

BAKER : In the office of [redacted]

CHARLIE : In one of the inner offices originally; the room was later changed into a waiting room, and the take was not of significant value.

DOG : [redacted]

EASY : In one of the [redacted]

FOXTROT : In an [redacted] office.

In March 1968, ABLE was lost. Through routine telephone company maintenance, the telephone instrument was removed by a telephone company employee and replaced by another telephone.

[redacted] The telephone was lost in the shuffle.

* The LIENVOY Project tapped every telephone in the Cuban Embassy. This was a joint project shared with the Mexicans. The advantage of LISAMPAN (which to some extent duplicated LIENVOY coverage) was that it also provided conversations in the areas of the telephones by persons other than the callers. Thus, LISAMPAN supplemented the product from LIENVOY.

In October 1968, EASY was lost. The telephone company in another routine action cut the loop connection for its own use. Efforts later to reactivate EASY from another listening post were unsuccessful.

BAKER was lost during the installation of a new [redacted] machine in [redacted] office on 7-16 January 1969. The last tapes did not indicate that a search or sweep was made for the device, but rather that the wall block was removed [redacted]

On 6 May 1969, a countermeasures sweep was conducted [redacted] where DOG was installed. Since DOG was live-monitored at the time, the loop was not disconnected and the countermeasures activity was recorded. The audio device was disconnected, then reconnected by the sweepers, and at that point quit functioning. The station was of the opinion that it was possible that the block was changed during the test, suggesting that it was not compromised. It was later determined by LIRING-7 (a penetration of the Cuban Embassy) through visual observation that the wall block was changed. In spite

of this fact, the transcripts indicated with a reasonable degree of certainty that the device was discovered by the sweepers, by the comments: "Hey ... there is something here. It is inside." These remarks were accompanied by whistling, singing, "yoo hoo-ing," high frequency tones, scratching, and knocking. Furthermore, FOXTROT was either live-monitored or taped until 12 May. The conversations of the Embassy employees indicated very clearly that they suspected that the Embassy telephone system had been tampered with and that, in the future, telephone company employees would not be allowed to enter to make repairs and adjustments.

On 12 May, the station disconnected the loops to the LISARI and LISASH listening posts and removed all incriminating equipment. (The LIONION carrier current circuit had already been disconnected on 30 April.) LISARI was still able to live-monitor FOXTROT.

About a week later, still in May 1969, the DOG and FOXTROT loop connections were remade to LISARI. The devices were negative, although the telephones functioned normally. As of 1230 hours,

24 May, CHARLIE was still functioning, but at 0900 on 26 May CHARLIE was dead, though the telephone performed normally.

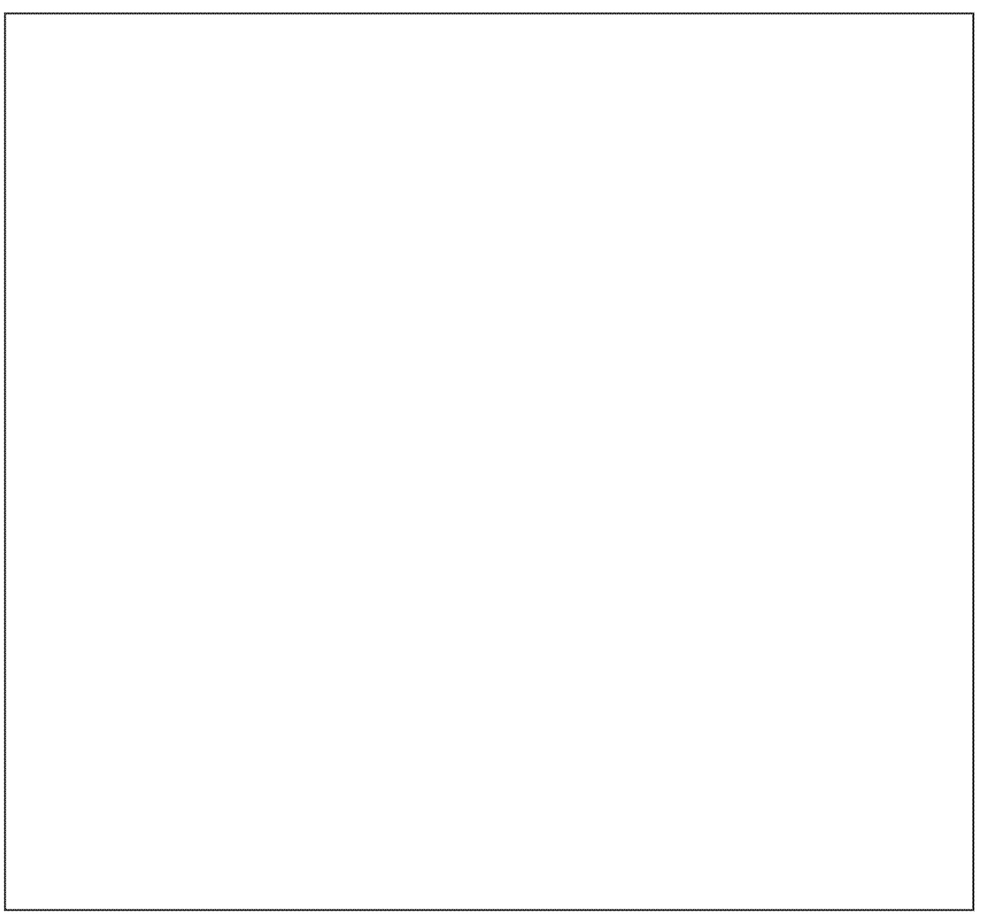
In addition to the LISAMPAN devices, there was a hot-miked telephone in [redacted] This was not continually manned but could be monitored from a nearby listening post (LIHACK-4). Sometime between 22 and 23 May while the Ambassador was out of the country the device was removed, apparently by the Cubans. Although the station had instructed LIHACK-4 to continually monitor the device or watch the residence, he admitted that the surveillance was limited to spot checking by his wife. The station was, therefore, unable to determine when the Cubans entered the residence to take action resulting in the loss of the device.

It was not resolved whether all the devices were discovered as a result of a special or routine sweep. (It appeared obvious enough that DOG, and subsequently FOXTROT, and the device in the residence were discovered as a result of the search.) It was not clear whether BAKER was discovered

accidently as a result of the [redacted] if discovered at all. It was equally unclear in statements made by AMBEDEW, a Cuban intelligence officer who defected to CIA. He disclosed that in February 1969, Armando Lopez Orta, Cuban intelligence chief in Paris, briefed his subordinate officers on a device found in the Embassy in Mexico. It was not clear whether this discovery was that of BAKER, or whether Lopez referred to a much older installation (LIROMANCE) which had long since been abandoned.

There was also a question whether the arrival and departure in Mexico of possible Cuban sweep specialists was connected with the losses. The sweep on 6 May, which resulted in the loss of DOG, was probably conducted by regular Embassy employees.

[redacted]



The audio device in [redacted] worked perfectly. LIHACK-4 monitored a conversation between the Ambassador and unidentified visiting Cubans that indicated either he and his visitors were unaware of the device or were pretending to be unaware. No really sensitive information was discussed, however. The device from [redacted] was the last to be removed but the Cubans may well have noticed

the new telephone and left it there, since the [redacted] from March to 1 September 1969, knowing that no conversations could be reported on it. It was considered that [redacted]

[redacted]

The discovery of DOG led to a telephone-by-telephone search resulting in the finding of FOXTROT

[redacted]

area) and could not control the telephones. Without such control, there was no possible way to prevent their routine replacement, as was the case of ABLE.

[redacted] was made possible through the expert knowledge and craftmanship of [redacted]

During the period of this operation, about two weeks, every man in the Mexico City Station maintained his regular [redacted] working schedule, and then provided surveillance or other support assistance to this operation during the night. This was necessary to prevent any indication of unusual activity on the part of station officers.

LIMESA [158/]

The operations of this project centered around a basehouse (Unit 11) equipped with an electrical apparatus which conducted a technical surveillance of the Soviet Embassy. The basehouse was a part of a four-unit complex, collectively known as LIMUST and owned by CIA. It was purchased by Harry T. Mahoney (through LIMOUSINE) in September 1957. The six LIMESA personnel were husband and wife teams who acted as basehouse operators for three of the four units in the complex. The fourth unit (LICALLA) was a photographic surveillance base administered under the LIEMPTY Project.

The property cost $50,000 in 1957. Another $50,000 was spent during the next two years for rebuilding and furnishing the properties. From 1966 through 1969, the project cost approximately $12,000 per year, of which about half was spent for salaries and bonuses. The remainder was spent for equipment and operational expenses.

This was one of the most important projects of the station and provided highly sensitive information.*

159/
LICASA

This project was developed in 1958 by Winston M. Scott who was introduced to the Minister [redacted] at a diplomatic reception. Scott expressed an interest in communications and was introduced by the Minister to the Chief of the International Section. This was LICASA-1, the only agent in the project, who was developed socially by Scott. He was offered $1,000 a month to provide copies of all Soviet Bloc [redacted] [redacted] At first, LICASA-1 was possessed

* For additional details of this operation, the reader may wish to consult project records.

with a fear of being discovered but $1,000 a month was too good to turn down. Scott set up an elaborate meeting system for the first year which involved four persons plus LICASA-1.

Harry T. Mahoney or Frank R. Estancona accompanied Scott to a street location where LICASA-1 was parked in his automobile. Scott, LICASA-1, and the station case officer then drove in Scott's quasi-personal car to a safehouse apartment where Scott and LICASA-1 sat in the living room and chatted while Mahoney, Estancona, and Anne Goodpasture copied the [redacted] on a high-speed Rekordak set up in the maid's room off the kitchen. LICASA-1 was not willing to let the material leave his possession during 1958. The copying operation took three people two hours because LICASA-1 brought copies of traffic for three to six months periods of the previous year. At the first meeting on 17 June 1958, six rolls of 100-foot microfilm were needed to copy these files. Meetings were held once a month. By 1959, traffic was obtained with only a one-month backlog and kept overnight at the station.

Oliver G. SCANTLING was inserted into the operation as a cutout for Scott from 1962 until 1969 when the station case officer began meeting LICASA-1.

In addition to Soviet Bloc traffic, the project expanded to include traffic of most other countries throughout the world and was considered useful to the NSA. In June 1968, NSA advised that when the LICASA production was compared with that from similar collection resources, it was rated "among the most valuable." Two-thirds of the production for 1967 concerned Cuba, some 40 percent of which was unique. NSA published 140 reports on Cuba during 1967 as a result of LICASA production. The critical element in dissemination of this information by NSA was the delay in receiving the material as the agent was met only once a month. To speed up this process, the station began weekly meetings to receive information on priority targets.

The project cost was approximately $13,000 per year which included $12,000 for the agent, gifts, and entertainment.

B. Covert Action Operations

Establishment of the OPC in Mexico was characterized by misunderstanding and confusion. Headquarters advised the Mexico OSO Station Chief, [redacted] that E. Howard Hunt would arrive on 15 December 1950. Instructions to OSO regarding Hunt were:[160/]

1. Hunt was being assigned to the OSO office for cover purposes and was to be provided suitable desk space.

2. Complete agreement had not been reached at Headquarters regarding Hunt's relationship to OSO. Pending agreement, Hunt was not to engage in operations.

3. Hunt was subordinate to the OSO chief for administration and discipline, but operationally he was responsible to OPC, Headquarters.

4. OPC operations were to be coordinated with OSO to the extent necessary to avoid duplication or confusion. In the event of disagreement, the matter was to be referred to Headquarters.

5. OSO was to provide OPC pouch facilities with the understanding that OSO had a right to see OPC dispatches.

6. Hunt was to be completely independent of OSO financially.

On 20 December 1950, Headquarters advised the OSO station chief that a letter in regard to Hunt's assignment had been pouched for delivery to the Ambassador. The station was asked to find out if the letter had been received and if so, to have Hunt report for duty.[161] The OSO station chief in Mexico replied:[162]

> Letter to Ambassador arrived. Mr. [redacted] called in by Counsellor of Embassy to interpret letter which referred to Mr. Hunt by his pseudonym and also to Mexico by cryptonym. This flagrant violation of security was embarrassing to both Mr. Doyle and Mr. Hunt.

In a meeting in Mexico in the Ambassador's office, Hunt advised the Ambassador that he (Hunt) was assigned to Mexico to set up a new and separate facility. Operational responsibility was to run, not through the OSO station, but directly from Hunt to the Ambassador. [redacted] position at the same meeting was that, as the ranking CIA officer in

Mexico, he should be responsible to the Ambassador for all CIA activities and operations. At the Ambassador's request, the matter was referred to Headquarters for clarification. Headquarters replied that [redacted] was not responsible for operations of Hunt.[163] Hunt was to have his own cable facilities when personnel were available and was responsible only to OPC, Headquarters, and to the Ambassador. Further, [redacted] was not authorized to see OPC pouches. The Ambassador was not satisfied with this explanation because he did not wish to deal with two senior persons representing different activities of the same government agency. By this time, [redacted] was awaiting a transfer to another station. The OSO replacement was [redacted] who would not arrive in Mexico until June 1951. [redacted] was sent to Mexico for temporary duty as acting chief of OSO until [redacted] arrived. Both [redacted] and Hunt were directly under the Ambassador until July 1951 when [redacted] was designated as chief of all CIA activities in Mexico.[164] Hunt was named deputy chief with specific responsibility for OPC activities. [redacted] was charged with

operational responsibility for both OPC and OSO activities and was authorized to direct, supervise, coordinate, and control all OPC functions.

At a meeting with State Department officials in Washington on 19 July 1951, senior CIA officials were advised that, as a matter of policy, it was most desirable that normal overt activity in Mexico be supplemented by a CA campaign conducted by OPC.[165/] The CA program in Mexico included all areas of the

[redacted]

In 1954, the station had four CA projects at a total cost of about $35,000. The first project was a funding mechanism using the cryptonym LILISP. As other projects, dependent on this mechanism for funding, were approved, they had cryptonyms LILISP-A, B, C, D, and through the alphabet to N before the practice was stopped when the funding mechanism folded because of the illness of the principal agent. LILISP-X was a cryptonym which

identified the funds available for operational development activities for any type of CA capability.

In 1961, there were [redacted] CA projects with a total budget of $229,600. This increase was part of an overall WH expansion in political action and covert operations on Cuba in order to combat and overcome threats to US security arising from revolutionary turmoil centered in Cuba and the Caribbean in general.[166] For the same reasons, the CA budget and program continued to expand until in 1964 there were [redacted] projects at a cost of $542,000.[167] Inspectors from Headquarters in August 1964 noted that the Mexico City Station had a comprehensive and competently managed CA program. It had effective projects in [redacted] The most important gap was in the field of [redacted] which was extremely difficult to develop because of the firm government control in this area. LIETHIC, an outstanding Mexican [redacted] impressed the inspectors as particularly valuable in exploiting fast-breaking stories. The inspection revealed some

duplication and overlapping in CA operations.[168]

Subsequent termination of marginal assets and refinement of projects reduced the CA budget to $370,000 in 1966,[169] and to $208,821 in 1969.[170] At this point, there were [redacted] CA projects.

The bulk of station CA activities were directed towards the support of other stations in the Western Hemisphere. This was accomplished through use of placement media in the replay of articles and broadcasts in support of activities in other countries in Latin America.

Historically, there were never more than [redacted] CA case officers under official cover at the Mexico City Station at any given period, as compared with a top figure of [redacted] FI case officers in 1966.[171] The reason for this was that CA operations were much more sensitive than most FI operations and could not be traceable to an official installation. All of the CA operations were handled by outside contract agents or staff employees using nonofficial cover. There were [redacted] of these outside case officers in 1964 but the number was reduced to [redacted] in 1969.

12/IN

also approached the station but he was told that he should seek support from businessmen such as LISIREN-1, which he did. Thus, the Mexico City Station did not believe that LISIREN-3 knew the source of funds which he received from LISIREN-1.

As the propaganda activities developed, LISIREN-3 refused to take the advice of LISIREN-1 on communications matters, and the relationship began to sour.

In March 1963, LISIREN-3 advised David A. Phillips, the station CA chief, that LISIREN-5 (201-725283), a close personal friend of DCI John A. McCone, had arranged for LISIREN-3 and LISIREN-5 to meet with McCone in Washington. The station cabled Headquarters to be prepared for a request for financial support. LISIREN-3 and LISIREN-5 briefed the Director on the activities of the Social Studies Center and asked for a direct subsidy of $80,000 per month.

When LISIREN-3 returned to Mexico City, he contacted Phillips and advised that he did not really expect to receive $80,000 a month but expected to receive at least $40,000 per month from CIA which

which included the cost of termination payments. ARLISS received a salary of $3,000 per year. LITEAR-1 was paid a salary of $245 per month. LITEAR-2 was paid no salary because she was the wife of ARLISS and a full-time employee of the USIS library in Mexico City. LITEAR-3 was paid a salary of $235 per month.

Student Operations

The University of Mexico was founded in 1553 (some 80 years before Harvard). It was a faithful copy of the medieval University of Salamanca until about 1929 when President Emilio Portes Gil, in a wave of enthusiasm for democratic processes, reincorporated the National University as the National Autonomous University, entrusting its government to a mixed directorate, half of the members of which were elected by the faculty and half by the student body, with the power of hiring and firing all personnel. The result, which should have been anticipated, was that the university became a training school for politicians. The professor who failed a student had to be prepared to defend himself, and a professor who wanted a job had first to electioneer

among the student leaders. University politics took on all the excitement of national politics: the same cleavages appeared, and rival student leaders used the same methods as their elders. In 1944, for example, the rector (who stood with the right wing) appointed a director of the National Preparatory School. The left wing was annoyed, and on 26 July a battle was fought between those who were in favor of the rector and those who were not. Students climbed to the roofs of the buildings and dropped bricks on the heads of their enemies, two of whom were killed. That was all it cost to procure the resignations of the rector and the newly appointed director.[181/]

A new rector, approved by the left wing, was elected; he was Alfonso Caso, a distinguished archaeologist. By this time the right wing was unhappy and raised a row. A self-styled "Committee for the Defense of the University" staged a noisy demonstration against Caso, accusing him of being a Communist because he was the brother-in-law of the Marxist Vicente Lombardo Toledano.

In April 1948, left-wing students issued an

ultimatum to Caso's successor demanding more lenient examinations. A right-winger, he refused to yield, and the students threw him bodily into the street. Called "hoodlums" by the Mexico City press, 4,000 students marched in protest against the insult of being called "hoodlums." President Miguel Aleman wearily intervened and managed to quiet the storm.

In 1950, the student body of 27,000 was moved to the new University City where it was hoped that the gymnasium, athletic fields, space, and fresh air would siphon off student surplus energy. If anything, the students became wilder. In 1952, the right-wing group ousted the rector; in this operation [redacted] the LILISP-C group.

During 1956 the National Polytechnic Institute called a strike of 25,000 students demanding replacement of the administrative staff. Student demonstrations broke out all over Mexico City in August 1958 over a rise in bus fares, with students wrecking and seizing new buses. Other strikes and demonstrations occurred periodically, but the big outburst came in 1966 when striking law students

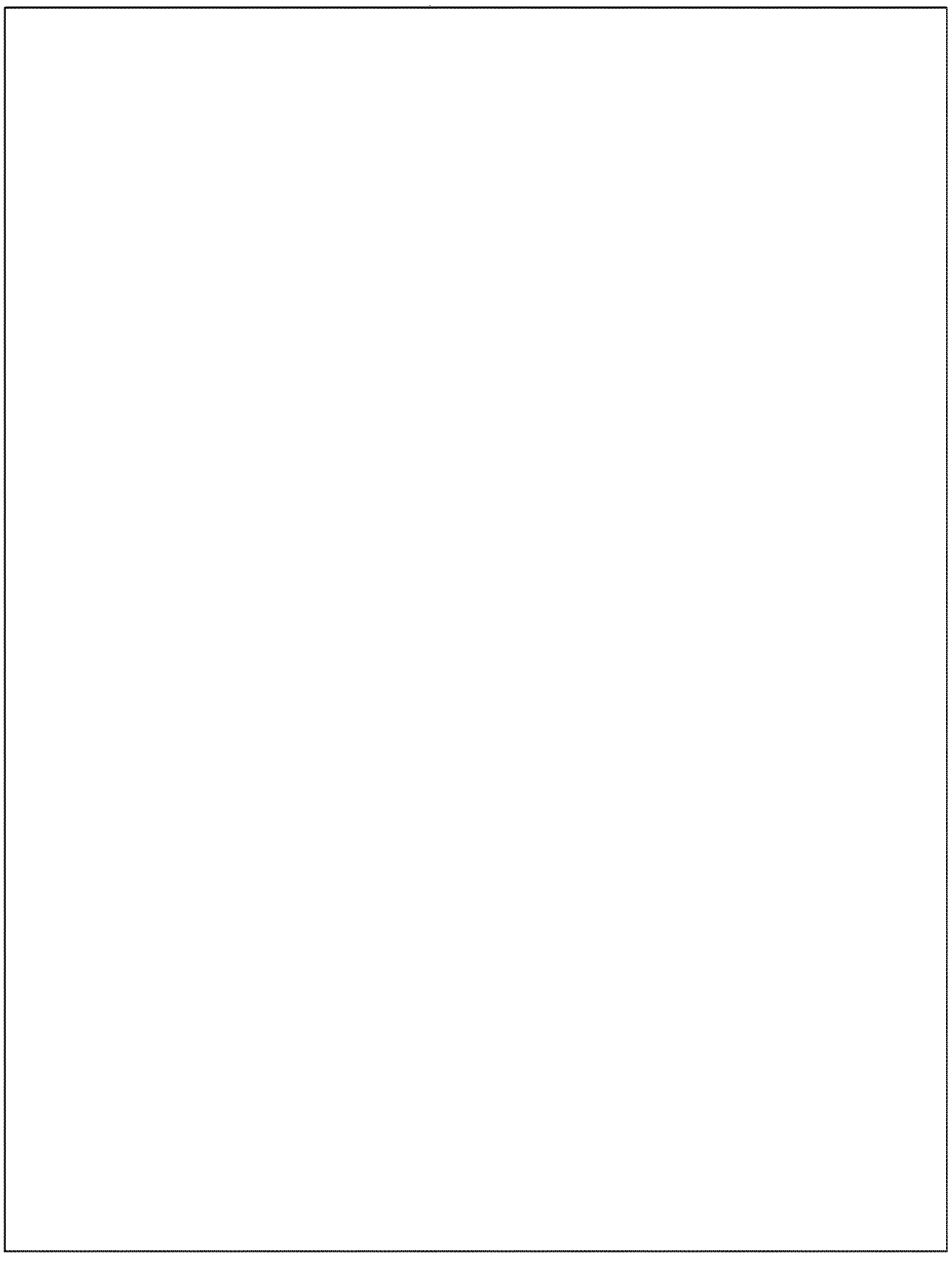
took control of the National University and demanded the resignation of the rector, Ignacio Chavez. An estimated 2,500 students stormed the administration building and forced Chavez and at least 35 other faculty members to submit their resignations in writing, which were accepted. The strike began when two law students were dismissed for distributing Communist literature. The left-wing law students touched off the strike with demands that the law school dean be dismissed and the students reinstated. Chavez refused and was forcibly ousted. The internal struggle at the university closed classes to the entire 70,000 student body for two and one-half months before a new rector could be agreed upon. Meanwhile, the Mexican Government proclaimed that university autonomy was a status related only to academic matters and one not to be exploited by subversive elements for their ulterior purposes.[182] To put some muscle into the proclamation, the office of the Attorney General announced the arrest of eight Trotskyites, including three Argentines who were among the student agitators.[183]

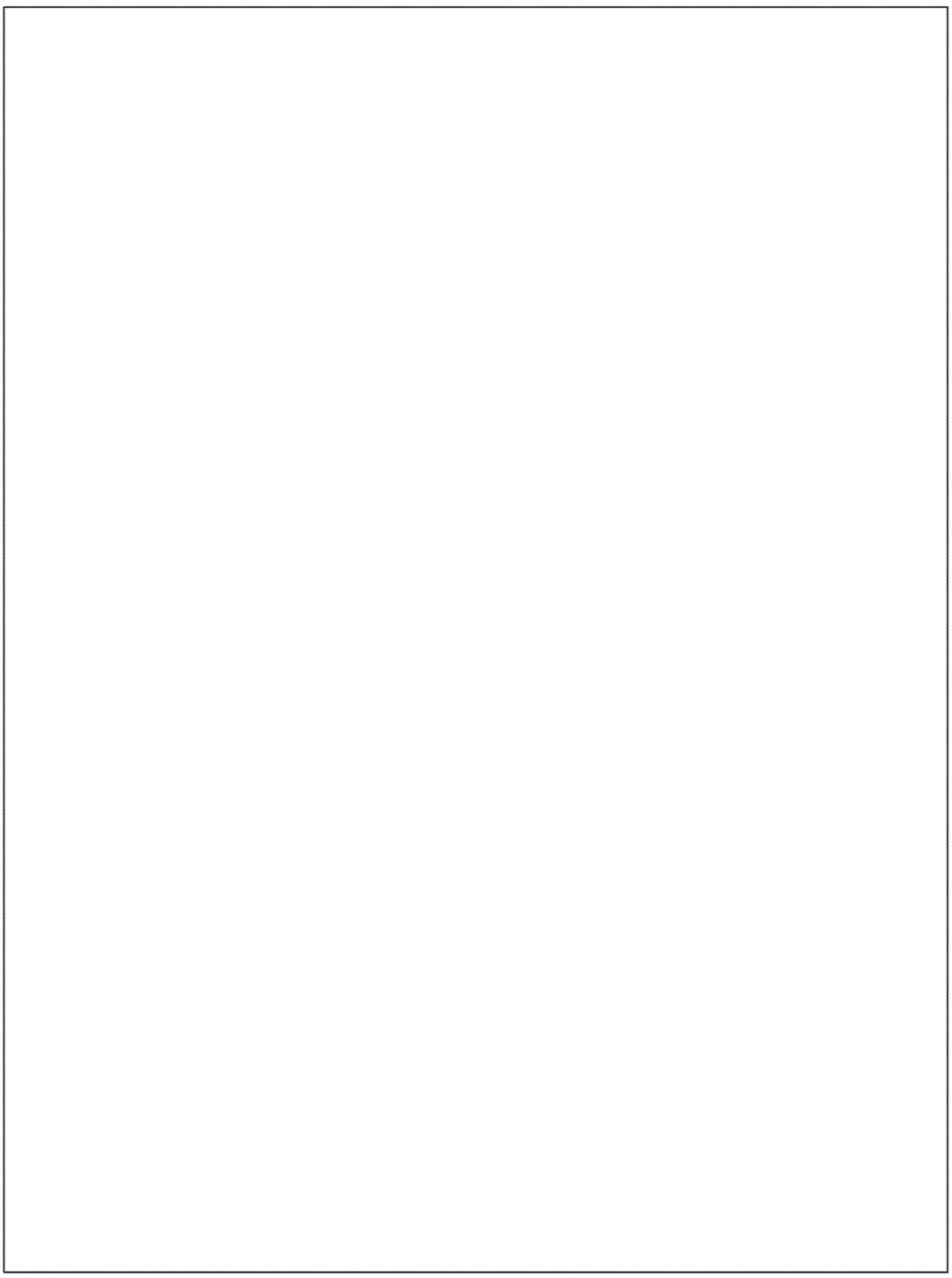
Student demonstrations continued through 1967

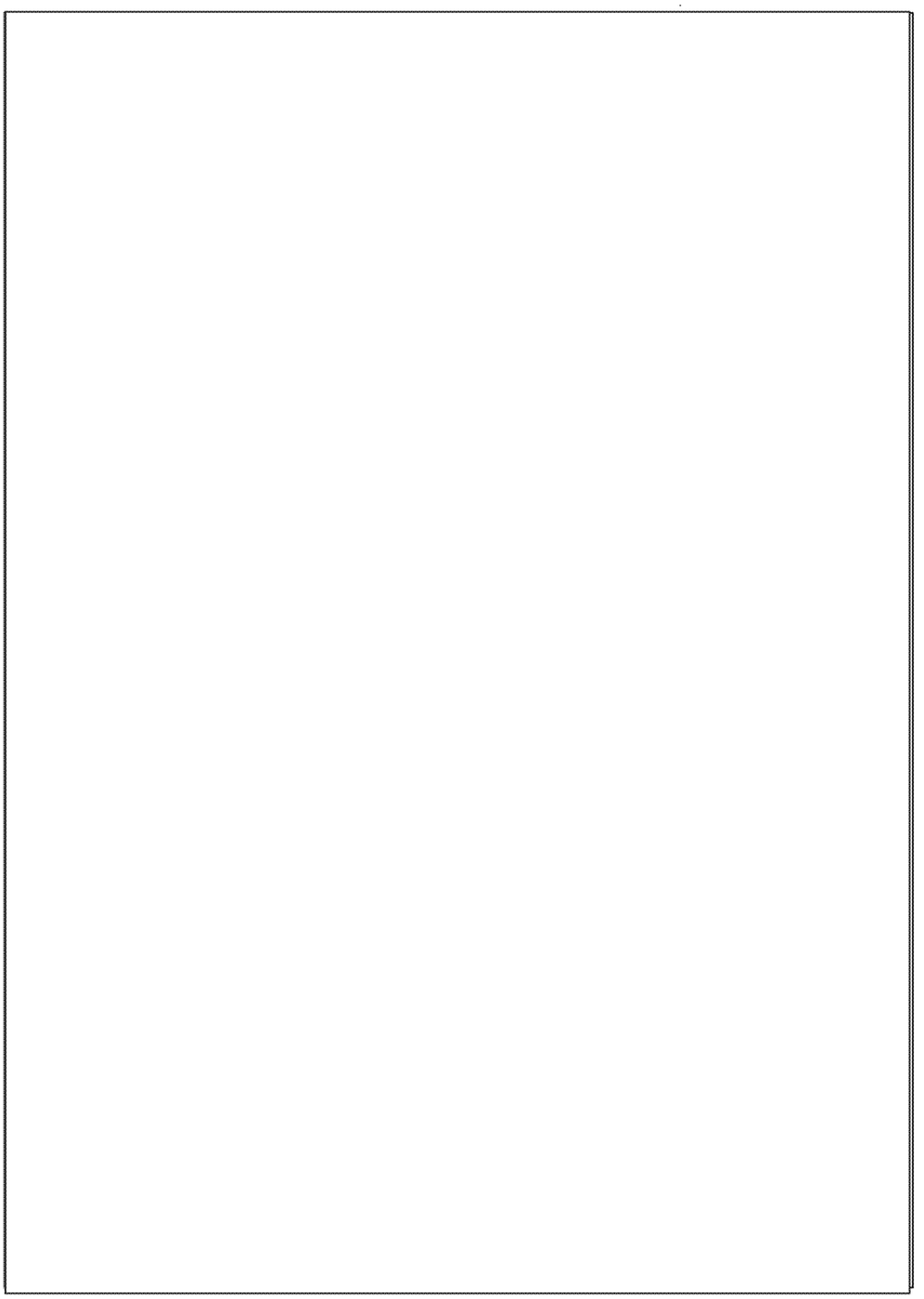
and 1968 and forced a showdown on the night of 2 October 1968 between the rioting students and the Mexican Army in the Plaza of Three Cultures in downtown Mexico City. It developed into a shooting contest and the students lost. Some 200 students trapped in the army cordon were taken to a military camp to cool off and answer questions. One station asset, LIEMBRACE-4 (201-110542), was included in this sweep when he was caught in the area (at station instructions to report on the demonstration) and could not get out.*

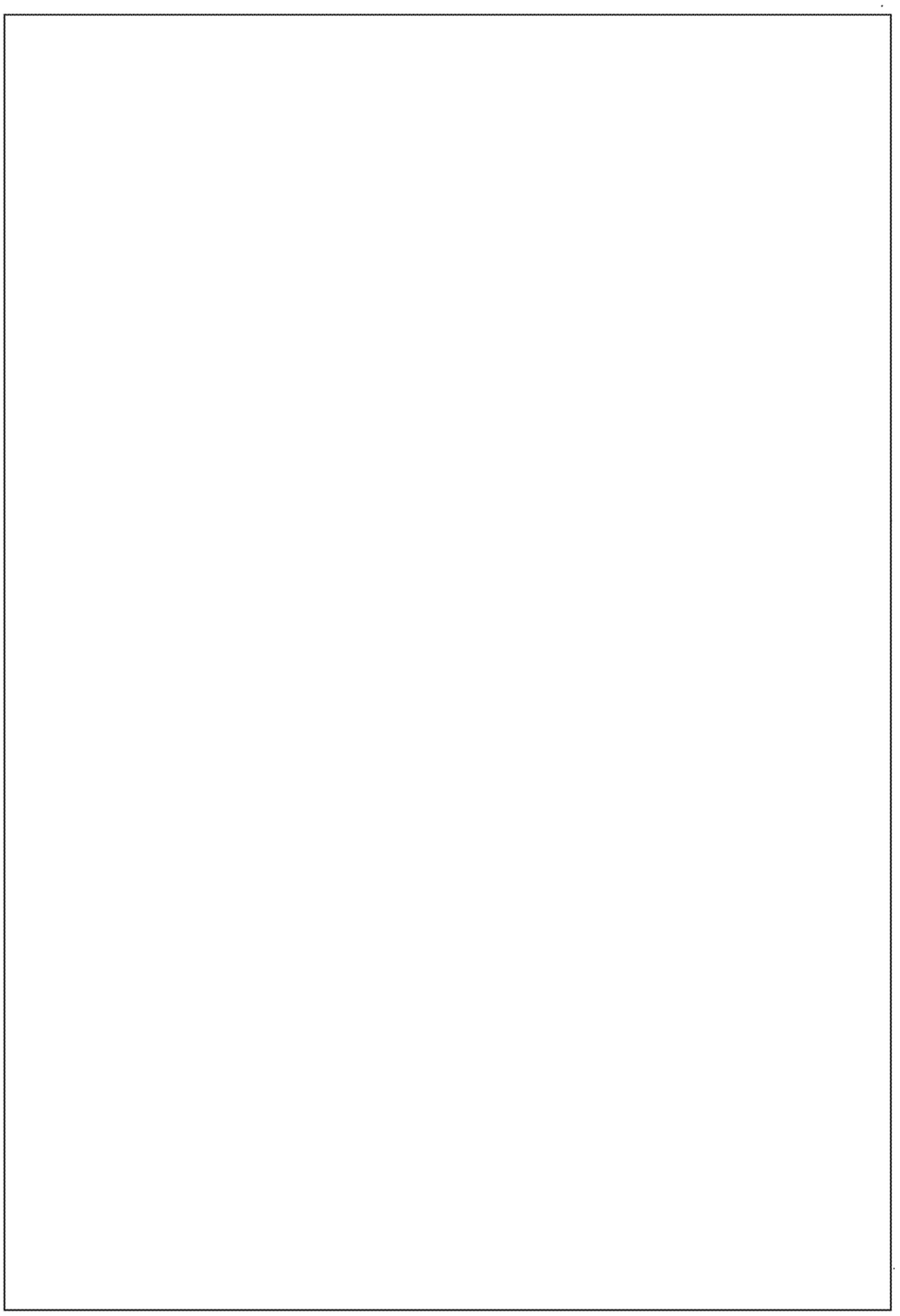
[redacted]

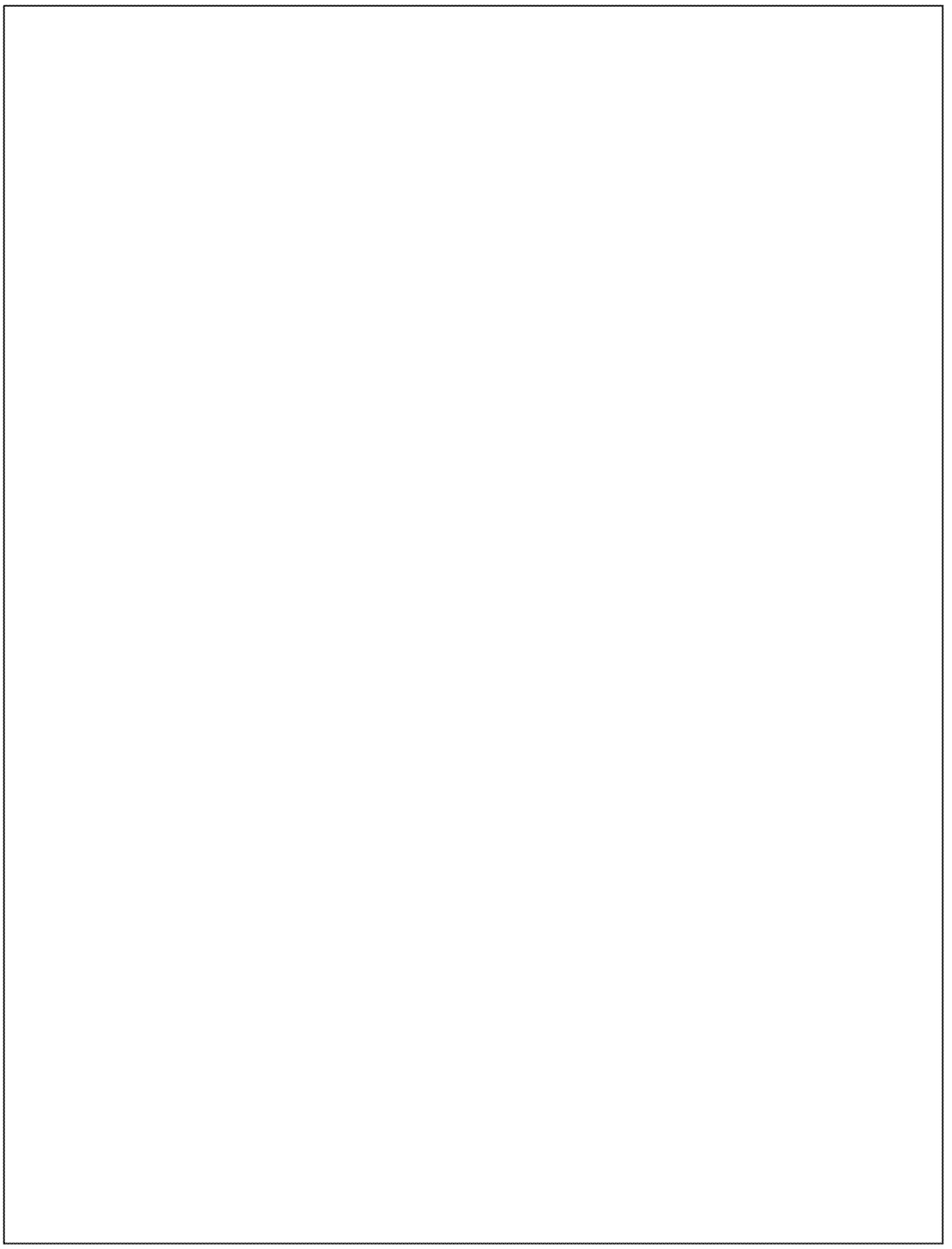
* He was released after several days detention during which time he managed to convince the military interrogators that he was in the demonstration area by accident.

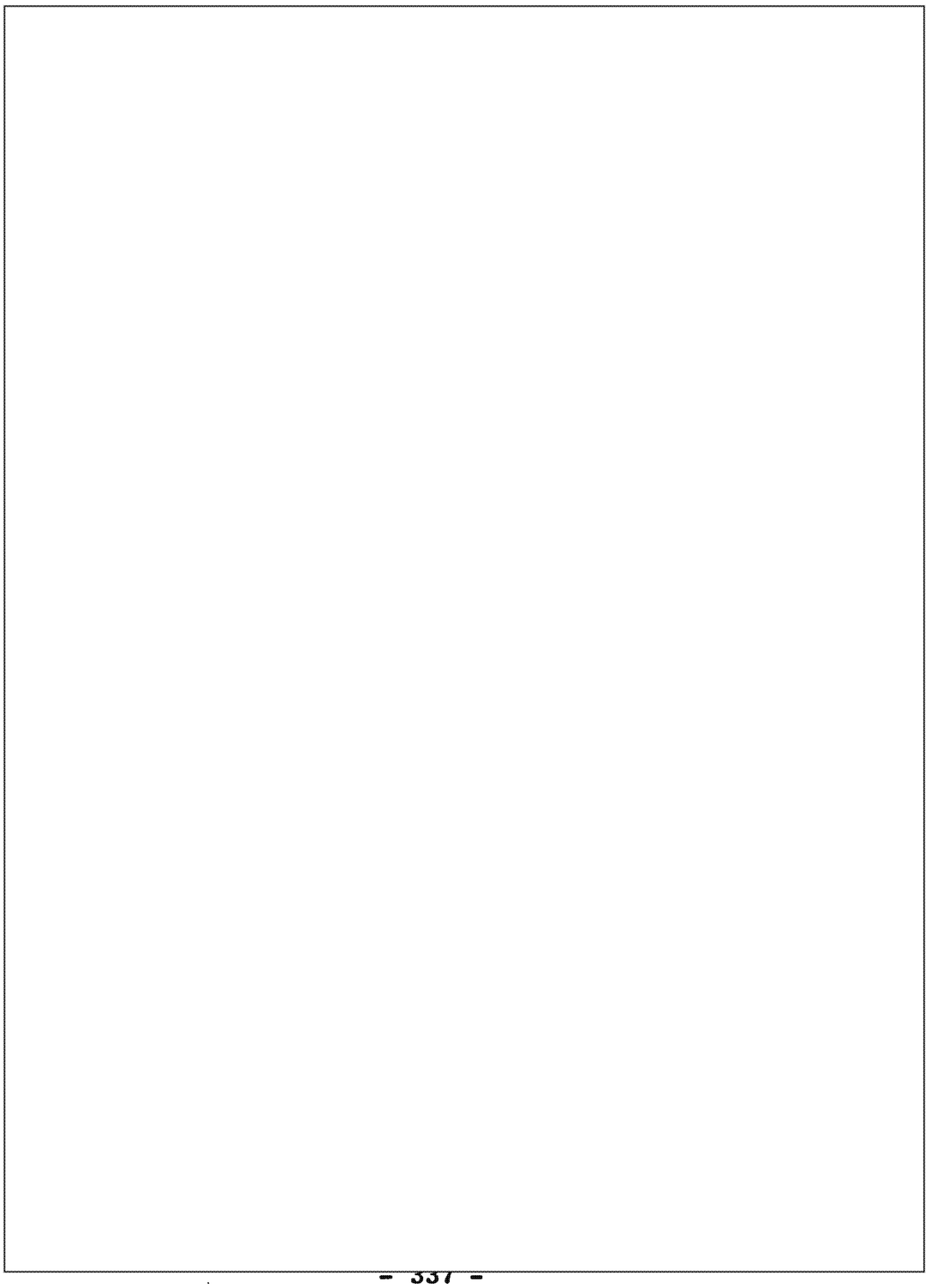


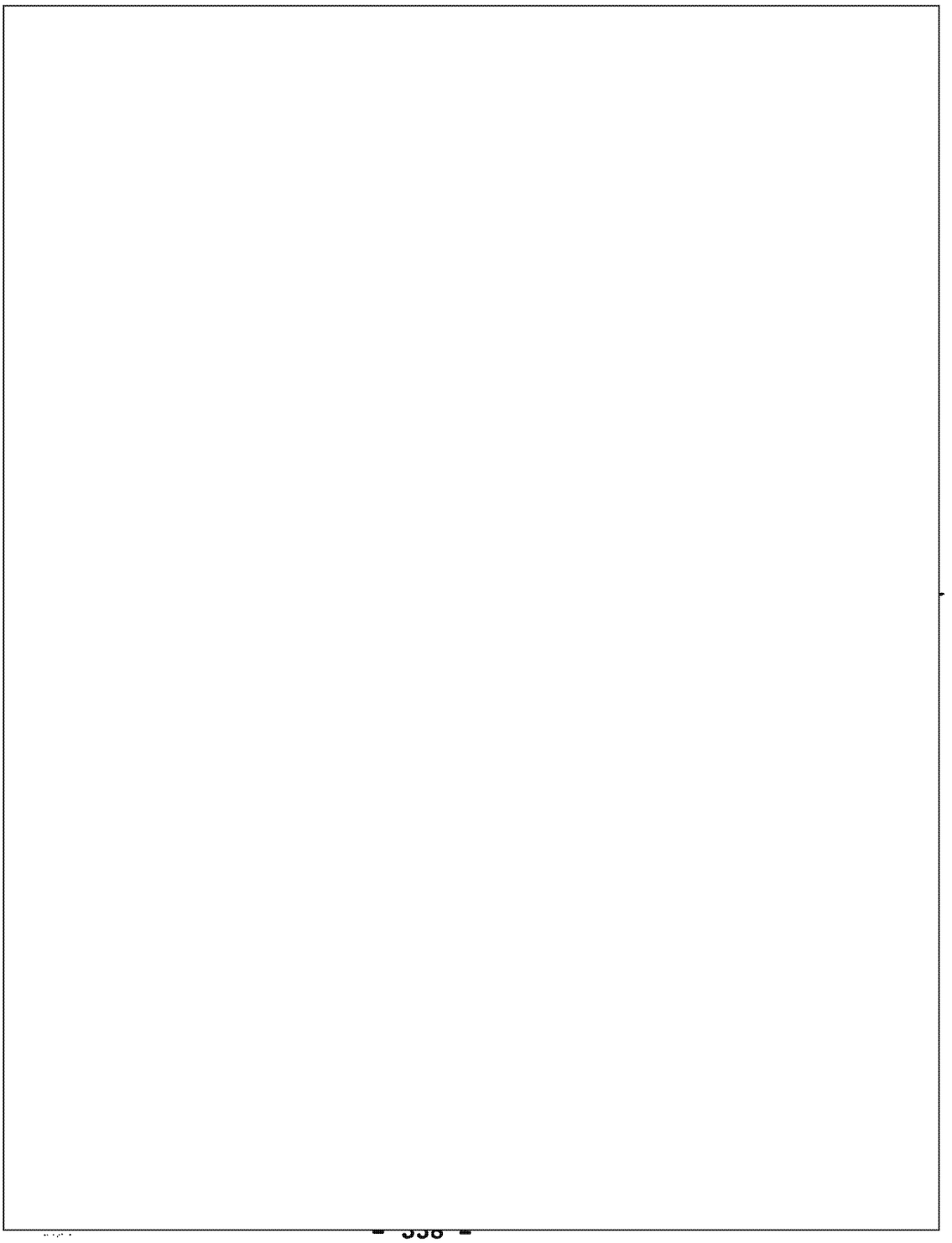


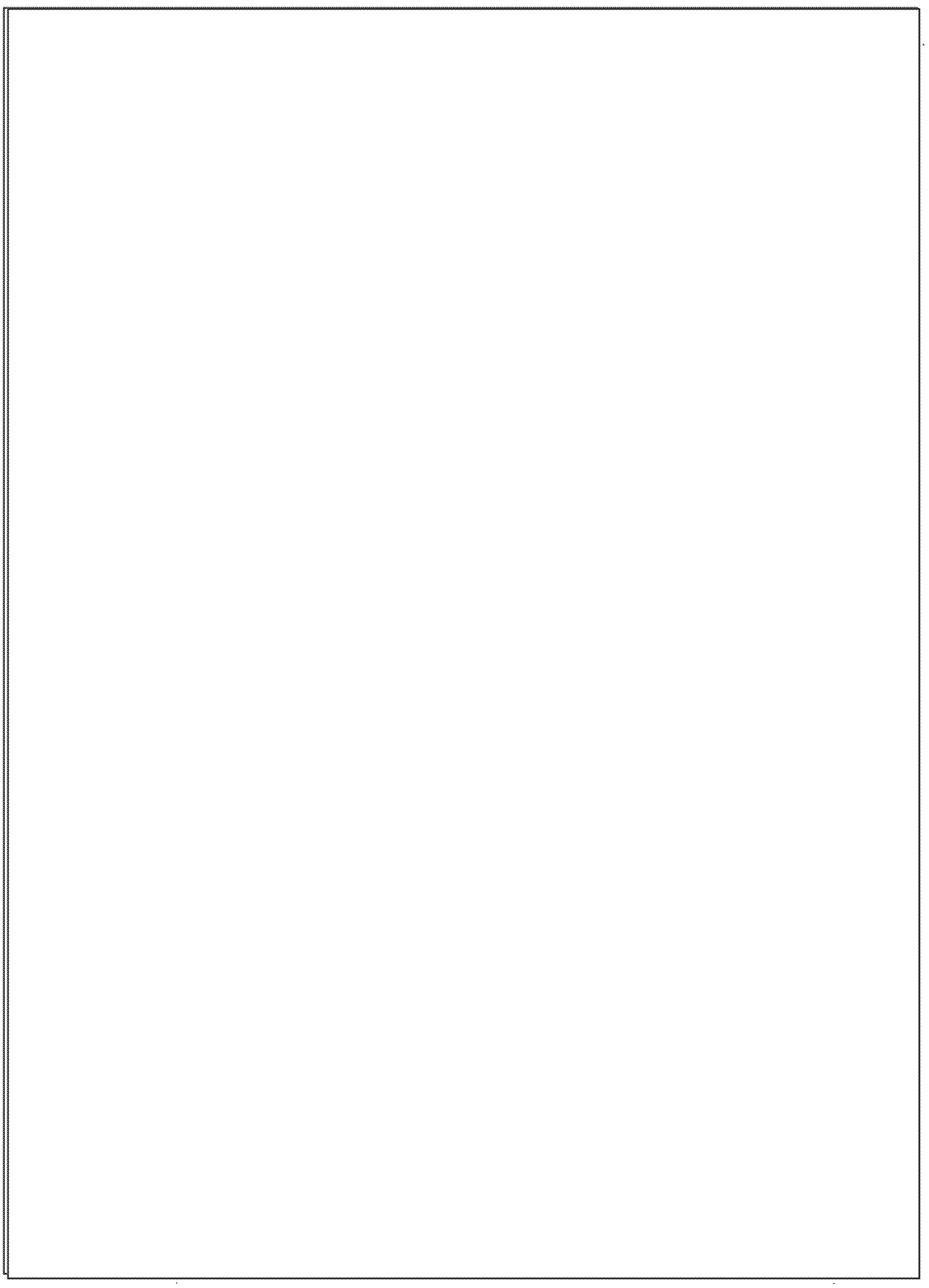


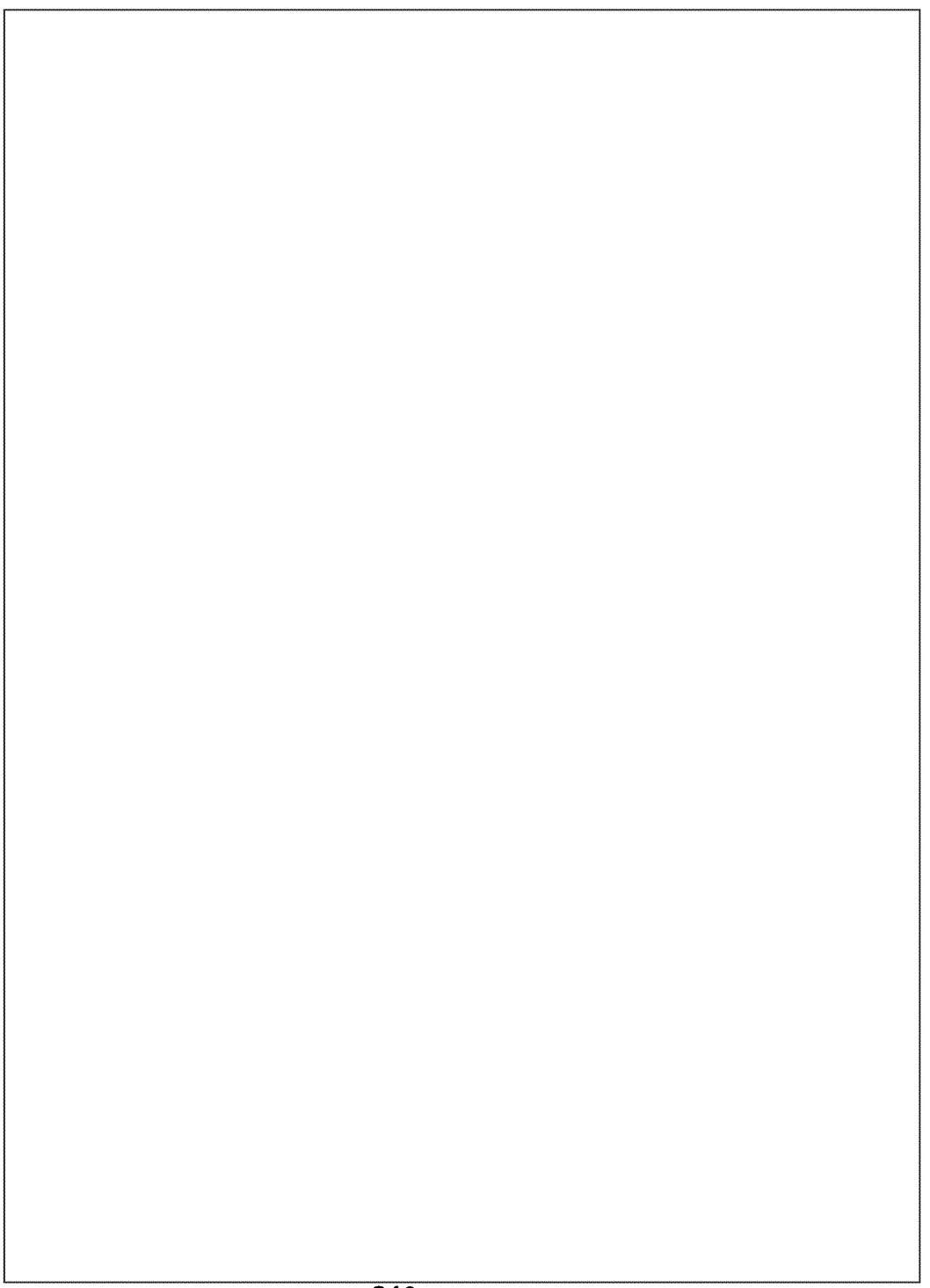












[redacted]

Theft of Two Briefcases[188]/

On 29 November 1960, two briefcases containing classified information on Mexico City Station operations, and on US Government support of the Revolutionary Democratic Front (Frente Revolucionario Democratico - FRD), an anti-Castro Cuban exile propaganda group, were stolen from [redacted] was a 45-year-old US citizen who had served

* Not included in this figure was a $10,400 payment to the family of LIAGOG-1 (201-327871) who died in 1969.

as a career agent in Mexico from 1951 to May 1960. He worked exclusively on CA projects, using commercial cover. [redacted] was hired as a contract employee at $5,000 per year but was raised to $8,330 with career agent status before he resigned in May 1960 and moved to Houston, Texas. In August 1960, [redacted] was recruited again by E. Howard Hunt to work on CIA projects on a part-time basis on business trips made between Houston and Mexico City. [redacted] received a salary of $30 per day as a contract agent for those days he actually performed CIA work.

[redacted] visited the station offices in Miami and Headquarters in November 1960 for a briefing on aspects of his job. He then spent Thanksgiving in Houston with his family, and on all of these travels he carried two large briefcases of classified CIA papers. [redacted] arrived in Mexico City from Houston on Pan American Airlines at 1115 hours on Tuesday, 29 November 1960. He picked up his station wagon at the airport parking lot, where he had stored it, then dropped off a traveling companion, and proceeded to his office at Rio de la Plata No. 56-502. He

parked the station wagon around the corner on Calle Atoyac in front of No. 21. [redacted] went in the back seat of the station wagon and opened the two briefcases, and extracted some papers pertaining to his personal business. He closed the briefcases, covered them with a suitbag, and laid them on the floor in the rear of the station wagon. He then got out and locked the doors and windows of the station wagon. Some 30 minutes later, [redacted] returned to the station wagon and, after glancing to the rear to note that the suitbag was in place, proceeded to his apartment. When he picked up the suitbag, the briefcases were missing. Examination of the station wagon revealed that a small window in front had been forced open. [redacted] returned to the Atoyac area and drove around for about a half hour, then went back to his apartment and telephoned his Mexico City Station contact, [redacted], to report the bad news.

[redacted] then advised COS Scott and subsequently began a detailed debriefing to ascertain the contents of the briefcases and to itemize the damage. Scott sent Frank R. Estancona to alert the

LIFIRE team, which had access to the Mexican Security Service, to spread the word that a $400 reward would be paid for the return of two briefcases stolen from an American's station wagon on Calle Atoyac. Lorenzo B. Sanchez was sent to canvass the Atoyac area to see if the briefcases were being peddled.* All station case officers were called in and notified of the loss. LIFEAT and LIENVOY case officers began to live-monitor all telephone lines of the Soviet, Czech, Polish, and Cuban Embassies. By 1800 hours that evening, no traces of the missing documents has been found. Scott sent a cable to Headquarters and Miami, notifying them of the loss.

Headquarters sent a representative of the Office of Security to Mexico City. Materials in the briefcases were reconstructed from station records. A list of these items was sent to Headquarters. Every investigative asset of the Mexico City Station combed the city, even the thieves market, in search of the briefcases, but no clue to their whereabouts was ever found. All leads came to a dead end. Moos

* Sanchez was the only person in the station who could pass for a Mexican.

was returned to Headquarters for a technical interrogation on 19 December 1960. He appeared to be truthful in the reporting of the loss and circumstances surrounding the incident. There was no evidence of deception.

A survey of the damage caused by the loss of the briefcases, dated December 1960, indicated that [redacted] not only had classified data on current operations but documents and data on CA operations dating back several years. Among the missing papers were the true names of the following CIA employees: Joseph Baker, Gerald Droller, Jacob D. Esterline, [redacted] David A. Phillips, [redacted] Stannard K. Short, [redacted] Philip Toomey, E. Howard Hunt, and William Kent. The following official cryptonyms and pseudonyms were compromised: AMCIGAR, AMGUPPY-1, AMHAWK-1 and 2, AMRASP, AMWAIL, AMWAIL-1 through 12, JMASH, Samuel G. ORRISON (pseudonym for [redacted]), and Walter C. TWICKER (pseudonym for Hunt).

Details of CA operations were included in a calendar-type looseleaf notebook and an accumulation of two years of back fillers. The following Mexico City CA operations were considered as compromised by

this loss: JMARC activities [redacted]

[redacted]

The following miscellaneous agents and contacts were also identified in the missing papers: AMSAIL-1, LIMASK, LITAINT-6, LITAINT-7, RNLABILE, Rodrigo B. Rodriguez, Raul E. Ruffo, Adolfo Desentis Ortega, Florencio R. Maya, Ray Fisk, and LIBELOW.

I&NS officials named in the papers were Allen Skinner and John Robbins of the I&NS office in Laredo, Texas.

The briefcases also contained keys to three post office boxes in Mexico City which were used for operational correspondence.

It was obvious from the investigation that the loss was caused by lamentably poor security practices developed by [redacted] over a long period. Security practices by his station case officers were equally poor as evidenced by the volume of

original copies of cables and dispatches taken out of the Embassy without any attempt made to paraphrase the contents or protect the papers against loss. [redacted] had resigned as a career agent in May 1960, with no apparent effort made by his station case officer to relieve him of his operational notes at the time of his resignation. If it had not been for that breach of security, [redacted] could not have lost these operational notes in November 1960.

LILINK 190/

This project was an attempt to establish a nonofficial cover CI unit in Mexico City. In October 1960, Charles W. Anderson III, and [redacted] submitted a proposal to the Mexico City Station in a detailed project outline. The primary objective was to develop a long-range program of counterespionage and action operations against agents in Mexico who were used by the Soviet Bloc countries and Cuba. The first staffing pattern called for a team of [redacted] CIA employees (one GS-15 chief; [redacted] GS-14 intelligence officers; [redacted] GS-9 junior officers) with an estimated budget of $(166,262) per year. The Mexico City Station responded by cable in January 1961, recognizing the need to move operations away from official cover in the generally favorable operational climate of Mexico. However, the Mexico City Station felt that CI operations should be directed by case officers in the official installation, and suggested that the easiest operations to move outside were CA projects. CA operations were then handled outside under nonofficial

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City Station that the FI Section official positions for support projects be transferred to the outside unit.

In May 1961 Winston M. Scott, COS, Mexico, was at Headquarters on temporary duty. The proposed CI unit was the subject of discussion between Scott and senior CI staff personnel. Scott was in agreement that a CI unit should be formed and requested that Headquarters proceed with the planning and the selection, training, and dispatch of personnel to the field. Scott wanted all personnel of the unit to go to the field as career agents, and he requested that all be experienced CI/CE operations officers who were fluent in Spanish. He also specified that they be prepared to concentrate on the Soviet and Satellite targets. As a result of this conversation, the budget for the proposed CI unit was included in the WH Operational Program for FY 1962, which was approved by the DDP in July 1961.

At a WH regional conference in Mexico City in August 1961, Jacob D. Esterline (WH chief of operations) and [redacted] (Mexico Branch chief) discussed the proposed CI unit with [redacted]

DCOS, Mexico. [redacted] indicated that the Mexico City Station was not generally in sympathy with Headquarters' proposal to set up an outside CI unit. In contrast to Scott's remarks in May while at Headquarters, [redacted] felt that the outside unit should include both CA and CI components and should be made up principally of junior officer trainees [redacted]

[redacted]

Instead of resolving the divergent views of Scott and [redacted] in Mexico during the regional conference, WH officers returned to Headquarters and discussed them with representatives of the CI Staff and then forwarded a dispatch to the station. The reply from the station was in curt language. In essence, it charged that Headquarters was trying to set up a CI outside unit responsible to a Headquarters staff mission with too much independence from the station. This insinuation was a station interpretation of the original proposal which in no way implied that the unit would be autonomous or exempt from station control. Nevertheless, the station insisted that CI operations be run from official cover positions, and

1 October 1963 through 30 September 1964 for a total of $73,480. From December 1963 until August 1964, ETSINGER and REYMANDER spent time establishing and working on their cover business, though no business developed from the efforts of going through the motions of preparing investment surveys. Several surveys were prepared, both from information from the files of [redacted] and independently.

LILINK was under the direction of the deputy chief of station, Alan P. White. The first case turned over to LILINK in August 1964 was Natalie K. MICHNOFF, a staff agent with [redacted] She was sent to Mexico in 1963 to act as principal agent for the LIMOTOR operation, which from 1957 to 1962 had been an active "umbrella" type project supporting [redacted] in contact with Soviet intelligence officers. By the time MICHNOFF arrived in Mexico, the enthusiasm of CIA for this type of short-term double agent operation had worn so thin that the LIMOTOR Project was redirected toward collection of positive intelligence instead of counterintelligence. As a result, all but two

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IV. Joint Operations And Projects Using Mexican Government Officials

The branches of the Mexican Government of

[redacted]

Federal executive authority in Mexico was vested in one single person who was elected as President of the United Mexican States or, more commonly, President of the Republic. Despite the fact that the Mexican constitutional system shared some of the characteristics of the parliamentary system, it was frankly, presidential. In fact, the President was head of state and head of government, contrasting with the parliamentary characteristic of collective responsibility for government. The internal structure of the Federal executive authority possessed a certain degree of flexibility because the number of ministries and departments was not fixed by the Constitution, but by lesser

laws which could be modified (as in the United States) according to the circumstances and the personality of the President.

The Ministry of Interior (called Secretary of Government - Secretaria de Gobernacion) was responsible for the conduct of relations with the other Federal authorities, with the governments of the Mexican states, and with the municipalities. It also provided the Federal judiciary with the aid it required for the proper exercise of its functions. This Ministry was responsible for the appointments of high officials of the administration, magistrates, and judges after their designation by the judiciary. A function of this Ministry of great importance in the political life of the country was that of controlling, administering, and monitoring elections. It was responsible for the supervision of all printed matter together with all radio and television broadcasts. Furthermore, it directed the internal demographic policy of the country, with the exception of the colonization of unoccupied land and, finally, it exercised control

over all affairs related to internal politics. This Ministry was often a springboard to the presidency (all but one of the nine Presidents of Mexico between 1928 and 1969 served as Minister of Interior prior to election as President).[192/]

Upon recommendation of the PRI, President Miguel Aleman Valdez created the DFS by presidential decree in January 1947. The DFS was placed under the Ministry of Interior. General Marcelino Inurreta was the first DFS chief and a most ardent promoter. It quickly became influential as a personal intelligence service of the President. No provision was made for the DFS in the national budget. Funds were siphoned from the appropriation of the Ministry of Interior Police (an agency exclusively for law enforcement). At its inception, the DFS's primary responsibility was the investigation of national security matters; in fact, its principal attention was given to domestic political affairs. These functions had been the responsibility of the Attorney General of the Republic, the Attorney General of the Federal District, and

the Political and Social Section of the Ministry of Interior. During the Aleman administration, the DFS had representatives in each state of the Mexican Republic and attempted, through its sources, to penetrate the political parties and movements opposed to the government. The DFS also engaged in placing informants with civilian governmental agencies and military installations to report on disloyal employees. The DFS had no power of arrest and was obliged to depend upon other police organizations for this function. Sometimes the DFS investigators merely borrowed and used credentials belonging to other policemen for this purpose. The early days of the DFS were marked by illegal arrests, killings, detentions, extortion, blackmail, and outright thievery. The Ministry of Interior, to which the DFS was nominally subordinate, was precluded from exerting any control over the DFS organization and operations. General Inurreta was responsible only to the President, who was convinced of his personal loyality. When the general left the DFS at the expiration of the Aleman administration in 1952, he took large quantities of modern

police equipment, which had belonged to the DFS, and established a private investigation and strong-arm group.[193/]

Adolfo Ruiz Cortines, Aleman's successor to the Presidency, continued the existence and powers of the DFS by verbal decree and, at the same time, personally ordered the illegal activities of the DFS investigators to cease. Without the driving influence of Inurreta, the DFS relaxed its activities and became relatively innocuous in comparison to its first five years of life. Colonel Leandro Castillo Venegas replaced Inurreta as head of the DFS until 31 December 1953. His deputy was Luis Suarez Torres. They were replaced in 1954 by Lieutenant Colonel Manuel Rangel Escamilla as director and Captain Fernando Gutierrez Barrios as deputy director.[194/]

When Adolfo Lopez Mateos came to power in December 1958, he retained Rangel Escamilla and Gutierrez Barrios in their positions in the DFS. Although there were frequent rumors that Lopez Mateos intended to fire Rangel Escamilla, the

latter remained director of the DFS until 1963. The real power in the DFS was Fernando Gutierrez Barrios, who as deputy director revitalized the service and, under more than normal handicaps, attempted to give it the semblance of a genuine nonpartisan investigative agency. Most of the strong-arm men were dismissed and were replaced with young lawyers and graduates from the schools of higher education and from the military academy. Gustavo Diaz Ordaz was Minister of Interior in the Lopez Mateos administration and succeeded in bringing the DFS under control of his Ministry. He was able to do this because he and Lopez Mateos were close personal friends with mutual interests.[195/]

In 1964 Diaz Ordaz became President of Mexico, and in May 1965 he named Gutierrez Barrios as director of the DFS.

The DFS was responsible for investigating activity which endangered the political security of the country, including espionage, sabotage, and other subversion. It investigated frauds involving membership lists of political parties and other political irregularities. It was charged with

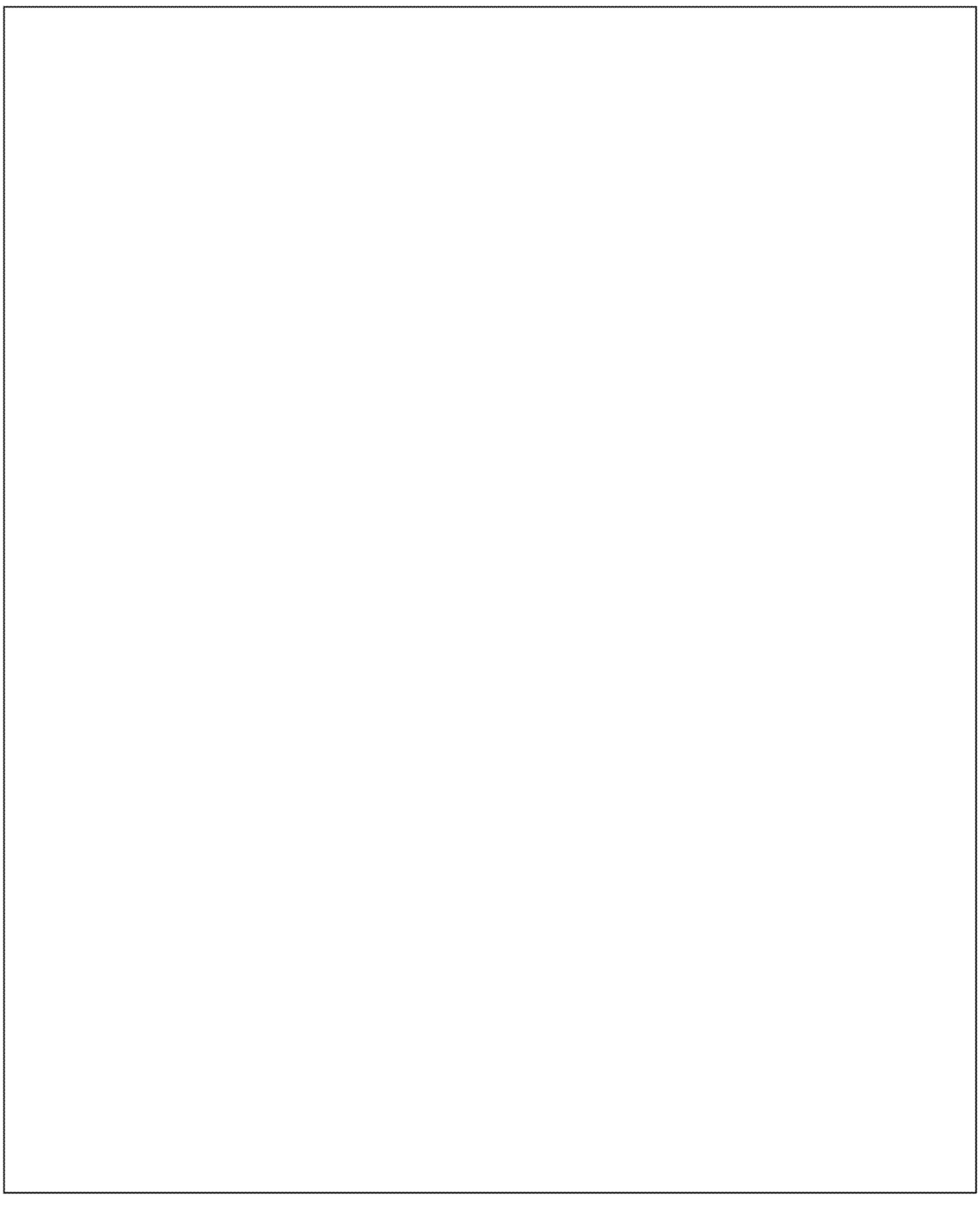
monitoring the activities of foreign embassies; most of this effort was directed at the Cuban Embassy from 1960 to 1969. With regard to the other foreign missions in Mexico City, the DFS generally restricted its activity to periodic interviews with responsible embassy officials concerning events of interest to their respective establishments. The DFS monitored Cuban travel, overtly and clandestinely, at the international airport in Mexico City and collected intelligence on all political parties, labor unions, governmental ministries, and other organizations of political interest.[196/]

There were 150 agents assigned to the DFS as of 1966. The service was organized into three groups: the Operations Group which was responsible for political investigations, special investigations, and regional representatives; the Support Group which operated a telephone monitoring unit, archives, photo laboratory, and a criminal laboratory; and the Administrative Group which handled vehicles, weapons, credentials, office

supplies, and messenger service.[197/]

CIA relations with Mexican Government officials began in July 1947 when [redacted], a CIA contract employee and [redacted] introduced [redacted] the first COS, to [redacted] There followed an exchange of information on the CP and Soviet Bloc official installations in Mexico until July 1948. [redacted] advised Headquarters that the personnel comprising the DFS were by and large unreliable, self-seeking, and generally disinterested in work of importance to CIA. DFS interest had shifted to investigations of contraband (where the payoff was greater) and [redacted] He indicated that a "social" relationship would be retained in the event that the station was ever required to call on the DFS for assistance.[198/]

Headquarters advised the station that, following the Mexican national elections in July 1952, liaison with the DFS would be [redacted]



[redacted]

In August 1958, Ambassador Robert C. Hill brought Winston M. Scott, COS, into contact with a confidant of former President Miguel Aleman in order to discuss Communist activities. Shortly thereafter, [redacted] An informal agreement was made to cooperate in the collection of information on Soviet and Communist targets. CIA provided technical assistance for a joint telephone tapping installation with Mexican Government cover. This led to a productive and effective relationship between CIA and select top officials in Mexico which proved to be of substantive value to both.* The relationship between Scott and top

[redacted]

Mexican Government officials was in essence, a political one. It became an unofficial channel for the exchange of selected, sensitive political information which each government wanted the other to receive but not through public protocol exchanges. Ambassador Hill and his successor, Thomas C. Mann, gave their blessing to this relationship but Fulton Freeman, who replaced Mann in 1964, felt that he should be the one to confer with [redacted] on sensitive political matters.*

The telephone tapping operation (LIENVOY) was successful as a producer of positive intelligence and was considered by Headquarters as a "model" for imitation by other stations, particularly in the area of efficient processing and exploitation of raw take. The reason for this success was the presence of staff agent Arnold F. AREHART, inside the listening post. This assignment was vital to the preservation of CIA's equity in this operation which cost $150,000 for the installation. Even with AREHART's presence, there was petty theft of equipment and periodic laxity in processing the tapes.

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* See VI. Relations with the US Embassy.

This project initially evolved around a senior agent (Jeremy K. BENADUM) who resigned from that organization in Mexico and was recruited by CIA in November 1960. BENADUM had been in the in Mexico since 1953 and was the assistant legal attache. During that time he was responsible for He knew Gustavo Diaz Ordaz in the Ministry of Interior but he knew his nephew, Emilio Bolanos Diaz, even better. BENADUM and Bolanos were godparents to each other's children. BENADUM had hired Bolanos when he was a messenger

in his uncle's (Diaz Ordaz) Ministry of Interior. BENADUM proposed to bring his sources with him when he was hired by the station. It was expected that through BENADUM and Bolanos (LITEMPO-1), the station could develop an effective penetration of the [redacted] As it developed, both BENADUM and LITEMPO-1 were so self-seeking that the project floundered for lack of management and initiative. It became a network of 11 fairly unproductive and expensive agents until October 1963 when $10,000 of fat was cut from the budget. It did provide the station chief covert access to Diaz Ordaz and to the DFS deputy director, Gutierrez Barrios.

Through the LITEMPO Project, the station subsidized the [redacted] by providing special radio equipment for automobiles and a monthly payment of $400 for salaries of two additional bodyguards. The LITEMPO Project also operated a concealed passport camera at the international airport which was used to cover travelers from Cuba. In 1965 at the request of Gutierrez

[redacted]

On return to Mexico, one of these agents (LITEMPO-12) was placed in charge of investigating subversive activities and was assigned to [redacted] The other was assigned to the [redacted] as a bodyguard and was of no use to the station. From that time, the LITEMPO Project became a producer of positive intelligence and the course of the [redacted] changed to one of operational support and security for station operations. During 1968, LITEMPO was expanded through the LIARBOR Project to include [redacted]

20]/ [redacted]

[redacted]

LIFIRE

This project was the outgrowth of the LIVESTOCK Project. Four agents handled by LIVESTOCK-2 were recruited by [redacted] in 1959 when the

LIVESTOCK Project was terminated. These agents were: the team secretary, LIFIRE-2, formerly LIVESTOCK-19; a photographer at the international airport, LIFIRE-4, formerly LIVESTOCK-18; a surveillance agent, LIFIRE-3, formerly LIVESTOCK-20; and a surveillance team leader, LIFIRE-1, formerly LIVESTOCK-23. LIFIRE-3 was discharged for unreliability in 1961 and replaced by LIFIRE-5, a former DFS agent and friend of LIFIRE-1.

The team leader, LIFIRE-1, was the brother of the chauffeur of President Adolfo Lopez Mateos. Through his political connections, LIFIRE-1 received a position in northern Mexico along the US border in 1963 and resigned. He took LIFIRE-4 with him, but LIFIRE-4 quickly became disillusioned and returned to Mexico City and was hired again by the station. The secretary, LIFIRE-2, was terminated when LIFIRE-1 and LIFIRE-4 left Mexico City because the remaining two agents did not have enough work to warrant full-time employment for her.

The two agents (LIFIRE-4 and 5) had credentials

obtained a copy of the passenger manifest of every incoming and outgoing commercial flight.* [redacted]

[redacted] They provided a limited surveillance capability and could follow a traveler to his hotel. However, obtaining travel manifests consumed most of their time because of the sheer volume of international flights. Mexico had one of the busiest airports in the world, which had an average of 75 international flights arriving and departing each day.[203/] These manifests were of great value in checking travel for the Mexico City Station and other stations throughout the world. The Mexico City Station was constantly called on by the local FBI office for confirmation of travel of persons of

[redacted]

interest to that office. These manifests were delivered to the station case officer in clandestine meetings in an automobile at various locations in the city three times per week and were packed in suitcases. The two agents also used a necktie photographic concealment device for spot clandestine photography.

Headquarters rated this project as perhaps the most prolific and reliable source in CIA of timely information about travel to Cuba. Frequently, it was the only source of information about Cuban travel of Latin Americans who showed only Mexico as their destination and concealed their true destinations from their governments. During the period 1 June 1963 through 30 April 1964, the LIFIRE Project was the source of 615 reports on Cuban travel and air shipments. The volume of reporting from this project was consistently high, and much of the travel data was reported by cable on Headquarters instructions.

In addition to air travel and spot surveillance, this couple operated a mobile phototruck equipped with a concealed camera and telephoto lens that operated through [redacted]

[redacted] The truck was sold as an economy measure in April 1967 since it duplicated a phototruck operated by the LIENTRAP team.

The LIFIRE Project cost approximately $30,000 for its first year (June 1960 through May 1961) because of the large investment of equipment, including the purchase of two automobiles with radio communications. However, costs averaged about $12,000 from 1966 to 1969, of which approximately $10,000 was paid for salaries and bonuses to the two agents.

LIBIGHT 204/

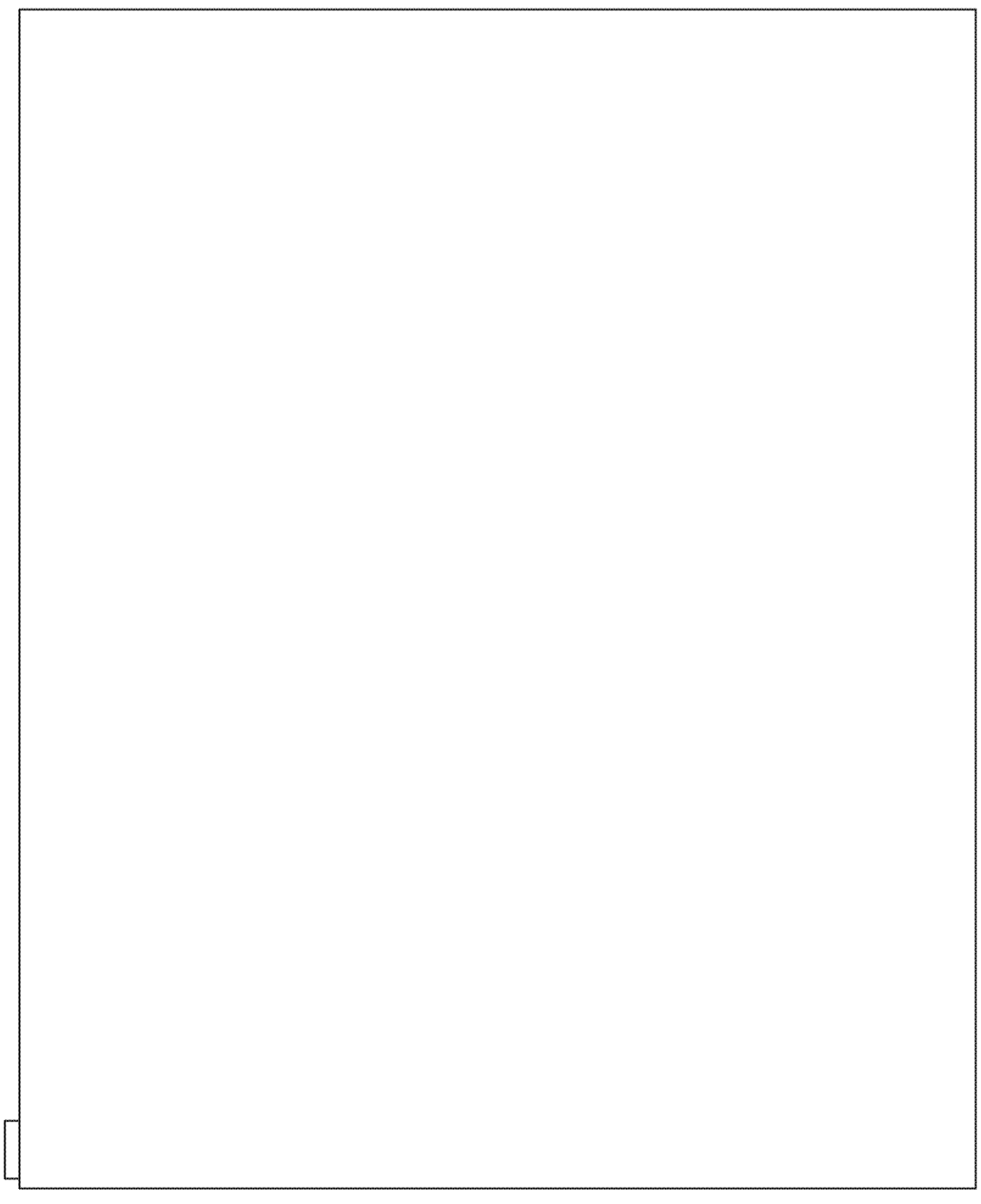
LIKAYAK-2 was an employee in the Mexican Ministry of Interior in the early 1950's and became disillusioned with his job. With another former Mexican Government official, LIKAYAK-2 formed a private investigation agency. He was recommended to the Mexico City Station by LIMESTONE, the principal agent for LIFEAT, as a cover mechanism for the LIEMBRACE surveillance team. LIKAYAK-2 was recruited in March 1956 by Charles W. Anderson III, who decided not to use the business

for cover purposes. Because of LIKAYAK-2's professional background (chemist and former director of the technical laboratory in the Ministry of Interior), Anderson developed the agent into a postal intercept operation. With the permission of [redacted], LIKAYAK-2 organized a network of 22 agents between 1957 and 1969. The group was capable of intercepting any item [redacted] and made the intercepts for LIKAYAK-13, [redacted] to LIKAYAK-4, a government official, who processed them in the laboratory of LIKAYAK-2.*

[redacted]

The LIBIGHT Project also provided access to [redacted] files of the [redacted] which included all foreigners [redacted] This was a valuable asset for checking biographic data on agents or target individuals. The files contained photographs, copies of passports, marriage data, residences of the subject, and a notation of travel to and from Mexico.

[redacted]



* LIKAYAK-2 was subsequently handled by Alan P. White and James E. Anderson.

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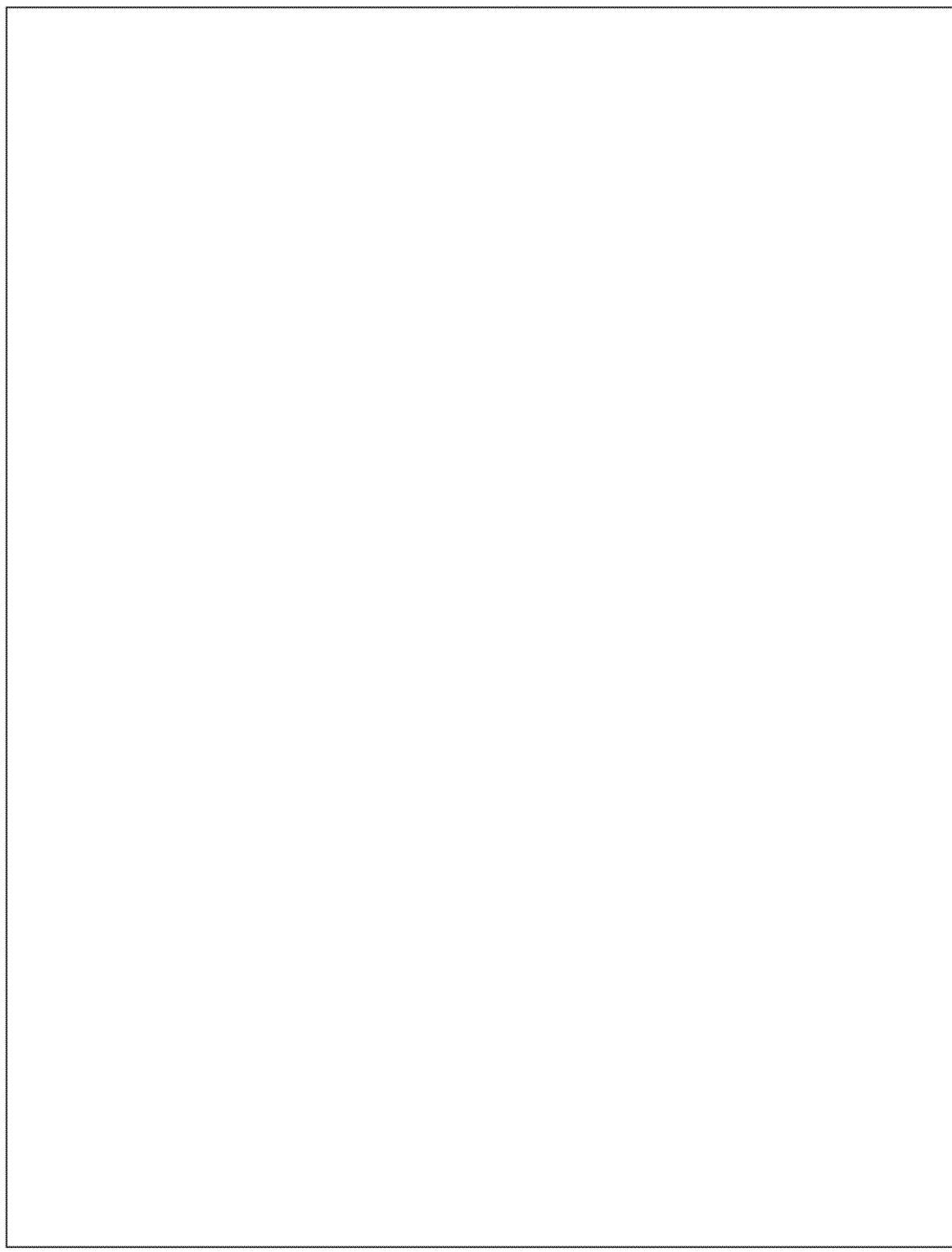

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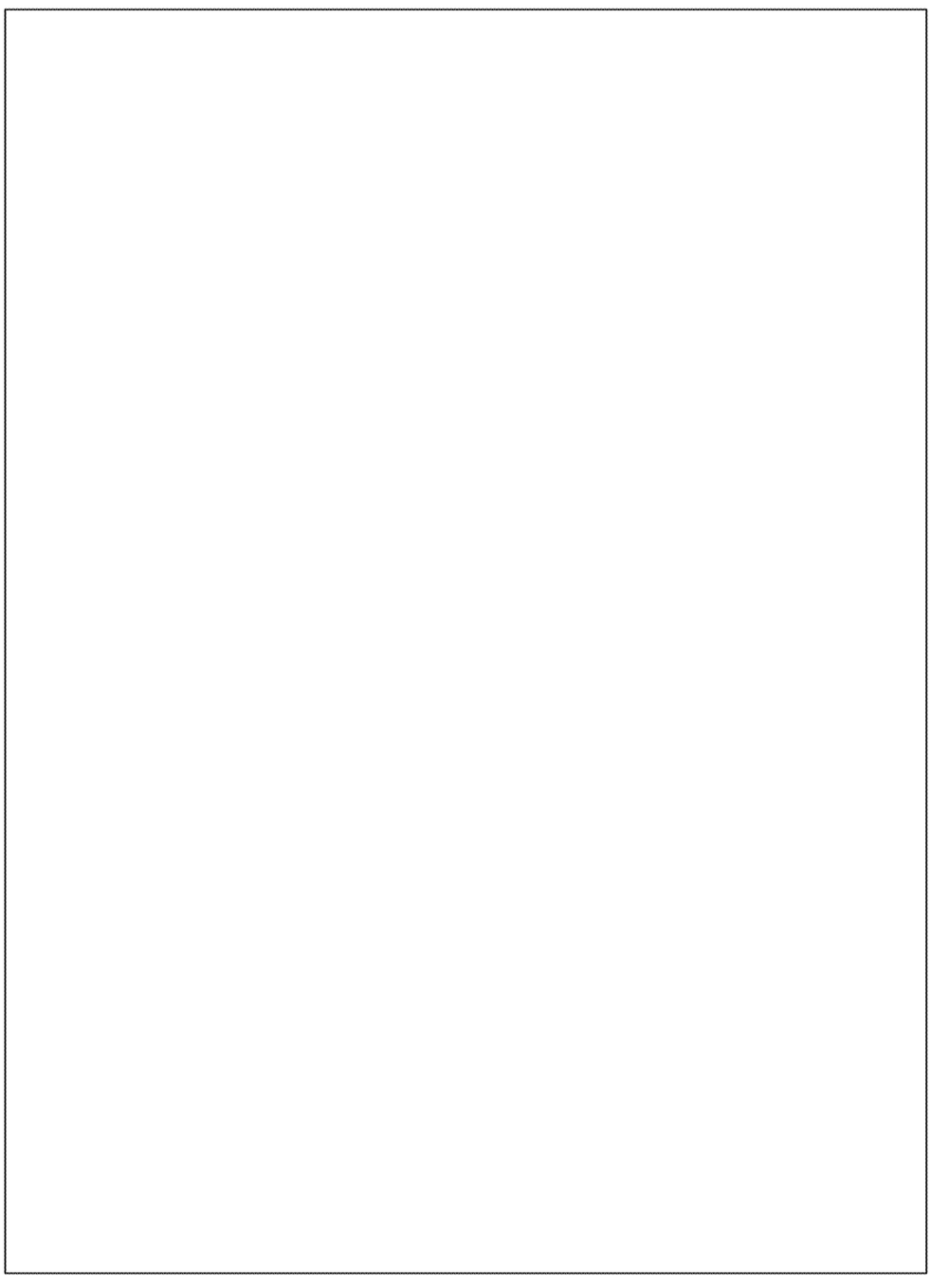
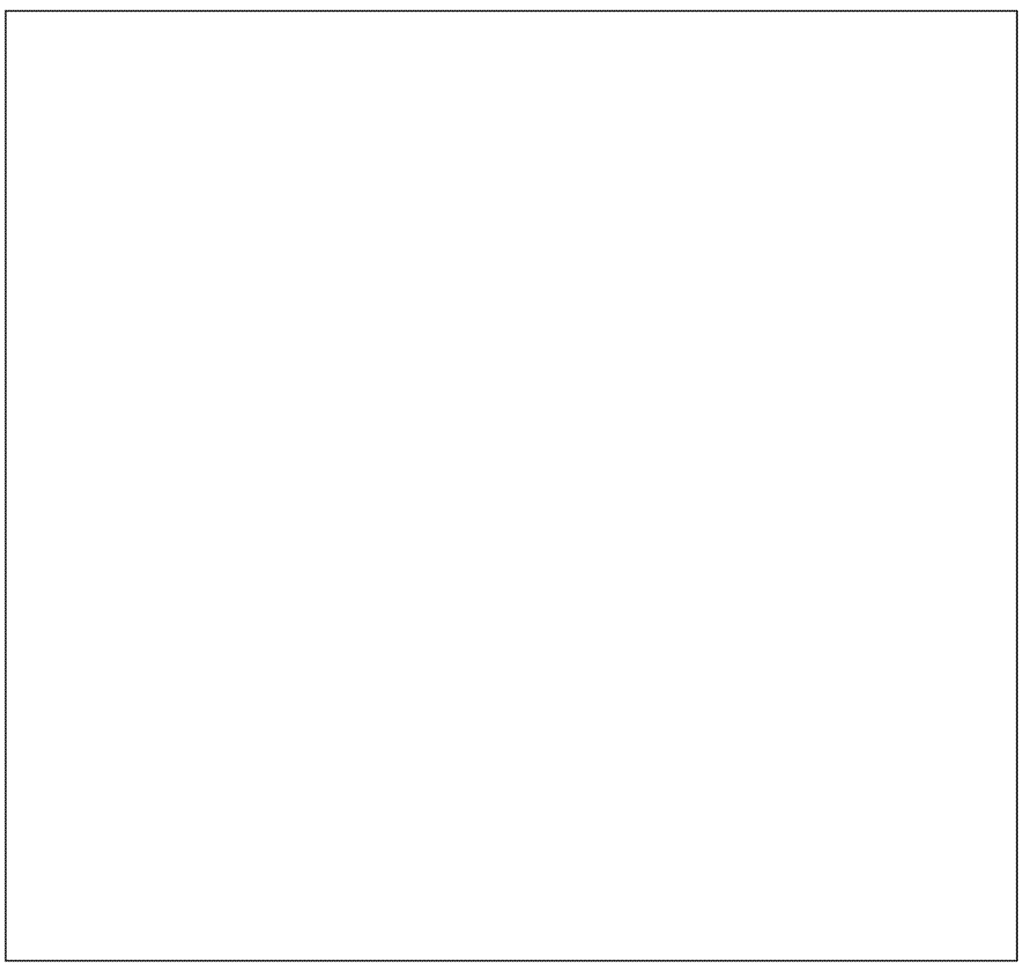
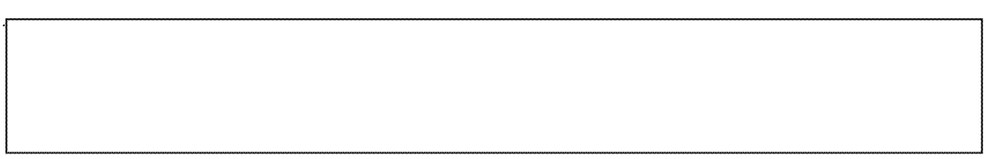




The project cost approximately $40,000 per year for the entire network. Almost $37,000 of this amount was paid for salaries and bonuses. LIKAYAK-2 was paid $400 a month in 1957 and had been raised to $500 as of 1969.



LIENVOY 205/

In August 1958, the US Ambassador, Robert C. Hill, entertained Carlos Trouyet (owner of the Mexican telephone company and Mexico's richest industrialist) at a breakfast to which Winston M. Scott, COS, was invited. Scott was introduced as an "expert on Communism." Trouyet, an extremely pro-US Mexican, offered his assistance in collecting information on Communist activities.

[redacted] discussed recommending a new method of telephone tapping with Scott's help.

Meanwhile, the Mexico City Station was in contact with other persons close to Aleman. One of these persons was LIELEGANT (201-225439), a Mexican lawyer and presidential adviser.* Scott

* LIELEGANT had used LIKAYAK-2 to establish contact with CIA in May 1958. See LIBIGHT.

and Alfonso G. Spera, case officer for LIKAYAK-2, had talked with LIELEGANT in general terms about Communism in Mexico.

[redacted]

1958. In the discussion that followed they agreed to cooperate in the collection of information on Soviet and Communist targets, with LIELEGANT to act

[redacted]

Headquarters agreed to supply the equipment.* This equipment was delivered to Mexico by a special aircraft with a team of TSD engineers who made the

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* The listening post had 40 Ampex tape recorders for voices, 30 dial recorders for dial tones of numbers called, 11 Wollensak tape recorders for transcribers, and 11 Revere tape recorders for transcribers.

installation, first in an office with LIELEGANT's [redacted] and later in a residence near the main [redacted]

Mexican Army officers were detailed as transcribers and monitors. Other employees of the listening post were friends of the Army officers or persons known to LIELEGANT or his son, LIENVOY-2, who became the Mexican responsible for the listening post. The station placed a staff agent, Arnold F. AREHART, in the listening post as an outside case officer responsible for supervision and maintenance of the equipment. As of 1969, AREHART completed his tenth year in this position.

The initial project provided for a listening post and a separate unit to investigate leads from the taps. The separate unit (LITABLE) folded quickly. The agents consisted of semi-illiterate bodyguard types who could not respond to training. The training officer, Bernard E. ELAKMAN, was returned to Headquarters in 1959 (shortly after his arrival in Mexico) for health reasons. He was not replaced.

The LITABLE agents were terminated soon thereafter.

Another early personnel problem evolved around the senior outside case officer. He did not have a Spanish language capability, and he was also returned to Headquarters when he could not adjust to the outside role of a staff agent. He was not replaced.

By the end of 1959, the project was covering 30 lines; [redacted] The installation costs were around $150,000. The first targets selected by the station were CP personalities not covered by LIFEAT, but in June 1960 LIELEGANT indicated that [redacted] wanted to cover the Soviet Bloc installations. LIFEAT taps were removed to prevent LIENVOY from accidentally finding them and tracing the wire to a listening post. From 1960 through 1969, [redacted] target lines of the station were Soviet Bloc installations. [redacted]

The LIENVOY Project cost about $60,000 per year after its first year. This figure did not include salary and allowances for the outside staff agent, AREHART, who worked exclusively on LIENVOY but was paid from "support" funds. There were ten Mexican employees working in the listening post who prepared the daily transcripts and a summary of information from the lines which were not fully transcribed. This summary was delivered each morning about 0800 hours to the station case officer by AREHART. Any items of unusual significance were brought to the attention of the chief of station before 0900 hours. Russian, Czech, Yugoslav, and Polish language tapes were transcribed by other contract agents not tied in with the LIENVOY Project. These persons usually had one room in their residences sealed off as a work area for handling tapes.

Alfonso G. Spera set up the LIENVOY Project and acted as the station case officer until 1960

when he was replaced by John B. Brady, who handled the project until October 1961.*

From November 1959 until mid-1964, the project operated under the original group of Mexicans (LIELEGANT, LIENVOY-2, [redacted] In August 1964, [redacted] did not like personally, was phased out of the project. New cover for LIENVOY was provided by [redacted]

* From October 1961 until October 1968, the station case officer was Anne Goodpasture. From October 1968 to June 1969 James E. Anderson handled the project.

The Headquarters FI Staff considered the LIENVOY Project as a model for imitation by other stations, particularly in the area of efficient processing and exploitation of raw take. From 1959 through 1968, the project produced an average of 100 positive intelligence reports a year although some of this information was of marginal value. The operational information from the project on Soviet Bloc officials and their contacts was considered outstanding and essential to developing operations against those targets.

During late 1968, LIELEGANT asked the station

[redacted]

In early 1969 LIELEGANT and LIENVOY-2 again requested CIA training for another investigative

group similar to LITABLE. [redacted] went to Mexico on temporary duty and provided training to a group of [redacted] agents in mid-1969.

The project had many frustrating situations in dealing with LIENVOY-2, who was basically dishonest and conniving. Neither he nor his father, LIELEGANT, were subject to any control by CIA except through the tightening of purse strings. The two of them met with Scott and acted as a communication channel to [redacted]

Typical of LIENVOY-2's demands on the station which were of no value was the LISALAD [redacted] intercept unit. At station request, Headquarters sent [redacted] on temporary duty to Mexico in 1966 to provide training in [redacted] LIENVOY-19 [redacted] It was thought at the station that this was an attempt on the part of LIELEGANT and LIENVOY-2 to undermine

[redacted]

[redacted] the function was abandoned as far as the station could determine. Nevertheless, LIENVOY-2 continued to bill the station for office rent and the salary of LIENVOY-19 even though the office no longer existed and the agent was not doing anything for the station. Scott decided to continue making the payments rather than confront LIENVOY-2 with this fraud and offend him or his father, LIELEGANT.

LIENVOY-2 also claimed to Scott that two of the LITABLE agents were retained as investigators. Scott agreed to subsidize their salaries as a part of a monthly stipend paid to LIENVOY-2 for operational expenses. According to AREHART, he paid all the operational expenses at the listening post from his station revolving fund. Therefore, the payments to LIENVOY-2 represented a flat subsidy of $500 per month in addition to a salary of $480 per month. This payment of $980 per month to LIENVOY-2 was recognized by Scott as an ante for maintaining the relationship with LIELEGANT who received no salary from the station.

The project would have functioned better and

would have cost considerably less without LIENVOY-2 or LIELEGANT. On the other hand, LIELEGANT and LIENVOY-2 were both part of the package presented by [redacted] when the project started. Only experience in dealing with them revealed that their contacts with [redacted] were not as close as the relationship they shared with [redacted] [redacted] In their dealings with the station, LIENVOY-2 and LIELEGANT gained a considerable knowledge of the station's operational assets and capabilities. From a security viewpoint, they knew too much to terminate them with prejudice unless the station was also willing to terminate the operations they knew about, which included LIFIRE, LIBIGHT, LITEMPO, and LIENVOY.

LITEMPO[206/]

The LITEMPO Project provided for operational support and security backstopping for the Mexico City Station operations from 1960. The principal agent was Jeremy K. BENADUM, a career agent. He was a former [redacted] in Mexico and had been the assistant legal attache from 1953. He resigned from the

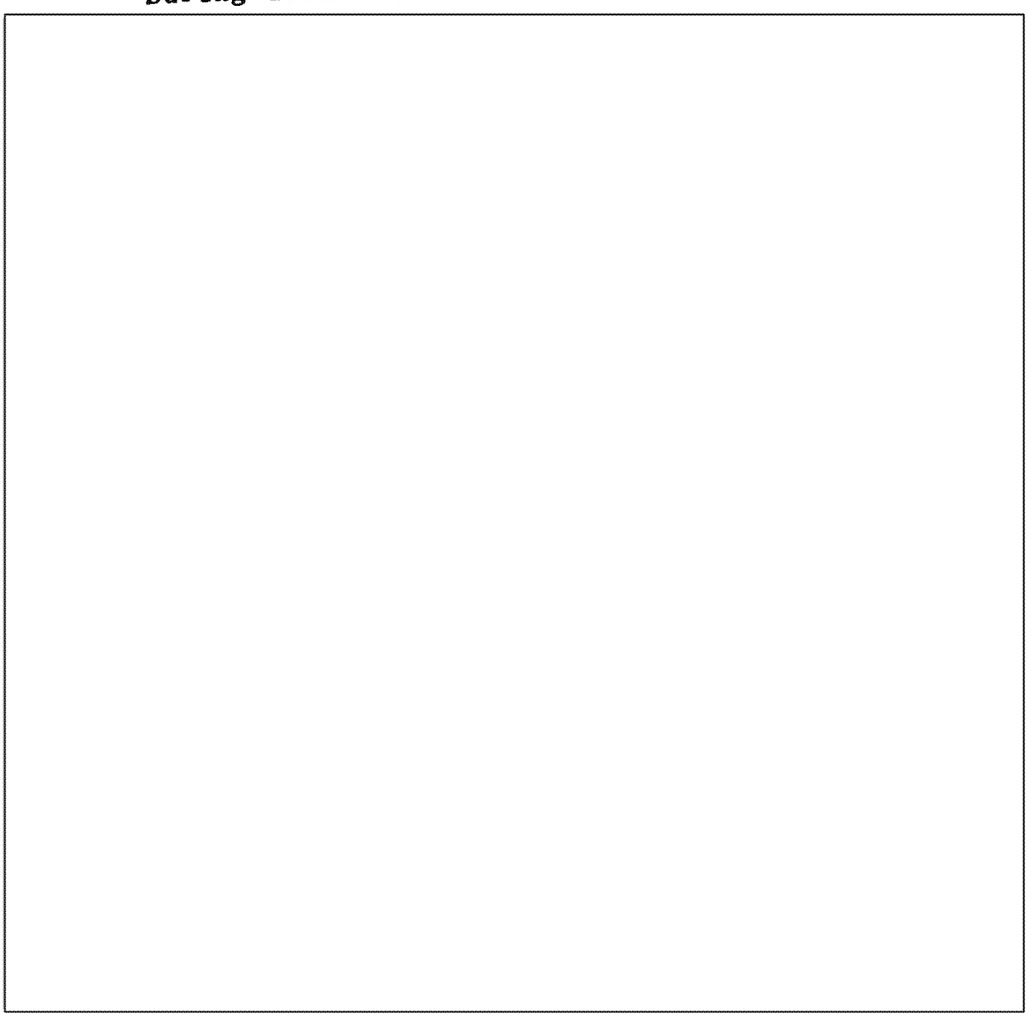
[redacted] in the face of a transfer to the United States and was hired by Winston M. Scott, COS, because of BENADUM's numerous contacts in the [redacted] [redacted] One of BENADUM's main contacts was LITEMPO-1, the nephew of the Minister, then Gustavo Diaz Ordaz.

The budget for the first project year (1961) was $55,353 which supported four employees of the [redacted] ($9,000), a five-man surveillance team of agents transferred from LIEMPTY who had been recruited under LIPSTICK/LIJERSEY ($10,000), salary and allowance for BENADUM ($21,000), and some $15,000 for operational expenses. The project suffered constantly from lack of effective management. The surveillance team reports were of little or no value because the agents did not receive proper direction. They were removed from the LITEMPO Project and placed under LIRICE in 1962. BENADUM and LITEMPO-1 were so occupied with station requests for operational support and security backstopping in connection with the JMNET operation that all other activities were neglected. They arranged through

[redacted] for such things as the purchase and storage of 200,000 liters of aviation gas and 50,000 liters of oil on the Mexican airfields at Chetumal and Cozumel for use during the Bay of Pigs operation, the evacuation of an unmarked C-54 Agency plane with a Cuban exile crew which made a forced landing in Chiapas, the location and arrest of Cuban nationals who had deserted their training posts in Guatemala and were "at large" in Mexico, and the legal entry into Mexico of Cubans whose presence was necessary in connection with operations against Cuba directed from Miami and other stations. In the handling of these sporadic security and support operations, day-to-day management of the LITEMPO Project personnel was neglected by BENADUM and LITEMPO-1.

Once the project got off on the wrong foot in the way of effective management, it was difficult to repair the damage. None of the original agents had the slightest concept of positive intelligence reporting. As a result, the project produced nothing during its first few years.

During 1962 the contacts of BENADUM in the



to the station.

Although the original surveillance team members were removed from the project, the cost continued to increase, amounting to $59,235 for 1963. Headquarters asked the station to provide closer

supervision of the project in an effort to increase its production and reduce its cost. After a station review, $10,000 was cut from the project by terminating marginal agents and cutting operational expenses.

The project did not produce positive intelligence until LITEMPO-12 was recruited. He was a subordinate of LITEMPO-4 [redacted] When LITEMPO-12 returned to Mexico, he was assigned to work with the station. From early 1966, LITEMPO-12 held meetings each morning with BENADUM and passed copies of reports received from LITEMPO-12 agents (about 20) assigned to subversive targets. This produced (for the next three years) about 20 percent of the positive intelligence production from the station. The reports covered activities of the CP, Cuban exiles, the Trotskyites, and Soviet Bloc cultural groups. The results from police raids against subversive groups were passed to the station via LITEMPO-12. During 1967 and 1968, his group also

cooperated with the station on covering the activities of US radical students travelling to Cuba.

[redacted]

In 1965 the LITEMPO Project also took over management of a [redacted] which photographed documents of travellers from Cuba and selected Soviet Bloc countries. This was the primary source for the station for identification of Cuban and Soviet Bloc officials who were assigned to Mexico.

LISAGA[207/]

The LISAGA Project was a third-country operation. A Mexican citizen, LISAGA-1 was selected by the COS, Mexico City, and [redacted] for assignment as [redacted] in Havana, Cuba, for the purpose

V. Clandestine Collection, Concept and Assessment

In examining the collection product, two types of information must be distinguished. The first, positive intelligence, was a clearly defined item, collected for customer agencies, disseminated according to their needs and interest, and was subject to evaluation. The usefulness and importance of each report was manifest when the report was weighed against other information on the same subject, considering the source's access and reporting record.

Security intelligence, on the other hand, defied precise definition. It was largely self-generated in response to Agency internal requirements or in pursuit of obvious, but not necessarily formalized, security objectives. It received limited distribution to a few other agencies with security responsibilities (if it was disseminated at all). On receipt it was sometimes impossible to evaluate with any degree of accuracy. In fact, its importance did not become apparent for months or even years until it was matched against other information received from a different source, or until a sudden, specific

and often urgent need arose (in connection with a Presidential visit, for example). Security intelligence included all information concerning the identities, activities, contacts, and movements of US and foreign subversive personalities, foreign intelligence personnel, and other persons known or suspected of being engaged in activities inimical to the United States. It was used to improve US security or to assist in the implementation of US national policy.

The station produced a large volume of security intelligence concerning: US citizens initiating or maintaining contact with the Cuban and Soviet diplomatic installations; travel to Cuba by US citizens and residents; activities of Cuban and Soviet intelligence personnel; travel of Mexican and other Latin American key subversive personalities; and methods used to support subversive groups outside of Mexico. In FY 1966, 82 formal disseminations of security intelligence were made to the FBI, the I&NS, the military services, and similar customers. More than half of these related to the activities of US nationals. The bulk of the security intelligence,

however, was retained by operational elements of CIA for analysis and internal use. The Mexico City Station referred daily to indexes based on this material in tracing applicants for US visas, and in support of its own and other stations' operational programs. The same indexes were also regularly consulted in tracing applicants for US Civil Service positions, employees of private industry whose access to classified information required a US security clearance, and Mexicans visiting the United States as members of official delegations scheduled to receive classified briefings. The station serviced approximately 35,000 name traces annually (including visa checks) from 1957 through 1968 and uncovered substantive information in about 12 percent of the cases.[209/]

In 1962 FI/INT/RE,* conducted a review of Clandestine Service (CS) reporting from Mexico.[210/] This included a thorough study of 415 CS reports disseminated during the six-month period ending 31 March 1962. The appraisal was based on a general

* FI Staff, Intelligence Group, Requirements and Evaluation Branch (FI/INT/RE).

review and comparison of information from overt sources during the same period and interviews with customer analysts to determine the adequacy of past CS reporting and needs for future CS reporting. Collection guidance on Mexico was also examined to determine its adequacy and relevance to the reporting.

The study reflected that the Related Missions Directive largely, but not completely, provided for the intelligence community's needs for CS reporting.

In general appraisal, CS reporting on Communist and leftist activities in Mexico was found necessary to complement and confirm a volume of similar information produced by the FBI and the Office of Operations (OO). There was need for more information on Communist influence among individuals such as prominent Mexicans who supported Communism on individual issues, particularly leftist influence in the Mexican Government. The overall Soviet plans for the numerous leftist assets in Mexico were not sufficiently covered in the CS reporting. Information was also needed on the extent of Soviet influence and subversion in all its forms throughout

Mexico. Reporting on students' domestic activities was considered insufficient in relation to the importance of the subject.

One-third of the reporting related to the Communist Party, the National Liberation Movement (MLN) and the Popular Socialist Party (PPS). Over one-third concerned trips by Mexicans to the Soviet Bloc or Cuba for international Communist activities, and visits of Bloc and Cuban nationals to Mexico. Many of the reports were too general in nature to meet community requirements for detailed data.

All reporting was consonant with objectives of the RMD. There were no significant areas of marginal reporting where the CS should not be supplying information.

An assessment prepared by FI/INT/RE of CS reporting on Mexico for the period 1 February through 31 July 1966 covered 359 reports disseminated from Mexico City and Monterrey during that period.[211/] The findings revealed that the collection objectives of the RMD for Mexico, approved 22 July 1965, well represented the community's needs and judgments as to priority. Among the customer

reactions, two were outstanding. There was urgent need for more and higher level CS reporting on the [redacted] and the leftist influence in the Government. The voluminous reporting on low-level affairs of the PCM greatly exceeded customers' needs or their ability to absorb it.

Other noteworthy findings were: Only 10.3 percent of the total product reviewed could be related to RMD Priority A objectives, which concerned Cuban and Soviet activities in Mexico, and the Mexican Government. The reporting relevant to RMD Objective B-1, which concerned the CP and related subjects, accounted for 78 percent of the production reviewed. Low-level domestic activities of the PCM, the PPS, and front groups were overreported. Lacking was more information on active militant groups.

Customers had nothing but praise for the coverage of the Government's security precautions surrounding President Johnson's visit. The 24 reports on this subject, relevant to RMD Objective B-3,

were hailed as complete, timely, and very well handled.

Another review of reporting against the Operating Directive Objectives was completed in early 1968.[212/] This covered 337 disseminations to customer agencies during the period July through December 1967. The study revealed that while there was some excellent reporting from the Mexico City Station, on an overall basis the same gaps, needs, and overreporting characteristic of the 1966 review continued in 1968. The station had the same low-access agents and continued to disseminate their reports even though customer agencies did not want to receive this information.

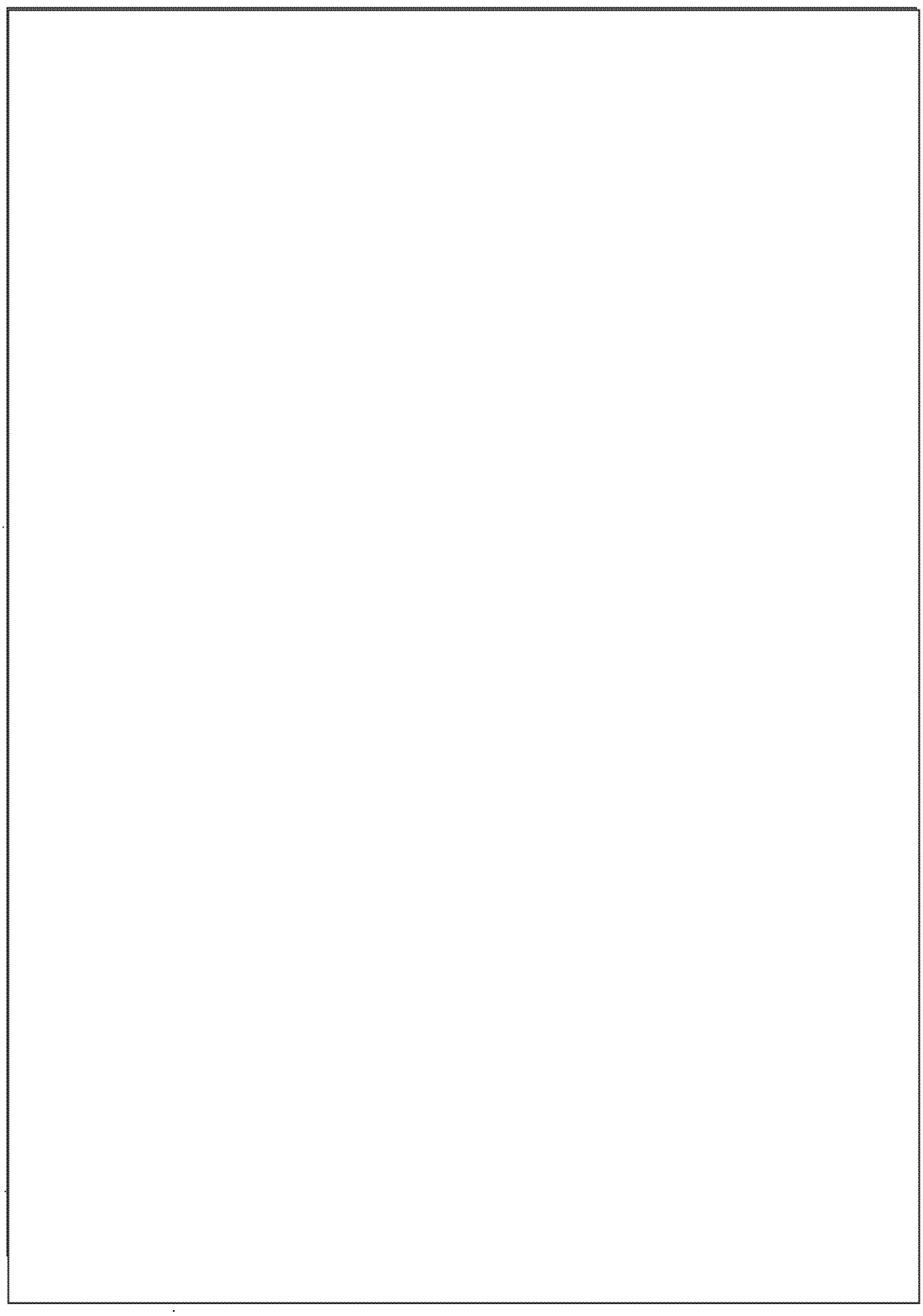
To correct this situation, Headquarters recommended that the station attempt to obtain higher access agents among Communist groups. Also, some of the political information was passed to the Embassy Political Section for background and situation reports. The elimination of this low-level information cut sharply the overall volume of formal dissemimations from the station but it resulted in a better quality product. To meet

customer requirements for information on Cuban and Soviet subversive activities, CIA prepared working papers.[213/] These studies were well received by customer agencies and provided them with security intelligence not available from any other source.

VI. Relations with the US Embassy

During the period covered by this history (April 1947 to June 1969), there were six US Ambassadors assigned to Mexico: Walter C. Thurston, May 1946 to November 1950; William O'Dwyer, December 1950 to November 1952; Francis White, March 1953 to April 1957; Robert C. Hill, May 1957 to November 1960; Thomas C. Mann, April 1961 to January 1964; and Fulton Freeman, March 1964 to November 1968.

Relations between the first COS, [redacted] and Ambassador Thurston, a Foreign Service Career officer, were cordial and friendly. To Captain W. C. Ford and [redacted] who inspected the Mexico City Station in February 1949, Thurston volunteered that he had no problems whatsoever regarding CIA operations in his area. He stated that he was completely satisfied with the manner in which [redacted] conducted his operations, although he did not know what these operations consisted of, but added that [redacted] in his own quiet, efficient manner appeared to be well informed and to have good coverage concerning subversive activities in Mexico.



[redacted]

The only difficulties between CIA and Ambassador White occurred after the arrival of Winston M. Scott in 1956. This was over an increase of [redacted] slots in station personnel in the Embassy. White was adamant in not wanting to increase the size of the Embassy. He reluctantly agreed to the use of [redacted] documentation for these persons, provided the Embassy would have no responsibility for them and they would not admit that they were employed by the Embassy.

Scott's relations with William Snow, Minister-Counselor of Embassy, were excellent. In fact, Snow was so impressed with Scott that he asked him in September 1956 if he could persuade Headquarters to send a team of file experts to Mexico to survey the Embassy records and made recommendations for a complete reorganization of their filing system. As a result of this request, [redacted] and John M. Scott were sent to Mexico City from

Headquarters and conducted a review of the Embassy files as a part of their reorganization of the station files.

There was a marked increase in services performed by the station for all Embassy components after 1956. This included traces of names of visa applicants, persons on the Ambassador's guest lists, and employee applicants. Station photographic facilities were made available to the Embassy. The COS took an active part in the Ambassador's staff meetings, and he briefed visiting US Congressmen and newspapermen. Headquarters permitted Ambassador Hill to detail Thomas J. Hazlett as the Ambassador's secretary during Lopez Mateos inauguration ceremonies. The increased dependence on the station for Embassy service led Headquarters inspectors in 1961 to suggest that the COS might need command guidance on the extent of station services for the Embassy to insure that CIA activities would not be neglected.[215/]

Through Ambassador Hill, Scott met a wide range of Mexican political figures. Hill promoted Scott as his "expert on Communism," and was instru-

mental in placing Scott in contact with President Lopez Mateos. Because of this friendly relationship, Hill endorsed Scott's request for additional personnel with nominal cover rather than [redacted] cover. He assigned to the station office space twice the size assigned under previous ambassadors.

Ambassador Thomas C. Mann was briefed at Headquarters on station operations and Scott's [redacted] Mann had grown up in Laredo, Texas, and was aware of the sensitivity of the Mexican President to close and open association with an American Ambassador for fear that he might be subject to criticism by opposition nationalist elements. Mann was perfectly satisfied to use Scott as a channel to [redacted] for certain sensitive political matters. Mann also considered the joint telephone tap project the best intelligence bperation in Latin America. 216/

Mann's successor, Ambassador Fulton Freeman, did not share Mann's viewpoint and felt that he, Freeman, should deal with the President of Mexico on all matters. In November 1964, Mann (then

Assistant Secretary of State) ordered Freeman to Washington and held a private conversation with him regarding his relationship with the President of Mexico. Raford W. Herbert, Deputy Chief, WH, met with Freeman and Mann at this time. Freeman

[redacted]

Freeman exhibited some distrust of CIA. For instance, in November 1965 he advised the COS that beginning 22 November he wanted to see all cable traffic between Headquarters and the station to see what was going on; cable traffic was made available by the station but sensitive sources were not identified in these communications. Freeman made the same request of the local FBI office. 217/

The station had access to consular files and Political Section records. The visa and security

offices were cooperative in permitting use of their offices by station officers for interviews of "walk-in" cases or persons of operational interest who called at the Embassy for pretext interviews. One example of cooperation by the Embassy occurred in 1962 when Roger Abraham, the Embassy administrative counsellor, gave the station [redacted]

In 1967 the Mexico City Station provided the Embassy with file traces of 32,197 names. Memoranda with derogatory information were written on 1,333 of these names.[218/]

Relations with the Federal Bureau of Investigation (FBI)

The FBI used the cover of legal attache, and the size of its staff inside the Embassy compared roughly with that of the station's integrated personnel.

Relations between the station and the FBI were generally cooperative. Every COS from 1947 until 1969 had been a former FBI agent. John N. Speakes, Jr., was the senior FBI representative

in Mexico when Doyle opened the station. Speakes remained in that position until his retirement in 1958. He was replaced by John Desmond, who served in Mexico until 1963 when he retired and was replaced by Clark Anderson, who remained in Mexico until he was transferred to Santo Domingo in April 1965. Nathan Ferris, who had served in the Washington FBI office as the senior representative for the Western Hemisphere, replaced Anderson and was still in Mexico as of 1969.

Headquarters recognized that Mexico was in a unique position as a consequence of its proximity to the United States and its obvious utility as a base for third-country operations directed against the United States. In view of the fact that the FBI was charged with responsibility for the internal security of the United States, the necessity for FBI activity could not be denied.[219/]

The Mexico FBI office received copies of all disseminations from the station. It also received counterespionage or security intelligence on all non-US citizens of interest to that office. Information on US citizens, except those in contact

with the Cuban or Soviet Embassy, was passed at Headquarters. Copies of legal attache reports were passed in Mexico to the station.[220]

From 1947 until 1959 legal attache officers concerned themselves with criminal cases (fugitives from justice, stolen cars, and fraud), espionage investigations involving US citizens who fled to Mexico, and US Communist Party leaders in temporary exile in Mexico.

From 1960 on, the legal attache targets were identical with those of the station, plus criminal cases with which CIA was not concerned. This led to some unavoidable duplicate reporting by the FBI and CIA.

Liaison with the FBI in Mexico sometimes became delicate because many persons of interest to them were US citizens on whom CIA had acquired information as a byproduct of technical operations against the Soviet Bloc and Cuban official installations. The station was prohibited from passing this information locally to the FBI without first sending it to Headquarters and receiving clearance to pass it locally. By this time, the value of the

information had perished. For instance, US citizens telephoned the Cuban Embassy to pick up visas to travel to Cuba.[221] They usually gave their name over the telephone. By the time the station received permission from Headquarters to give these names to the local FBI office, the visitors had gone to Cuba. When this was pointed out to Headquarters, an exception was made to existing regulations, permitting the station to pass locally information on Americans who contacted the Cuban or Soviet Embassy.

The station began placing telephone taps for the FBI in the 1950's. These were on the US CP leaders and persons who were wanted in the United States for questioning on espionage activities. The targets were named by the FBI and consisted of at least two simultaneous lines and sometimes as many as four. Their chief clerk transcribed the reels and returned them with copies of the transcripts. The station occasionally checked the reels against the transcripts to make sure that they were complete. The same group of FBI targets were covered by the station mail intercept operation.

Between 1947 and 1969 there were a number of FBI double agents who met with their Soviet case officers in Mexico. The station provided support to these operations in the form of surveillance and photographic coverage of the agent meetings and the agent activities while in Mexico.

The FBI did not always protect CIA sources. An example of this was the handling of a CIA clandestine photograph in the Oswald case when the FBI told Oswald's mother that the photograph was made by CIA in front of the Soviet Embassy in Mexico City.

As of 1969, the FBI maintained a staff of three officers in the consulate general in Monterrey, one officer in the consulate general in Guadalajara, and one officer in the consulate in Mazatlan.[222]

Relations with the Department of Defense

Relations with the military officers were formal but not particularly close when the Mexico City Station was opened. The military attache complained that, when [redacted] assumed charge of activities formerly handled by the FBI, the military officers were cut off from the distribution of

reports which they had previously received. [redacted] had provided them information in response to specific requests, but the military office wanted to receive copies of all local CIA disseminations. From September 1947, all local disseminations were sent to the military and naval attaches.

In 1956 Lt. Colonel Oscar M. Doerflinger was assigned to the military attache office in Mexico City in response to a specific request from CIA. Doerflinger had served at Headquarters as the branch chief for Mexico just prior to his assignment to Mexico. During his tour in Mexico City, cooperation with the station was excellent.[223/]

At the station's request in 1956, the air attache flew at low altitude over the Soviet Bloc official installation and made aerial photographs with a 70-millimeter aerial camera. The photographs were so clear and sharp that they showed a powerful radio antenna concealed in a well of the roof of the Soviet Embassy. The air and naval attaches also made their aircraft available to CIA on special flights for cargo from the United States. On these occasions, CIA paid the operating costs.

In an economy move in 1967 the US Government withdrew the aircraft which had formerly been assigned to the Ambassador.

Military officers worked closely with the station in the investigation of servicemen who were in Mexico without leave from their bases. Periodically, these persons were in contact with the Soviet Bloc and Cuban official installations attempting to travel to Cuba or the Soviet Union. In several instances, information provided by the station assisted in locating the men and returning them to their US military bases.

The LIOYSTER operation was an example of station cooperation with the military officers and the FBI when an enlisted man in the US Army came to Mexico, under military guidance, and met with his Soviet intelligence case officer.

Military and naval attaches were members of the attache association and provided the station with personality information on the Soviet Bloc attache. In one instance, based on derogatory information from a CIA technical operation, the US military attache made a recruitment approach to the Soviet attache which was turned down.

Relations with the Immigration and Naturalization Service (I&NS)

There were two representatives from this service stationed in the US Embassy in Mexico City. Their relations with the station were cordial and friendly. They were particularly helpful in some cases involving Cubans of interest to the station who had problems with the US immigration laws.

Before the I&NS had a representative in the Embassy, the station handled one of their informants, [redacted] who later became a local employee of the Consular Section of the Embassy. [redacted] was paid by [redacted] for three months in 1951 at the request of the Washington, D.C., office of the I&NS.

I&NS inspectors stationed at El Paso, Texas, cooperated with personnel of the Monterrey Base in the development of sources on the CP. LIOXIDE was recommended to CIA by that office. Another source suggested by the I&NS was LIVACATE-3.

Appendix B

Chronology of Key Station Officers

MEXICO CITY

Chiefs

[redacted]	Apr 1947 - Jan 1951
	Jan 1951 - May 1951
	Jun 1951 - Jan 1953
	Feb 1953 - Aug 1956
Winston M. Scott	Aug 1956 - Jun 1969
[redacted]	Jul 1969 - Jun 1970
	Jul 1970 - Jun 1973
	June 1973 -

Deputy Chiefs

[redacted]	Aug 1948 - Nov 1950
	Dec 1950 - Jul 1953
	Aug 1953 - Sep 1955
	Sep 1955 - Jun 1956
Alfonso L. Rodriguez	Jul 1956 - Jul 1958
[redacted]	Oct 1958 - Dec 1962
Duane L. Puckett (Acting)	Dec 1962 - Apr 1963
Alan P. White	May 1963 - May 1967
[redacted]	Jun 1967 - Apr 1969
	May 1969 - Jul 1969
	Jul 1969 -

He and his wife also transcribed the LIFEAT and LIENVOY Czech language portion of the telephone tap tapes from the Czechoslovakian Embassy. Beginning in 1957 they were included in the LIDOGTROT Project. They were identified by pseudonyms David B. SCHLAGETER and Teresa W. HERIKSTADT. File No. 50-6-44, Job No. 62-644/16, Box 5.

LICAPER - Proposed joint telephone tap operation with the Mexican Ministry of Interior, Federal Security Service, approved in principle by Headquarters but not implemented for local security and economic reasons, March 1964. File No. 50-6-109/1, Job No. 64-459/75, Box 17.

LICHERRY - Spanish Republican (Basque) political exile in Mexico who reported on activities of Spanish exiles from 1949 to 1958 when the project was terminated for lack of production of information useful to CIA. File No. 50-6-34, Job No. 59-124, Box 17.

LICHEW - US citizen and professor at the University of Mexico, Leo C. REDLICH, who as a contract agent served as the outside case officer for CA projects LIERECT, LIPLUM, LICOAX, and LINLUCK between March

1962 and September 1968 when REDLICH was terminated because of his diminishing interest in operational activity. File No. 50-124-24, Job No. 69-249/50, Box 10.

LICOOKY - US citizen newspaper reporter who reported on Guatemalan exile activities from 1964 to 1966 when she lost access to information useful to CIA and returned to the United States. This source was identified by the pseudonym Joyce P. PINEINCH. File No. 50-6-129, Job No. 67-86/77, Box 27.

LICOOL - Umbrella project for several surreptitious entries into the residences of Soviet Bloc officials from 1953 until 1960 during which time audio devices were placed there. The LICOOL Project was terminated when the decision was made to prepare a separate project for each audio installation. File No. 50-6-19, Job No. 61-312/76, Box 17.

LICRAFT - Former Cuban Government official and engineer (201-356959) who was used as a source of information on exile activities of Cubans in Mexico from 1964 to August 1966 when he left the area. File No. 50-6-118, Job No. 68-772/38, Box 10.

LIDABBER - Production manager (201-68647) for [redacted] who was used as an access agent to a Soviet Bloc official during 1959. File No. 50-6-53, Job No. 61-810/80, Box 18.

LIEARTH - Double agent, PETANG, who was transferred from the Near East and Africa (NEA) Division (Project PENISTONE) to Mexico and was directed against Soviet Bloc officials from 1957 until 1959 when he returned to [redacted] File No. 50-6-63, Job No. 22-1228/26, Box 4.

LIELOPE - Project which supported and directed the activities of [redacted] grantees to the United States from Mexico who were engaged in Mexican trade union activities from 1961 to 1964 when the project was terminated as unproductive. File No. 50-126-29, Job No. 65-273/22, Box 11.

LIEMBROIL - Students at the University of Mexico who provided information on activities of Communist student groups from 1961 until 1964 when the sources were terminated for poor production. File No. 50-6-76, Job No. 64-54/75, Box 23.

Appendix D

Operational Directives

From April 1947 until 1 March 1948 general operational priorities were outlined in National Security Council Intelligence Directive Number 5 (NSCID/5). Grouped in order of importance, these priorities were: espionage and counterespionage operations against the Soviet Union; Soviet activities outside the USSR; scientific research and technical developments relating to atomic, biological and chemical warfare, guided missiles, and electronics; and collection of information on political, economic, and military developments likely to affect the security of the United States.

Correspondence between Headquarters and Mexico City Station indicates that Special Operational Instruction No. 23 (SOI/23) dated 1 March 1948, established the following more specific targets:

a. Communist Party of Mexico.

b. Activities of the leading Marxist Vicente Lombardo Toledano, and his labor

organization and leftist Popular Party (Partido Popular - PP).*

c. Soviet and Soviet Satellite officials.

d. Spanish Communist Party.

e. Political and financial plans of [redacted]

This directive was valid for three months. Progress of the Mexico City Station in covering these targets was reported monthly to Headquarters. In July 1948 SOI/23 was extended for six months and reporting requirements were changed to quarterly intervals. Headquarters continued extensions until the SOI was replaced by the first RMD dated 27 July 1954 which defined the CIA mission in Mexico. The chief of station was assigned responsibility for:

a. All US Government foreign intelligence (FI) operations in Mexico, except for agreed intelligence activities conducted by other US Government agencies.

b. All US Government political and

* Later named the Popular Socialist Party (PPS).

psychological (PP) operations in Mexico, subject to coordination at Headquarters with the International Organizations (IO) Division on pertinent international programs and with the United States Information Agency (USIA) concerning gray propaganda.

c. Any paramilitary (PM) operations that might be necessary for Mexico.

This directive outlined the station's position on relations with other US Government and foreign agencies. Relations with the State Department were to be in accordance with the provisions of State Department-Office of Special Operations (STOSO) agreement. Coordination with the FBI, I&NS, Department of Defense (DOD), and USIA was authorized by Headquarters in cases of mutual interest. No formal liaison was authorized with foreign intelligence services, but the station was permitted to continue contact with the Federal Security Service and the British intelligence representative.

The basic FI mission in Mexico was to promote the security of the United States by the development

and use of clandestine FI assets to collect information on the intentions, capabilities and courses of action of Mexico, the Soviet Bloc, and of other countries likely to affect the security of the United States.

The basic PP mission in Mexico was to promote the security of the United States by covert operations, planned in such a way that the US Government's role would not be evident but if uncovered could plausibly be denied. The purpose of these operations were to:

a. Contribute to the worldwide objective of reducing the political and economic power and potential of the Soviet Bloc and its capability to wage hot war.

b. Discredit the ideology of international Communism and exploit its problems.

c. Combat the activities of Communist-oriented parties and other radical groups in Mexico.

d. Combat the activities of elements hostile to the United States.

e. Contribute to PP objectives in other parts of Latin America.

In order of priority, the objectives listed in the first RMD were:

PRIORITY I

A. Information about official and semi-official Soviet Bloc activities, intentions, personnel, sabotage and related plans and communications, and connections with subversive activities in Mexico and worldwide;

B. Information about the activities and intentions of Soviet Bloc intelligence services, and their relations with indigenous Communists;

C. Counteract and negate Communist activity in the fields of propaganda, political action, and economic warfare and negate Communist influence in the following segments of Mexican life:

[redacted]

D. Information on the organization, financing and activities of the Communist Party, dissident Communist groups, the Spanish Communist Party, Communist fronts, pro-Soviet groups and their influence at policy-making levels of the government.

PRIORITY II

E. Counteract and negate overt and covert Communist and other anti-US activities in all segments of Mexican life and where possible outside Mexico, in the fields of propaganda, political and economic action;

F. Information about [redacted]

G. Information about international travel of US Communists residing in Mexico and of Soviet Bloc nationals;

H. The plans and activities of [redacted]

I. Information about secret shipments of strategic materials from or through Mexico to Soviet Bloc countries.

PRIORITY III

J. Information about plans, activities and personnel of diplomatic missions of other countries in Mexico, including their relations with Soviet Bloc officials;

K. Details of scientific and technological developments in nuclear energy, biological and chemical warfare, electronics, aerodynamics and ordnance; production of raw materials for atomic energy;

L. Counteract and negate overt and covert Communist activities and promote pro-US sentiment in intellectual and cultural circles in Mexico and when feasible throughout Latin America. (One of the PP tasks listed with this objective was to "obtain and widely publicize the confession of the murderer of Leon Trotsky, thus exposing the terroristic and brutal nature of Communism and Communist rule.")

PRIORITY IV

M. Readiness for general war situation.

The next year the same RMD was approved with objective "K" deleted because the 1956 Operational Program for Mexico contained no provision to cover it. It also provided for an area-wide anti-Communist front organization with chapters in all Latin American countries and yearly congresses to coordinate anti-Communist activities.

In 1956 the RMD had only 10 objectives ("K" and "M" were deleted and "J" was included with the Soviet Bloc requirement). The need for CE and CI operations against Soviet officials and the Soviet intelligence services was emphasized. Soviet Satellites and their services dropped to "Priority II." This directive also called on the station to identify

and report on the activities of US Communists in contact with Soviet officials in Mexico.

The 1957 RMD represented a complete change in format but very little change in content or operational emphasis. The long-range purposes of US policy remained that of counteracting international Communism and encouraging democratic governments friendly to the United States.

In 1958 one additional task was added. This was recruitment of third country national diplomats who might be assigned to Soviet Bloc countries.

About the only change in the 1959 RMD was the recognition of the Chinese Communists as a Priority III objective. This was a worldwide activity and not of special significance to Mexico since there were no Communist Chinese officials in the country. Another objective included in this RMD was the plotting of Latin American revolutionary exile groups.

An effort was made in 1960 to revise the RMD to more accurately reflect operational conditions and capabilities. Coverage of Cuban revolutionary groups in Mexico was made a specific requirement under Priority I because of the threat presented

by Communist Cuba to US interests in Latin America. Covert action operations were authorized against the Cuban targets in Mexico. The same instruction remained in effect until October 1963 when the operational priorities were reduced to three major targets: the Cubans, the Soviets, and [redacted] These remained the primary reporting targets in 1964, 1965, and 1966 though the Mexico City Station pressed for higher priorities for the CP of Mexico and Soviet Satellite activities.

In 1967 the RMD's were replaced by Operating Directives which were included as a part of the operational programs.

The Operating Directive dated January 1967 repeated the unchanged long-range United States policy toward Mexico. Operational targets in order of priority were:

A. Cuba

B. Soviet Union

C. Communist Party of Mexico

D. [redacted]

E. Soviet Satellites

F. Latin American Exiles

G. [redacted]

In 1968 the Operating Directive format was changed back to the Priority I and II categories used from 1956 through 1966. This directive was effective through FY 1969, the cutoff date for this paper. In general terms, the Priority I targets were:

A. Soviet Union

B. Cuba

C. [redacted]

D. Communist Party in Mexico

The Priority II targets were travelers to the Soviet Bloc, Satellite intelligence services, and anti-US extremists.

Generally, the Soviet Embassy in Mexico was the main target of the station. From 1947 to 1954, SOI/23 gave higher priority to the CP and the Popular Socialist Party coverage but by 1954 when the first RMD was written, it was recognized that the Soviet Embassy was the number one target. During the period 1960 through 1967, Cuba was placed ahead of the Soviets as an operational target because of the threat posed in the Western Hemisphere by exportation of Castro-type revolutionary and guerrilla activities. In 1968 the Soviets again became the

priority target when Cuban revolutionary activities in Latin American countries were disrupted by the assassination of "Che" Guevara, the Latin American revolutionary, and it appeared that the Soviets were pressuring Castro to discontinue these operations. The [redacted] and CP activities were of continuing interest but of a lower priority. Soviet Satellite intelligence services were of lesser interest. They, like the Latin American exiles and targets of opportunity, followed behind the Soviets, Cuba, [redacted] and the CP of Mexico.

The Soviets used Mexico as an important base for their operations against the United States, and two-thirds of their officials in Mexico were experienced intelligence officers. They also enjoyed a permissive attitude as far as the Mexican Security Service was concerned. For these reasons, the Soviet Embassy was the primary target of the station during most of the first 22 years of its history.

Appendix E

Glossary of Abbreviations

ADSO	Assistant Director of Special Operations
BOB	Bureau of Budget
CA	Covert Action
CCS	Central Cover Staff
CE	Counterespionage
CI	Counterintelligence
CIC	Counter Intelligence Corps
CIG	Central Intelligence Group
CMA	Mexican Aviation Company
CNE	National Confederation of Students
COS	Chief of Station
CP	Communist Party
CS	Clandestine Service
C/WH	Chief, Western Hemisphere Division
DCI	Director of Central Intelligence
DCOS	Deputy Chief of Station
DDP	Deputy Director for Plans
DFS	Department of Federal Security (Mexican Security Service)
DOD	Department of Defense
D&TO	Developmental and Target of Opportunity
FBI	Federal Bureau of Investigation
FI	Foreign Intelligence
FI/INT/RE	Foreign Intelligence Staff, Intelligence Group, Requirements & Evaluation Branch
FRD	Revolutionary Democratic Front
IG	Inspector General
IISE	Institute of Social and Economic Investigations
I&NS	Immigration and Naturalization Service

IO	International Organizations Division
IPN	National Polytechnic Institute
I&R	Inspection and Review Staff
KGB	Soviet Intelligence Service
MI-6	British Intelligence
MLN	National Liberation Movement
MSS	Mexican Social Secretariat
MSWT	Medium Speed Wireless Transmission
MURO	University Reform Orientation Movement
NCNA	New China News Agency
NSA	National Security Agency
NSCID	National Security Council Intelligence Directive
OAS	Organizat on of American States
OO	Office of Operations
OOA	Other Operational Activities
OPC	Office of Policy Coordination
OSO	Office of Special Operations
OSS	Office of Strategic Service
OWVL	One Way Voice Link
PAN	Party of National Action
PARM	Authentic Party of the Mexican Revolution
PCM	Communist Party of Mexico
PM	Paramilitary
POCM	Workers and Farmers Party of Mexico
PP	Political and Psychological Warfare
PPS	Popular Socialist Party
PRI	Institutional Revolutionary Party
PSP	Cuban Communist Party
RID	Records Integration Division
RMD	Related Missions Directive

SAS	Special Affairs Staff
SOI	Special Operational Instruction
SR	Soviet Russia
SW	Secret Writing
TDY	Temporary Duty
TELEX	Automatic Teletypewriter Exchange Service (of Western Union)
T/O	Table of Organization
TSD	Technical Services Division
TUI	Trade Union International
UCI	International Civic Union
UN	United Nations
UNAM	National Autonomous University of Mexico
UOM	Mexican Workers University
USIA	US Information Agency
USIS	US Information Service
WFTU	World Federation of Trade Unions
WH	Western Hemisphere Division

SECRET

Appendix F.

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