MEDICAANDUM FOR: Assistant Deputy Director, Flone

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MH - Mexico City

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- presented for renewal for the period 1 July 1962 through 30 Tene 1963. The project supports a unilateral telephone tap operation which provides daily information on the activities of official foreign installations in Mexico City and personnel thereof, as well as coverage of the activities of selected indicated and groups.
- 2. Authority is requested to obligate \$99,000 from the DD/1 WH Division budget in fiscal year 1963, subject to the availability of funds. Of this amount \$18,800 is estimated for administrative salaries; \$43,415 for field agent salaries; \$20,823 for basehouse rentals; \$13,050 for equipment; \$2,100 kgr local transportation; and \$807 for miscellaneous operational explases.
- The Field Project Outline and review which are forwarded by the Division with a covering memorandum, give a clear descriptical of the project activity and accomplishments. The project <u>has been in continuous operation since 1951, starting with a </u> sir le tap against the Soviet Legation in Mexico City and now covering as many as thirty lines in a given month. The projection that the projection is a state of the contract of the contra The project WILLETED (p) of Project LINOG), four contract accests who do administrative work, and twenty-one field agents including monitors Fand linesmen. During the past year the project provided coverage to the home phones of three Soviet Intelligence officers, the For sh Embassy, the Yugoslav Embassy, major firms dealing in the transhipment of U.S. goods to Cuba, American Communists in Mexico, and exile and revolutionary groups in Mexico. CI information vo. obtained and additional security was provided Station operatirms. Although coverage of the official Soviet and exechintrallations became a joint operation with the Mexican Government in LIEMVOY. Project LIFEAT remains available to resume coverage these installations should a change in the

to CIA marticipation necessitate such change.

to the future, the Statton has hopes of employing LIERAT accets in "hot mike" operations which will require access to telephone and calles. It is the opinion of the Station that the support provided the Station operations, the SI/S information, and the ability to cover sensitive targets without revealing our interest to ______ justifies the expenditure of sunds, time, and personnel under this project. The overall derformance of all agents in the complex continued to be good; no security problems were encountered which were not solved by the personnel involved.

- The FI Staff notes that the project continues to be a most useful operational asset of the Station and in addition has produced chirty-seven positive intelligence disseminations, six of which are of particular interest concerning the illegal transhipment of particular interest concerning the illegal transhipment of project to Cuba. FI/O comments that one item of direct interest operage of the diplomatic installations would afford valuable installations would afford valuable issistance to the planning and conduct of any FI/O endeavor to fount operations. The CI Staff reiterates that the facilities of this project could and should be used for the coverage of thom or highly suspected agents of the Soviet/Satellite/and tuban intelligence services in Mexico. CI notes that some twenty of these agents have been documented in detailed target studies which were forwarded to the Station.
- Division's attention to the recommendations of CI Staff in paragraph 4 above.

S. M. HIHES Chief, DDP/PG

Approved:

Maranessures

27 Luly 62

Attachments:
Project Outline SIFEAT
(FI Memoranda)

Staff Coordination:
For FI Staff -s
For CI Staff -s/F. Hugnes
For FI/IPT -s/H. Water
For JJG -s/E. Strange
For FI/D -s/

ALCIE