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ROUTING AND RECORD SHEET

SUBJECT: (Optional)				HMA-22387	
FROM:		EXTENSION	NO		
WH/3/Mexico/C. Bustos/x5940			DATE 25 November 1963		
TO: (Officer designation, room number, and building)	DATE		OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)	
	RECEIVED	FORWARDED			
1.	C/WH/3/Mexico	11/29	R		
2.	C/WH/3	29 NOV 1963	gms		
3.	WH/B&F	12/3	PO		
4.	C/WH/Support	12/5	WTH		
5.					
6.					
7.	WH/FI/Project Officer			5	
8.	WH/C/PO/A				
9.	WH/C/OPS				
10.	C/WH/D				
11.	WH/FI/Project Officer	16 Dec 10			
12.	DDE/PG/FI (3C37)			13 to 14: Please note approval on	
13.	3 B4404 WH/FI/Project Officer			consideration that each report be covered during year. Coordinate details in the	
14.	WH/3/Mexico/C. Bustos			PLEASE NOTIFY FIELD OFFICE	
15.					

DISPATCH

CLASSIFICATION

PROCESSING ACTION

TO Chief, MI Division

INFO

FROM Chief of Station, Mexico City

SUBJECT LI:MTY Project Renewal

MARKED FOR INDEXING

NO INDEXING REQUIRED

ONLY QUALIFIED DESK CAN JUDGE INDEXING

MICROFILM

ACTION REQUIRED - REFERENCES

Action: Renewal of Project

Forwarded herewith and under separate cover is the Station's review of Project LI:MTY for purposes of renewing the project for the period 1 December 1965 through 30 November 1966. The amount requested to fund the project for this period is \$US 49,700, or approximately the same as was approved for the past project year.

RECORDS OFFICER STAMP

The following action is authorized: *03 Willard-Curtis*

Signed: [Redacted]

R.O. 4030 - Unit *WAH/R*

Note: If distribution, cite attachments; request and coordinate as stated above. If appropriate. Herewith and Under Separate Cover

Distribution: *✓ - C/WHO w/att h/a & u/a/e*

CS L. 1

50-6-74/1

CROSS REFERENCE TO	DISPATCH SYMBOL AND NUMBER	DATE
GROUP 1 Excluded from automatic downgrading and declassification	50-6-74/1	25 October 1965
	CLASSIFICATION	HQS FILE NUMBER
	SECRET	50-6-74/1

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LIBERTY
PROJECT

Mexico City
STATION

[Handwritten Signature]
Jeremy H. NEARCOB, Case Officer

[Handwritten Signature]
Willard C. CURTIS, Chief of Station

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ENCL #1 PART 1A HANA-22387

ENCL #1 PART 2E HANA-22387

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I. CURRENT OBJECTIVES AND PRODUCTION RELATED THEREIN

A. Oliver G. SCANTLING Segment (in relation to project objectives.)

1. "To collect operational information pertaining to LIMBICK personnel and physical facilities." SCANTLING has continued to provide worthwhile information in support of this objective. (See previous project review forwarded by HNSA-20052 of 13 October 1962.) During the past year SCANTLING was used to follow up leads produced by both LIFEAT and LIFEVOY in support of this objective. In particular, SCANTLING provided, in blueprint detail, casing reports on the homes of two Soviet intelligence officers who are targets for Station technical operations.

SCANTLING also is used to aid the Station in maintaining current records of the residences of Soviet personnel living in Mexico. This is accomplished by SCANTLING's followup of LIFEVOY leads which indicate Soviet interest in renting specific properties.

2. "To collect operational information pertaining to other targets of opportunity, foreign official installations and personnel of intelligence interest operating in Mexico." SCANTLING has proved successful in providing information on other Station targets:

- a. SCANTLING obtained information on AFMIQUELET-2, a suspect Soviet support agent which was the basis of further Station operations against this target.
- b. SCANTLING provided a casing of the former Yugoslav Commercial Office against which the Station had planned a technical operation. However, this site was evacuated by the target mission before plans were completed for this attempt.
- c. SCANTLING has conducted detailed investigations in various cases involving possible agents or contacts of hostile intelligence services. These cases were of prime concern to Station Mexico but frequently were undertaken at the request of Headquarters or other Stations.

3. "To provide support to other Station operations as may be requested by the Station officers concerned." In the past SCANTLING's activities in this area were concerned primarily with recruitments, debriefings and surveillances. During the reporting period, however, the weight of SCANTLING's support to other Station operations have taken other forms. Examples from this area of activity include the most fruitful efforts on SCANTLING's part:

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- a. Support of the sensitive AMROD operation, in which Raymond H. GERENDE also played a vital role, was of singular importance to the success of the operation. SCANTLING's many fields of operational experience were drawn on fully and he thereby provided a unique contribution to the operation. Without the assistance of SCANTLING and GERENDE with their unique qualifications, this operation would have been difficult in the extreme if indeed at all possible.
- b. In support of the Station's harassment campaign against Juan Jose AREVALO Bermajo, launched at the request of Headquarters, SCANTLING again provided the means for carrying out a large portion of the action taken. SCANTLING's efforts ranged from the mailing of "poisoned" candy to the target to the placing of threatening phone calls. SCANTLING also made calls to various Mexican newspapers and mailed "montage" pictures of AREVALO and a Soviet intelligence officer to Guatemalan newspapers in the campaign to discredit and discourage AREVALO in the Guatemalan Presidential campaign. OS
- c. SCANTLING is used as the alternate contact in a sensitive LAURICIE project. This is for the purpose of minimizing the danger of the action agent in this project being recognized as being in contact with an obvious PROWEL citizen. SCANTLING's contribution to this operation has been noteworthy both from the standpoint of security and agent handling.
- d. SCANTLING continued to conduct numerous pretext and neighborhood investigations. As in the past many of these investigations were in relation to highly sensitive cases.

4. Although SCANTLING's LIMPTY project objectives can not be completely fulfilled, it is the Station's opinion that SCANTLING continues to make valuable contributions to the objectives of the project and to other Station activities. SCANTLING's production, measured against monetary expenditure, case officer time and other intangibles factors, unquestionably justifies his continuing as an integral part of Project LIMPTY.

B. Raymond H. GERENDE Segment (in relation to project objectives):

1. "To collect operational information pertaining to LIMPTICK personnel and physical facilities through use of photographic basehouses." Three photographic bases, LIMITED, LILYNIC and LICALLA, contribute to these objectives. Although SCANTLING now acts as contact with the LIMITED base, GERENDE continues to be responsible for the processing of all photo take from the LIMPTY operation including take from LIMITED. To avoid repetition, the Station is omitting the description of the functions of these three bases and how they contribute to the above objective. This was fully described in the 1960 Request for Project Renewal (JCSA-15979).

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2. "To collect operational information and identify operational leads pertaining to Station targets of opportunity." The LIENTRAP operation, handled by GERENDE, is still the major contributor to this objective. LIENTRAP operational emphasis continues to remain in the area of photo stakeout of prominent Mexican Communists and is presently working fulltime on providing pictures of individual Communists, homes suspected of being meeting sites used by the Communist Party and the Communist Party Headquarters itself. LIENTRAP has also recently begun to be used on ERKNICK leads. It is expected that activities of LIENTRAP in that latter area will expand in the coming year.

3. "To provide operational support to Station operations including the renting of hotel rooms and safe apartments, renting and servicing of post office boxes, and conducting counter-surveillances." GERENDE's contribution to the AMROD operation was noted in paragraph I.A.3.a. above. GERENDE's comprehensive area knowledge and personal operational capabilities enable him to make a valuable contribution in such operations as AMROD and also enable him to procure the most desirable safe sites in support of the Station's operations. The project's assets, particularly GERENDE and LIEMPTV-10, presently provide 20 post office box mail drops for use of Mexico City Station and other Stations. Although it is planned to reduce this number considerably during the next year, (since other Station assets now can provide a number of live accommodation addresses), a number of post office boxes will be retained for use in future operations.

4. The quality and quantity of operational information produced by the photographic bases and other activities under GERENDE's control and supervision is considered by the Station worthwhile and in some cases unique. It is concluded, therefore, that this segment of the LIEMPTV Project should be continued.

C. Relationship to the Related Mission Directive

As noted in the examples given above, Project LIEMPTV has provided valuable support to many Station operations and thereby has been a contributing factor to the fulfillment of the Related Mission objectives of the Station. The project has not produced any positive intelligence nor is it intended to do so. The project's sole purpose is to provide a mechanism for the development of operational information.

II. CHANGES

The one major change made in the LIEMPTV Project was the replacement of GERENDE by SCAMPLING as contact with the LIEMPTV basehouse. This was arranged so as to provide GERENDE with more time for rapid processing of the LIEMPTV phototake. It also makes for better rapport with the basehouse keeper (LIEMPTV-6) since SCAMPLING is closer in age to him than is GERENDE.

Louise J. MACRINO (ps) suffered a recurrence of the heart condition which nearly caused her death approximately eight years ago. Complete rest has been

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ordered by her doctors and an operation may be necessary in early 1964. It is therefore unlikely that she will be able to work during the coming project year. Station does not plan to request cancellation of her operational clearance at this time, but has not included salary payments to her in the estimated costs of the project for the coming year.

The unusual salary increase reflected for LIEMPT-19 in the "Project Costs" (below) section for the coming year is due to this agent's new duties of LIFEAT processing in addition to her old duties as translator. Agent's OA was amended for this use on 2 January 1963.

III. EFFECTIVENESS

The comments made concerning the project's effectiveness in the Project Renewal of 1960 (HMMA 15979) remain valid. Indeed the Station's need for the type of services provided by the assets of this project are at least as great today as they were when those comments were originally forwarded.

IV. PROBLEMS

There are presently no known major problems facing the operation which would affect either the security or the effectiveness of this operation. The security problem facing the LICALLA portion of the operation and described in HMMA-15979 and subsequent renewal requests has been resolved by the Cuban Government's release of three KURIOP personnel earlier this year. As was noted previously, one of this group had knowledge of the LICALLA operation.

Both SCANLING and GERLENDE took the LCPLUTTER during the month of October 1963. No security problems were revealed by this test.

V. PLANS

The Station considers that the project is operating at its optimum size and does not plan to expand it during the coming year. Efforts will be continued to refine and better utilize the existing project organization and to improve the compartmentation and security of the project.

VI. COSTS

A. Past Project Year - Station records show that Project LIEMPT-19 expended approximately \$US 30,680.00 during FY 1963 (1 December 1962 - 30 June 1963) and has to date in FY 1964 (through 30 September 1963) expended \$US 7,620. Approximately \$US 10,500 will be expended during the last two months of the project year. This will make a total expenditure for the project year of about \$US 48,600 or \$US 1,500 under that which was allotted for this project.

B. Next Project Year - Of the total \$US 49,700 budget, itemized below, approximately \$US 30,290 will be expended in FY 1964 and the remainder \$US 19,410 in FY 1965.

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<u>AGENT SALARIES</u> (including X'mas bonuses)	<u>\$US per year</u>	<u>FY 1964</u>	<u>FY 1965</u>
Raymond H. GERENDE	6,000		
Oliver G. SCANTLING	5,500		
Louise J. MACRINO (at \$US 2.02 per hour)	no salary		
LIEMPTY-4	2,400		
LIEMPTY-5 (at US 1.75 per hour)	1,000		
LIEMPTY-6	3,700		
LIEMPTY-7	no salary		
LIEMPTY-8	2,400		
LIEMPTY-9	3,600		
LIEMPTY-10	4,400		
LIEMPTY-11	2,500		
LIEMPTY-12	2,000		
LIEMPTY-13	2,000		
LIEMPTY-14	2,000		
LIEMPTY-19	2,000		
LIEMPTY-24	no salary		
SUB TOTAL	\$US 39,500	\$US 24,340	\$US 15,160

OPERATIONAL EXPENSES

Transportation:
Maintenance of MV-2279, MV 2284,
MV 2236 2,000

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Operational Expenses ()

	<u>\$US Per Year</u>	<u>FY 1964</u>	<u>FY 1965</u>
<u>Real Estate</u>			
Rent, utilities and maintenance of basehouses -			
LIMITED*	3,300		
LICALLA*	1,700		
LILYRIC	1,200		
Procurement of safehouses, post office boxes, and rental of automobiles	500		
Purchase of information, documents and bribes	500		
SUB TOTAL	9,200	5,390	3,810
Repair, maintenance and purchase of replacement photographic equipment and purchase of film	1,000		
SUB TOTAL	1,000	560	440
GRAND TOTAL	\$US 49,700	\$US 50,290	\$US 19,410

VII. EMERGENCY CONDITIONS

Emergency recontact arrangements for Oliver G. SCANTLING and Raymond H. GERENDE are on file in Headquarters (see HMA 15982 of 23 November 1960 and HMA 15981 of 23 November 1960.) For further information see project renewal request of 1960 forwarded by HBSA 15979.

VIII. TRAINING

No training, other than that within the competency of SCANTLING or GERENDE to give, is anticipated for the coming project year.

* NOTE: LIMITED and LICALLA rents are returned to Station by LICOUSINE and credited to LIBESA expense.

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