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PROJECT REVIEW AND PROJECT OUTLINE (PARTS I AND II)

CRYPTONYM LIFEAT

CASE OFFICER

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PROJECT LIFEAT

PROJECT REVIEW

I. Product of the Project

A. Soviet Coverage

As noted in last year's Project LIFEAT renewal request, LIFEAT coverage of the official Soviet installation was discontinued on 22 June 1960 when the parallel [liaison] project LIENVOY assumed coverage of this target. In early January 1962 LIFEAT undertook coverage of the home phones of three of the most active Soviet Intelligence officers. This was in response to the continuing Station CI program which includes the monitoring of Soviet contacts, and the guidance received from KUDESK Staff at the time of the last LIFEAT renewal. As of this date, this coverage has not been active for sufficient time to fully evaluate its usefulness. However, it is believed that such coverage has the potential to add materially to the Station's effort in the CI field. Although not designed to provide positive intelligence, some by-product of this type has been obtained. Samples are as follows:

HMM-6364, 8 May 1962 (Briefing of Mexican Pro-Marxist Journalist
by Soviet Embassy)
HMM-6382, 15 May 1962 (Mexican Traveller to the USSR)
HMM-6376, 11 May 1962 (Refutation of Rumors that Soviet Cosmonaut
TITOV will visit Mexico)

B. Polish Embassy

LIFEAT has remained the primary source of information on this target and the only successful, continuing penetration of the target. The information provided to the interested Case Officer has in the past been described as "unique" and "invaluable". This description holds with equal emphasis for the present as well as the past. Selective examples of the valuable positive intelligence product of this coverage are:

HMMA-17448, 28 July 1961 (Henryk POTASZ)
HMMA-17647, (LIFEAT/LAURICLE), 25 August 1961
HMMA-17694, 1 September 1961 (Irena Halina ZORAWSKA)
HMMA-17876, 29 September 1961 (Movement of Polish Nationals)

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HMMA-18058, 27 October 1961 (Satellite Trade in Mexico)
 HMMA-18074, 31 October 1961 (Activities of Polish Embassies
 in Mexico and Brazil)
 HMMA-18913, 27 April 1962 (RYBAT/Eugeniusz SKOTNICKI)
 HMMA-18915, 27 April 1962 (RYBAT/Eugeniusz SKOTNICKI)
 HMM-5743, 7 July 1961 (Possible Purchase of Ships from Poland)
 HMM-5894, 14 September 1961 (Trade Between Mexico and Poland)
 HMM-5921, 26 September 1961 (Polish Plans to Buy Zinc from Mexico)

C. Cuban Coverage

LIFEAT was able to provide coverage of major firms dealing in U. S. goods transshipment via Mexico to Cuba. This technical operation not only provided initial leads which alerted the Station to these companies, but also was able to provide continuing information on the daily activities of the companies involved. Coverage of certain Cuban personages arranging for illegal transshipment of U. S. goods to Cuba was also provided including their contacts and general activities. Samples of the positive intelligence production from this Cuban commercial coverage are as follows:

HMMA-18073, 31 October 1961 (Ruben SAUREZ Y Alvarez,
 Representative in Mexico of the Cuban Bank of Foreign
 Commerce)
 HMMA-18538, 2 February 1962 (Cuban Commercial Activities)
 HMM-5883, 26 September 1961 (Cuban Commercial Activities)
 HMM-5915, 22 September 1961 (Transcontinental, S. A.)
 HMM-6012, 14 November 1961 (Mexican Firm Shipping U. S. Goods
 to Cuba)
 HMM-6220, 27 February 1962 (Lorenzo L. SAUNDERS, Vice President
 of Transcontinental, S. A.)

D Communists in Mexico

At, most of the targets in this group have been covered at the
 ODEENVY, and the raw take has been partially processed by them.
 From July 1961 through May 1962, approximately 680 reels of
 film were sent to local ODEENVY for their processing. The most valuable
 information obtained from the targets in this field continues to deal with con-
 tinuing general activities of the American Communist Group in

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Typical examples of the reporting based on LIFEAT coverage of the ACGM are:

- HMMA-17318, 3 July 1961 (Albert MALTZ)
- HMMA-17388, 14 July 1961 (Enos Regnet WICHER, Maria WICHER)
- HMMA-17389, 14 July 1961 (Carl SEBORER)
- HMMA-17419, 21 July 1961 (Clarina OVERGAARD, Anders OVERGAARD)
- HMMA-17455, 25 July 1961 (Dalton TRUMBO, Cleo TRUMBO)
- HMMA-17611, 18 August 1961 (Noah SEBORER/Albert MALTZ/
Charles SMALL)
- HMMA-17760, 12 September 1961 (Maurice ZEITLIN)
- HMMA-17806, 19 September 1961 (Albert MALTZ)
- HMMA-17855, 26 September 1961 (U. S. Citizens Travel to Cuba)
- HMMA-17860, 29 September 1961 (Albert MALTZ)
- HMMA-18097, 3 November 1961 (Charles SMALL)
- HMMA-18492, 23 January 1962 (Albert MALTZ/Noah SEBORER/
Charles SMALL)
- HMMA-18827, 10 April 1962 (Albert MALTZ/Noah SEBORER/
Charles SMALL)

E. Exile and Revolutionary Activities

LIFEAT continues to provide information on the exile and revolutionary group active in Mexico, which information is of the greatest value to the Station and not available from other sources. The emphasis of the LIFEAT effort in this area has been directed toward coverage of Nicaraguan, Guatemalan, and more recently Spanish Republican exiles. The product has been most rewarding in coverage. Examples of productivity in this past project year:

- HMMA-17489, 4 August 1961 (Alejandro GALINDO)
- HMMA-18420, 5 January 1962 (Teodora MARTEN Rodriguez)
- HMMA-18468, 16 January 1962 (Travel of Salvadorans to Cuba)
- HMMA-5920, 26 September 1961 (Activities of Nicaraguan Exiles
in Mexico)
- HMMA-5142, 18 January 1962 (Plans of Guatemalan Army Officers
Attempt Coup)
- HMMA-51, 17 February 1962 (Guatemalan Revolutionary Activity)
- HMMA-52, 2 March 1962 (Contacts of Juan Jose AREVALO Bermejo
in Mexico City)
- HMMA-53, April 1962 (Return to El Salvador of Colonel Oscar
Bermejo)
- HMMA-54, April 1962 (Contacts of Juan Jose AREVALO Bermejo)

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- HMM-6344, 1 May 1962 (Activities of Spanish Republicans in Exile)
HMM-6349, 4 May 1962 (Views of Juan Jose AREVALO on Peruvian Presidential Candidate)
HMM-6359, 4 May 1962 (Contact Between Claudio SANCHEZ de Albornoz, President of the Council of Spanish Republic, and Juan Simeon VIDARTE, Spanish Exile in Mexico)
HMM-6379, 11 May 1962 (Opinion of Spanish Republican Exiles on Current Strikes in Spain)

F. Counter-Intelligence Information

By its latest Related Mission Directive, Mexico City Station's major responsibilities continue to lie in the field of CI/CE matters. LIFEAT was able to provide a valuable contribution in the attainment of the Station's objectives in this field. Coverage included that on Carlos Humberto ILLESCAS, who is acting in a covert liaison capacity between the CP and the Soviet Embassy in Mexico City. Besides the continuing operational support in the CI/CE field, the following informational reporting was provided:

- HMM-5742, 7 July 1961 (Travel of Mexican Leftists Behind Iron Curtain)
HMM-5836, 18 August 1961 (Activities of Mexican Student of the University of Peoples' Friendship)
HMM-5977, 24 October 1961 (Interview of Prominent Marxist with Polish Conselor)
HMM-6322, 20 April 1962 (Contacts between Carlos FUENTES Macias, Mexican Communist Writer, and Polish Diplomats)
HMM-6337, 27 April 1962 (Activities of Ernesto AYALA Mercado, Bolivian Ambassador to Mexico)
HMM-6377, 11 May 1962 (Scholarship for Study in Warsaw to Jorge TAMAYO, Jr., Mexican Marxist Intellectual)

G. Operational Support and Leads Provided other Station Operations

During the past project year LIFEAT continued actively supporting Mexico City Station through production of leads unobtainable through other assets and generally providing other Station operations the secure support only available through a unilateral telephone tap operation. The following is a selected list, together with a brief description, of major contributions of operational support and leads provided through LIFEAT:

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LIFEAT/Cuban: The most noteworthy LIFEAT contribution to Station efforts in the Cuban operations field was that of providing leads pinpointing the activities of Transcontinental, S. A. in the illegal transshipment of U. S. materials to Cuba via Mexico. LIFEAT was able to continue coverage of the activities of this company despite the efforts of the company to lose itself in the Mexican business community by changing the name it operated under to Inversiones Mexicanas, S. A. and changing its location and telephone number. Valuable information on the commercial commodities needed by the Castro regime, methods and contacts used in their procurement, and information on the contacts of the Cuban Embassy in Mexico were obtained.

LIFEAT/Czechoslovakian: LIFEAT coverage of the home phones of two Czech intelligence officers provided some leads to their contacts, but more importantly, provided greater security to KUBARK when one of their CIS officers, Miloslav CECH, was singled out for a defection attempt. Through LIFEAT "livemonitoring" of both the original and followup defection attempts, the KUBARK assets were provided maximum protection from possible attempts by CECH to alert his coworkers or arrange entrapment of the KUBARK personnel involved.

LIFEAT/Polish: Probably the most "classic" example of the use of a telephone tap in providing a lead which could develop into a vital penetration of the Polish intelligence occurred recently in the ^{of}(BEKNAVE/BE)CHICK operation. LIFEAT provided the initial leads which made the Station aware of the possibilities of an operation and has continued to provide vital information for Station's development of the operation. It is the Station's opinion that this one instance of service by LIFEAT was well worth the cost of the entire project for the year. (Full information forwarded in MEXI 0462 and MEXI 0463). Also of great interest to the Station were the LIFEAT provided leads which revealed Jan SLUSARZ, Attache of the Polish Embassy in Mexico, had purchased an automobile which had been stolen in the U. S. and driven to Mexico. In this operation, in which a defection attempt was considered, LIFEAT provided not only the initial leads, but also daily operational information vital to the Station's efforts in this case.

LIFEAT/Yugoslavian: In this coverage of the Yugoslavian Embassy LIFEAT is providing the basic data necessary in establishing operations against this target. Since the Station is expanding its coverage of Yugoslavian activities, much vital data on personalities, contacts, and services obtained by the target establishment must be provided. It is this exact type of coverage that LIFEAT is geared to provide in addition to the operational leads which will be forthcoming as this coverage progresses. The interested case officer, noting LIFEAT is his only present source of information, feels the take which LIFEAT provides and will

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continue to provide in this area is vital and basic to the mounting of any operations against the Yugoslav target.

LIFEAT/Soviet/Double Agent: LIFEAT support has provided needed supporting information in backing Station double agent operations. In this area the success of the operation is obviously dependent upon the veracity of the agent. LIFEAT provides information which enables the interested case officer to determine the veracity of the agent involved. LIFEAT also provides a needed check upon the activities of the double agent.

LIFEAT/Spanish Republican: LIFEAT coverage of Spanish Republican exiles in Mexico City have enabled the Station to monitor the activities of the various groupings of the exiles, including the projected attempt on the life of the senior ODACID official in Mexico. LIFEAT has covered personalities of exile factions both involved in planning this attempt and those opposed to it. Coverage of targets in this area also enables the Station to keep abreast of the plans and activities of the various groups which make up the Spanish Republican exile community in Mexico City.

LIFEAT/CI-CE Coverage: LIFEAT leads in this area are exploited in the reporting of travel of important Communists, particularly to Cuba and Iron Curtain countries, and the travel of U.S. citizens, especially Communists and Leftists, to Cuba. Through coverage of the American Communist Group in Mexico (ACGM) LIFEAT has provided ODENVY with an increasing amount of information on the leftist activities of relatives and friends of the ACGM who reside in the U.S. One of the notable items in this regard is providing data on the overt and covert efforts of the blacklisted "Hollywood Ten" to regain the former status in the U.S. film industry.

Finally, and certainly not of least importance, Station security has been enhanced through LIFEAT periodic coverage of former Station assets, like LIVESTOCK and LIVESTOCK-2, who could be a danger to particular Station operations or personnel. Monitoring of certain terminated agents is considered especially valuable where these agents were involved in the more sensitive operations.

H. Conclusion

It is the opinion of the Mexico City Station that the support provided other Station operations, the CI/CE information and leads, and the ability of the unilateral LIFEAT operation to cover sensitive targets without revealing Station interest

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to the [liaison] forces, well justify the expenditure of funds, time, personnel, and security risk. As it has been noted in the past, that even with the Station's involvement in the parallel, but [liaison], LIENVOY operation, a change in attitude by the present [local government, administration] or a change in [government administrations] could end KUBARK participation in that [liaison] project. For that reason, LIFEAT, in addition to maintaining its present heavy coverage, must be available to once again undertake coverage of the official Soviet and Czech official targets in Mexico City. Therefore, LIFEAT's present orientation, though toward supporting Station operations and CI/CE mission rather than toward targets which would provide positive intelligence, leaves it readily available for recall into the Soviet-Czech coverage. It is the Station's firm opinion that the LIFEAT project provides a substantial and vital contribution in fulfilling the several priority objectives of the Station's Related Mission Directive.

- I. There is attached a list of the HMMs produced from LIFEAT provided material during the period July 1961 through May 1962 as a by-product of the project's prime responsibility of providing support to Station operations.

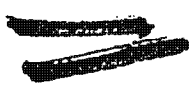
II. Progress of the Operation

The objectives of the LIFEAT Project are of a continuing nature and are therefore not considered for fulfillment during any given period of time. For this reason percentage figures as to completion of project objectives cannot be drawn. However, an indication of the coverage provided in working toward fulfillment of the objectives can be noted in that 14,000 pages of raw text were produced in the period July 1961 through May 1962. LIFEAT has been in daily operation during the review period with the average number of lines covered per month being 20, with a high in March 1962 of 28 lines covered.

III. Planning for the Future

As was indicated at the time of the last project renewal, LIFEAT hopes to remain uncommitted to coverages that require the expenditure of a great portion of LIFEAT resources but provide coverage of but one target... such as Soviet Embassy coverage. It is added emphatically, however, that should the need arise for LIFEAT to again assume such responsibilities, it is fully able to do so. Until such time LIFEAT will continue to enjoy greater flexibility in the employment of its assets, especially in the areas in which the Station does not wish to reveal its interest or operations to the [liaison] forces involved in the LIENVOY operation.

As to particular areas of operations, the Station has hopes of employing LIFEAT assets in "hot mike" operations which require access to telephone



centrals and cables. The feasibility of using LIFEAT in this type of operation has already been proven, in a recent operation with the LIERODE installation as a target. Seven reels of 'hot mike' take were obtained in test runs on checking both the operation (including installation of the 'miked' instrument in the office of the head of the LIERODE official installation) and the equipment which was of radical design and conceived and built by the KURIOT technician assigned to Mexico City Station under deep cover. Unfortunately, before continuous operation could get underway, the LIERODE installation decided upon complete renovation of its telephone system, including the installation of a switchboard. This, at least temporarily, precludes further operation against this particular target, unless a direct line is installed there. However, it is the intention of the Station to attempt coverage of other targets of interest. In these plans LIFEAT plays the key role in installation, line and series cross maintenance, basehouse procurement and maintenance, and processing of take. From the brief test runs via the LIERODE operation noted above, it is believed that 'hot mike' operations, supported and maintained by LIFEAT, can greatly aid the Station in its coverage of responsibilities under its present Related Mission Directive.

IV. Performance of Agents

The overall performance of all agents employed in the LIFEAT complex continued to be good during the period of the project review, with security being stressed in all phases of the operation. No security problems were encountered which were not solved by the personnel involved. Since the success of the LIFEAT operation depends largely upon the security of its personnel, Headquarters clearances and evaluation of new personnel will continue to be sought on those new additions who pass a strict field assessment.

V. Expenditures

Approval for renewal of Project LIFEAT was granted 8 September 1961 for FY 1962 in the amount of \$98,973.00. The proposed budget for FY 1963 is broken down in the attached Field Project Outline Renewal Request, Part II, and total ~~\$102,168.00~~ ^{\$98,973.00} ~~to~~ ^{99,000.00}

VI. Status of Commitments

There are no commitments other than those noted in the project outline submitted herewith and in the individuals contracts and oral agreements (memoranda of oral agreements were forwarded as necessary) of the various LIFEAT personnel.



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