

*Project Renewal
FY 64*

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PROJECT REVIEW AND PROJECT OUTLINE (PARTS I AND II)

CRYPTONYM LIFEAT

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*Written
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PROJECT LIFEATPROJECT REVIEW

- for July '62 - May '63

I. Product of the Project

A. Soviet Coverage

Project LIFEAT has not provided coverage of the entire Soviet official installation in Mexico City since 22 June 1960 when Project LIENVOY assumed this responsibility. This freed LIFEAT to provide, with its unilateral coverage, home phones of selected Soviet officials which could better support not only the Station's CE effort but also other Station operations against the Soviet target. In this effort, LIFEAT covered the homes of four of the more active Soviet Intelligence Officers stationed in Mexico during the reporting period. Samples of the operational information provided by LIFEAT follows:

- HMMA-6479, 15 June 1962 (Mexican Winners of Soviet Scholarships to Patrice Lumumba University)
- HMMA-19826, 21 September 1962 (Transmittal of LIFEAT Report - Vladilan I. SAMOKHIN)
- HMMA-19839, 21 September 1962 (Transmittal of LIFEAT Report - Aleksandr G. SIDOROV)
- HMMA-19879, 28 September 1962 (Aleksandr G. SIDOROV Tatiaya SOKOLOVSKAYA)
- HMMA-19996, 12 October 1962 (Soviet Personnel Assigned to Mexico City)

- B. LIFEAT has remained a primary source on this target throughout the past project year. Further, LIFEAT information is considered a fruitful source of operational leads by the responsible Case Officer. Selected examples of the valuable intelligence product derived from the Polish coverage are:

- HMMA-19500, 3 August 1962 (BECHICK Telecon)
- HMMA-20896, 15 March 1963 (BEKNAVE Status Report)
- HMMA-19552, 10 August 1962 (BEKNAVE-BECHICK)
- HMMA-7270, 14 May 1963, (Polish Ambassador to Mexico to Present credentials to Haitian Government.

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C. Yugoslav Coverage

LIFEAT coverage of the Yugoslav official installation in Mexico City has provided a wealth of information on the contacts, activities, and travel of members of that mission. Since the Station's effort against this target was greatly increased within the last year, LIFEAT information has been used extensively to provide the basic operational and personality data necessary for this stepped-up program. Examples of LIFEAT produced positive intelligence and general operational information on this target are as follows:

- HMA-19311, 10 July 1962 (Activity of the CP of Yugoslavia in Mexico City)
- HMA-19344, 13 July 1962 (Yugoslav Embassy Mexico City)
- HMA-19653, 24 August 1962 (Miodrag RADOVIC)
- HMA-19689, 24 August 1962 (Yugoslav Travel)
- HMA-19973, 9 October 1962 (Djordje VUJIC)
- HMA-20016, 11 October 1962 (Gustav VLAHOV)
- HMA-6993, 8 February 1963 (Projected Travel to Yugoslavia of Emilio Portes Gil)
- HMA-7005, 8 February 1963 (Plan of Adolfo Lopez Mateos to Visit Yugoslavia)
- HMA-7011, 12 February 1963 (Possibility of New Mexican-Yugoslav Commercial Aid Treaty)
- HMA-7106, 19 March 1963 (Yugoslav Project to Promote Economic Relations with Mexico)
- HMA-21005, 29 March 1963 (Zdenko HAS)
- HMA-8310, 24 May 1963, (Plan for Tito to sign New Mexican-Yugoslav Cultural Agreement During his visit to Mexico)

D. Cuban Coverage

During the reporting period LIFEAT coverage of the Cuban target was directed toward the support of KUBARK operations in this field and was not designed to provide positive intelligence. LIFEAT covered a total of 10 lines in direct support of operations in this field. Most of the product of this area of operation was forwarded by cable to JMWAVE and Headquarters. Examples of pouch communications in this field are:

- HMA-20032, 16 October 1962 (AMSTRUT/LIFEAT Coverage)
- HMA-20308, 4 December 1962 (AMSTRUT)
- HMA-20425 (28 December 1962, (Jose CRDOQUI))

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E. American Communist Group in Mexico (ACGM)

As noted in past project reviews, most of the targets in this group have been covered at the request of ODEENVY, and the raw take has been processed by them. During the period July 1962 through May 1963 approximately 390 reels of take were passed to the local ODEENVY for their processing. On 23 August 1962 the local ODEENVY advised, "This office feels the coverage mentioned is quite valuable and many useful leads are obtained from this coverage, particularly with regard to travel in and out of Mexico of American Communists who are in contact with individuals on whom coverage is maintained". Typical examples of reporting based on LIFEAT coverage of the ACGM are:

- HPMA-19531, 10 August 1962 (Albert MALITZ, Noah SEBORER, Charles SMALL)
- HPMA-19678, 24 August 1962, (Albert MALITZ-Margaret MALITZ)
- HPMA-19771, 7 September 1962 (Albert MALITZ and Charles SMALL)
- HPMA-20937, 22 March 1963 (Albert MALITZ, Noah SEBORER, Charles SMALL)
- HPMA-21299, 7 May 1963 (Charles SMALL and Noah SEBORER)

F. Exile and Revolutionary Activities

During the past year this area of activity, in addition to the already noted Cuban coverage, accounted for the greatest percentage of the LIFEAT effort. Most of the information provided by LIFEAT in its coverage of targets in this area was not available from other sources. While Coverage has been provided on Spanish Republicans, Guatemalan, Costa Rican, and Nicaraguan exiles, the bulk of this product has resulted from the coverage of Juan Jose AREVALO Bermejo and various of his acquaintances, the "take" being forwarded to Headquarters and Station Guatemala by either weekly cable summaries or immediate action cables when warranted. It is noted that the coverage has been most rewarding in the case of AREVALO and the recent coverage of Judith FERRETO Segura. Examples of productivity in this area:

- HPMA-6452, 3 June 1962 (Contacts of Juan Jose AREVALO in Mexico)
- HPMA-6499, 22 June 1962 (Activities of Juan Jose AREVALO)
- HPMA-19499, 11 July 1962 (Mario MONTEFORTE Toledo)
- HPMA-6565, 13 July 1962 (Meeting Between Fernando Aguerre and Juan Jose AREVALO)
- HPMA-19805, 14 September 1962 (Coverage of Juan Jose AREVALO)
- HPMA-6780, 9 October 1962 (Arrival in Mexico of Leading Arevalists)
- HPMA-6914, 25 January 1963 (Appointment Between Juan Jose AREVALO and Adolfo LOPEZ Mateos)

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HMM 6935, 5 January 1963 (Planned Travel of Juan Jose AREVALO to Venezuela and Santo Domingo)
 HMM-6936, 15 January 1963 (Travel of Lic. Luis Jimenez de ASUA)
 HMM-6937, 15 January 1963 (Planned Meeting Between Juan Jose AREVALO Bermejo and Luis Jimenez de ASUA)
 HMM-20835, 5 March 1963 (Confersation - Juan Jose AREVALO and Sacha VOLMAN)
 HMM-21059, 8 April 1963 (Judith FERRETO Segura)
 HMM-7160, 9 April 1963 (Whereabouts of Juan Jose AREVALO)
 HMM-21087, 16 April 1963 (Judith FERRETO Segura)
 HMM-21338, 10 May 1963 (Judith FERRETO Segura)
 HMM-7330, 24 May 63 (Contacts of Angel MIDLAN in Mexico City)

G. Counter-Intelligence Information

Mexico City Station's Related Mission Directive places greatest emphasis on operations in the CI/CE area. LIFEAT was able to provide a continuing worthwhile contribution in the attainment of the Station's objectives in this field. Coverage included that on AEGENERATE, Carlos Humbert ILIESCAS (who acts in the capacity as covert liaison link between the CP and the Soviet Embassy), and a PCM safe house. In addition to the continuing operational support in the CI/CE field, the following informational reporting was provided.

HMM-6626, 10 August 1962 (Soviet Scholarship for the Daughter of David Alfaro Siqueiros, Imprisoned Communist)
 HMM-667, 24 August 1962, (Mexican Delegates to Technical Movie Congress in Moscow)
 HMM-20140, 6 November 1962 (LISTEED-1 and 2)
 HMM-20721, 14 February 1963 (AEGENERATE)
 HMM-21109, 19 April 1963 (Dr. Jesus LOZOYA Solis)

H. Operational Support and Leads Provided other Station Operations

During the past project year LIFEAT continued actively supporting the operations of Mexico City Station through the production of leads and the providing of information on selected targets in the manner available only through the use of a unilateral telephone tap operation. Indeed, it is in this area, secure support to the Station's operations, that LIFEAT is of greatest and unique value to the Station. The following is a list of selected contributions by LIFEAT of operational support and leads provided to the various Station Case Officers and Station operations as a whole:

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LIFEAT/Soviet: The valuable assistance which LIFEAT rendered Station Efforts in this area was amply displayed in its support of Station assets mounting a technical surveillance operation targeted against the home of a known Soviet intelligence officer stationed in Mexico City under official cover. LIFEAT information provided vital information which enabled the Station to establish a pattern of action of both the family of the Soviet officer and his maid. This information made possible the setting of a time for the actual entry into the target, and continuing coverage (including live monitoring of the target line immediately preceding the operation) by LIFEAT made possible a degree of security for this operation which would not have been possible without the support of a unilateral tap operation. Further LIFEAT coverage has, in addition to giving information on the daily activities and contacts of Soviet officials, provided an excellent check on the contacts of three KUBARK controlled double agents with their Soviet Case Officers. This coverage has enabled the responsible Case Officer to guide his operations with increased assurance that his agents continue to be fully cooperative and under his control.

LIFEAT/Cuban: LIFEAT activities in this area were concerned primarily with support to the AMSTRUT operation. Coverage of relatives of AMSTRUT-2 provided an excellent "window" into the operation which enabled the responsible Case Officers to move with more certainty and security in developing his operation. The Case Officers involved considered the LIFEAT coverage an essential check on the activities of the principals in the case which was especially valuable during the initial stages of the operation. Travel plans of AMSTRUT² provided by LIFEAT were also essential to the timing of the operation. Also in the Cuban area LIFEAT coverage of G-2 agent enabled the Station to gain an insight into his contacts and activities. Further, recent initiation of coverage of a Cuban Commercial Official gives evidence of producing solid information of commercial transactions and Mexican Commercial contacts of the Cuban Government.

LIFEAT/Polish: LIFEAT continued its coverage in the BEKNAVE/BECHICK operation. (See previous project renewal for background of this case and the LIFEAT participation in it.) Of great interest to this operation was LIFEAT information indicating that the wife of BEKNAVE had become aware of his interest in another woman, and later revelation of reassignment and travel plans of BEKNAVE.

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LIFEAT/Yugoslav: In addition to the usual information concerning the Yugoslav officials and their daily contacts and activities, LIFEAT provided leads which could pay off in future operations. One example was a lead which revealed that a diplomatic courier would be travelling alone and taking a new travel route while carrying an official pouch. With this early warning, the Station was able to plan an operation to provide access to this correspondence. Although Headquarters finally vetoed this particular operation, sufficient early warning was given by LIFEAT so that the operation could have been carried out. Another example of this type of lead was the data available from LIFEAT coverage that a new location was being sought for the Yugoslav Embassy, and which specific locations were under consideration. Armed with this information the Station has been able to make a technical casing of one of the prospective sites and obtain information necessary for entry into the other sites.

LIFEAT/Exile: As noted previously, LIFEAT coverage of the exile activities was the single major effort by LIFEAT during the project year. In particular, LIFEAT coverage of Juan Jose AREVALO Bermejo, which included lengthy periods of "live-monitoring", on occasion called for coverage of five lines. Cabled summaries of LIFEAT information were provided Headquarters and Station Guatemala. It is believed that the importance of this LIFEAT coverage can not be stressed too much. LIFEAT Coverage of a Costa Rican Communist exile resident in Mexico City has lead to a wealth of operational leads ~~including~~ the discovery of this person's involvement in a Communist funding mechanism. Also, LIFEAT was active in covering the Spanish Republican exile community in Mexico City during the GPIDEAL visit to Mexico. LIFEAT coverage in this case was considered necessary to reveal immediately any renewal of an earlier planned attempt on the life of an ODYKKE official by one group of the Republican Exiles. Ultimately, LIFEAT revealed the departure from Mexico of two of the ringleaders in the plot.

LIFEAT/CI/CE: At Headquarters request LIFEAT coverage was established on a former SMOGH agent whose past actions ^{reason} gave/for some suspicion of his present activities. Proquest from this line has revealed an effort by a group of this individual's friends to discredit the senior ODACID official in Mexico. Early warning by LIFEAT has made possible the preparation of counter action (see HMM-A-21364). LIFEAT has also provided coverage of a suspected RIS support agent. This coverage had provided the background material necessary for checking on the activities of this suspect agent. Continuing LIFEAT reporting on the American Communist Group in Mexico (ACGM) has provided ODENVY with great quantities of information on activities of leftist friends of

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of the ACGM including their travel plans to Mexico and in some cases Cuba. As noted in paragraph I. E. above, the local office of ODENVY considers this coverage "quite valuable". As also noted in previous renewals, LIFEAT ability to give the interested case officers a check on active and former agents increases the security of present operations and provides greater security for long term assets who may have been in contact with now terminated agents.

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 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-type LIKVOY 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, thought 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 fulfillment 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 1962 through May 1963, 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 approximately 12,500 pages of raw text were produced in the period July 1961 through April 1963. LIFEAT has been in daily operation during the review period with the average number of lines covered per month being 18, and a high in October 1962 of 25 lines covered.

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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 expenditures 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.

V. Expenditures

Approval for renewal of Project LIFEAT was granted 8 August 1962 for FY 1963 in the amount of \$99,000.00. The proposed budget for FY 1964 is broken down in the attached Field Project Outline Renewal Request, Part II, and totals \$83,008.

VI. Status of Commitments

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

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Even with the operational emphasis of the LIFEAT Project being on Station operational support, it is thought significant to include a list of HMM's produced through May 1963 (approximately 10 months of the project year) as a by-product in the LIFEAT operation.

HMM 6421
HMM 6452
HMM 6479
HMM 6499
HMM 6565
HMM 6605
HMM 6626
HMM 6663
HMM 6667
HMM 6670
HMM 6780
HMM 6914
HMM 6919
HMM 6935
HMM 6936
HMM 6937
HMM 6993
HMM 7011
HMM 7005
HMM 7048
HMM 7073
HMM 7106
HMM 7145
HMM 7160
HMM 7214
HMM 7270
HMM 7310
HMM 7330

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SECRET / KAPOK**PROJECT LIFEAT****PROJECT OUTLINE, PART I****1. Area of Operations**

This operation is run from Mexico City Station and is concerned with targets located within Mexico City.

2. Purpose

The purpose of this project is to provide, unilaterally, daily information on the activities of official foreign installations in Mexico and the personnel thereof, as well as coverage of the activities of selected individuals and groups in response to both Station needs and Headquarters requests. Presently, LIFEAT stresses flexibility of coverage with support of Station operations and CI/CE coverage receiving the greatest emphasis.

3. Background

Project LIFEAT was originated on 3 October 1950 as a unilateral telephone tap operation. Actual initiation of operations under this authority occurred on 18 January 1951, and the operation has run continuously from that date. The project was opened with the installation of a single tap and has grown in the past eleven years to coverage of as many as thirty lines in a given month.

The LIFEAT Project is a unilateral operation completely independent from any liaison arrangement. It is staffed by KUBARK contract employees with the majority of personnel being indigenous controlled agents.

During the past twelve years, Project LIFEAT has produced more than 97,000 (estimate) pages of operational and intelligence information in direct support of Mexico City Station's specific objectives, and contributed materially to the intelligence gathering activities connected with the Soviet-Satellite Bloc and more recently with the Cuban representatives in Mexico. In addition, LIFEAT has been of considerable value in monitoring the activities of the American Communist Group in Mexico (ACGM), as well as the activities of the exile groups and local Communists.

With the LIENVOY's assumption of coverage of the Soviet and Czechoslovakian official installations in July 1960, LIFEAT assets were released from continuous coverage of these two targets. These assets were then employed in direct support of Station operations--a role ideally suited for a unilateral operation such as LIFEAT, and extremely important to the security and success of Station operations.

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4. References

- a. HPMMA-19129, 1 June 1962 (LIFEAT Renewal Request for FY 1963)
- b. HPMW-10803, 31 July 1962 (LIFEAT Project Renewal)
- c. HPMMA-19641, 21 August 1962 (LIFEAT Progress Report, July 1962)
- d. HPMMA-19843, 20 September 1962 (LIFEAT Progress Report, August 1962)
- e. HPMMA-20156, 8 November 1962 (LIFEAT Progress Report, September 1962)
- f. HPMMA-20261, 28 November 1962 (LIFEAT Progress Report, October 1962)
- g. HPMMA-20457, 4 January 1963 (LIFEAT Progress Report, November 1962)
- h. HPMMA-20531, 18 January 1963, (LIFEAT Progress Report, December 1962)
- i. HPMMA-20873, 8 March 1963 (LIFEAT Progress Report, January 1963)
- j. HPMMA-21080, 12 April 1963 (LIFEAT Progress Report, February and March 1963)

5. Objectives

- a. To identify Soviet and satellite intelligence personnel in Mexico and to provide information on the nature and extent of their clandestine intelligence and propaganda activities in Mexico.
- b. To collect information of the Satellite officials both as to their activities as well as information of biographic nature.
- c. To support specific Station operations, especially in the recruitment, defection, Communist Party penetration and counter-intelligence fields.
- d. To collect information on prominent Mexican Communists and pro-Communists and their activities.
- e. To collect information on prominent Communists, other than Mexican, active in Mexico, and to identify them and their associates and activities.
- f. To collect information on exile groups and individuals active in Mexico.
- g. To provide coverage of targets of opportunity in Mexico City in support of Station objectives and Headquarters's requests.

6. Targets

For objectives a and b:

- a. Select Soviet intelligence officers home phones.
- b. Selected Satellite officials office and home phones.

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c. Selected private phones being used by known and suspected Satellite intelligence personnel.

For objective c:

d. Selected telephones as requested by Station Case Officers in support of their going and/or projected operations.

For objective d:

e. Telephone conversations from residences of senior Communists and pro-Communists.

For objective e:

f. Telephone conversations from residences of known American Communists residing in Mexico City.

For objective f:

g. Telephone conversations from the residences or offices of prominent exile leaders or their contacts in Mexico City.

For objective g:

h. Telephone conversations which can be monitored from targets of opportunity.

7. Tasks

Case Officer - Jeremy L. NIARCOS

a. Supervise the operational and administrative activities of all LIFEAT personnel.

b. Maintain awareness of and provide direction in all matters pertaining to the operational management of the LIFEAT Project.

c. Provide guidance and day-to-day supervision of special operational phases of LIFEAT coverages.

d. Coordinate information received from the LIFEAT coverage with other Station operations, and coordinate as necessary with the Station personnel responsible for the parallel LIENVOY operation.

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e. Maintain LIFEAT capabilities for mounting operations against targets of opportunity.

f. Maintain supervision over basehouses, equipment, and training of personnel assigned to the LIFEAT operations.

8. Coordination

a. Information produced by LIFEAT, primarily a Station operational support asset, is closely coordinated with other operations of the Mexico City Station. No operational coordination is required with any other geographical area, but they are advised of any information produced by LIFEAT which may be of interest to them.

b. Project LINOG which supports the principal "outside" Case Officer, David M. WILSTED, is effected in coordination with Project LIFEAT.

c. Coordination with the parallel, but liaison project - LIENVOY, is closely coordinated between the responsible Case Officers of both projects, particularly relating to the division of coverage between the two operations, thereby assuring that the unilateral LIFEAT operation will not be endangered by the indigenous personnel of the LIENVOY operation.

d. Although there is no direct connection with the recently activated LINBUK operation of the Merida Base, LIFEAT experience in unilateral telephone tap procedures and especially security and processing of information, aided CGB Merida in setting up the LINBUK operation.

9. Personnel

a. Career and Contract Agents

(1) David M. WILSTED (201-009195), principal "outside" Case Officer.

(2) Wayne C. DRABAND (201-255095), outside assistant to David M. WILSTED. DRABAND was introduced into the LIFEAT operation in November 1961. His OA was amended 14 November 1961 to provide for his use in this operation. His tour in Mexico has recently been extended to November 1964.

(3) LIEBRACE-8 (201-111616) was introduced into the LIFEAT operation as backup technician to WILSTED. He was actively employed in the technical phase of the operation during the home leave period of WILSTED in December 1962 and January 1963. Since LIEBRACE-8 continues with his normal functions under MKCHARITY, he will not be funded under LIFEAT except in the event of WILSTED's prolonged absence or incapacity. LIEBRACE-8's OA was amended 7 April 1962 to allow his use in LIFEAT.

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(4) Carol K. ZINSMEISTER (201-117968). LIFEAT processor/translator and former basehousekeeper who can be recalled for temporary reassignment to basehousekeeping duties.

(5) Olga A. PARKIMIK (201-117978), LIFEAT processor/translator. OA for LIFEAT employment dated 28 September 1954.

b. Field Agents

- (1) LIFEUD-1, OA granted 17 October 1950 (201-182704)
- (2) LIFEUD-2, OA granted 14 August 1951 (201-117971)
- (3) LIFEUD-3, OA granted 14 December 1953 (201-117971)
- (4) LIFEUD-4, OA granted 1 October 1953 (201-117743)
- (5) LIFEUD-5, OA granted 16 December 1953 (201-117744)
- (6) LIFEUD-6, See Olga PARFINIK - Contract Agent section above
- (7) LIFEUD-7, OA granted 21 October 1954 (201-117980)
- (8) LIFEUD-8, OA granted 31 March 1955 (201-119521)
- (9) LIFEUD-9, OA granted 27 April 1956 (201-117984)
- (10) LIFEUD-10, OA granted 13 September 1956 (201-114085)
- (11) LIFEUD-11, OA granted 21 August 1956 (201-113595)
- (12) LIFEUD-12, OA granted 6 August 1956 (201-113569)
- (13) LIFEUD-13, OA granted 13 September 1956 (201-115833)
- (14) LIFEUD-15, OA granted 19 January 1957 (201-126315)
- (15) LIFEUD-16, OA granted 2 July 1958 (201-222786)
- (16) LIFEUD-18, OA granted 2 October 1957 (201-185370)
- (17) LIFEUD-19, OA granted 18 May 1960 (201-262488)
- (18) LIFEUD-22, (formerly LILILLY-1), amendment of OA requested 24 April 1962 (201-288248)
- (19) LIFEUD-23, (formerly LILILLY-2), amendment of OA requested 24 April 1962, (201-305604)
- (20) LIFEUD-24, OA granted 24 September 1962 (201-119525)
- (21) LIFEUD-25, OA granted 3 January 1963 (201-332335)
- (22) LIFEUD-26, POA granted, OA requested 31 October 1962 (201-332335)

c. During the past project year the following personnel were dropped from Project LIFEAT, for reasons noted below.

(1) LIFEUD-14 (201-117972) and LIFEUD-17 (201-185370). This couple, having experienced a number of apparently insoluble marital problems, mutually decided upon separation and eventual divorce. Since their use in LIFEAT (as basehousekeepers) would not be possible with the breakup of their home, they were terminated as of 30 September 1962. Termination was effected on a mutually agreeable basis and no security problem has arisen to date, nor is any expected in the future.

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(2) LIFEUD-22 (201-288248) and LIFEUD-23 (201-305604), son and mother, presently occupy the LIERODE photo basehouse and were never directly involved in LIFEAT type work. It had been originally planned to use LIERODE basehouse as the terminus for the LIFEAT/MKTRAP technical operation targeted against the official LIERODE mission in Mexico City. LIFEUD-22 and 23 were to have been the basehousekeepers for this operation. When it was found that the MKTRAP operation could not be routed to this basehouse because of technical considerations, the base was employed as a photosurveillance base targeted against the LIERODE mission. Since this operation is not connected with LIFEAT operations or personnel, these two agents will no longer be carried under the LIFEAT project.

(3) LIFEUD'27 (201-332331) was granted a POA on 20 September 1962 for use as an alternate LIFEAT basehousekeeper. However, due to a change of plans involving agents's availability for LIFEAT work, she was never recruited and this clearance was cancelled on 25 January 1963.

10. Operational Clearances

See Section 9 above.

11. Cover

There are no changes in the cover of personnel who have been previously employed in the LIFEAT operation. With the new agents employed since the last project renewal, cover is as follows:

- a. LIFEUD-24 has natural cover of manager of a small profitable medicine distributorship in Mexico City. Subject's office hours and activities are therefore not scrutinized by a superior and subject can devote the necessary time to his LIFEAT duties and cover his LIFEAT salary without difficulty.
- b. LIFEUD-26 has natural cover of housewife (wife of LIFEUD-24) and mother. She performs her LIFEAT duties only in her home (LIFEAT ANNEX VI).
- c. LIFEUD-25 has natural cover of the wife of a retired businessman (LIFEUD-4). A review of LIFEAT personnel files during the past year revealed she had been included on her husband's clearance request in 1953 but had never been granted clearance in "her own right". This was corrected when on 3 January 1963 LIFEUD-25 was granted a full OA.

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12. Contact and Communications

Daily contact is maintained between the Case Officer and the agents employed in the project. These contacts are made in a clandestine manner with varying patterns established for car pickups, foot contacts, and emergency meetings. Pre-arranged signals are employed in setting and accomplishing the meetings. When heavy or bulky material is to be passed, meetings are held at night. Entrance to the basehouses by other than the basehousekeepers is made only on the basis of strict necessity; such as need for equipment repair installation for new line coverages, or line coverage cut off.

As to agent recontact arrangements, there is little possibility that project LIFEAT could continue to operate in its present form in the event Mexico would become a "denied area" police state. It is possible, however, that certain of the presently employed agents could be converted to straight FI functions or support agent roles. Recontact can be effected by mentioning that the person recontacting the agent is a friend of "Ingeniero Stanley" (title used by David M. WILSTED with LIFEAT indigenous agents) and mentioning the LIFEAT work the agent previously engaged in with "Ingeniero Stanley". (This recontact method has been laid on with the LIFEAT indigenous agents.) Emergency communication procedures have been developed which apply to the present operational environment, and are reviewed periodically by both WILSTED and the responsible Case Officer and are updated as necessary.

Telephone contact concerning the project and with the agents is kept to a minimum. Pre-arranged open code is used for phone conversations between Case Officers and agents.

These systems of contact and communication appear suitable for the project and function adequately from the security and utility standpoints. Locations and times of meetings are reviewed periodically and are changed frequently to decrease the possibility of arousing the suspicions of the residents of areas in which meetings are held.

13. Control and Motivation

Control and motivation are primarily based on two factors: ideology and financial gain. A secondary factor is the fear of reprisal from the local police should discovery occur.

14. Security

During the past project year there were no incidents which were beyond the capability of the personnel immediately involved to isolate and remedy immediately. In contrast to previous years, there was no instance of telephone work crews approaching a basehouse to check or remove the tap lines running to that basehouse. Some of the "crosses" made in the telephone

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centrals have been removed by the central's workmen, but these are of no danger to the operation unless a full investigation is made of one of these unusual connections. During the past project year no such investigation has been undertaken, and no suspicion of the LIFEAT linemen has been revealed to date.

The greatest dangers faced by LIFEAT in the past year centered on two developments: 1) the continued efforts of the telephone company toward modernization of the Mexico City telephone system and 2) the investigation launched by the Secretaria de Comunicaciones y Obras Publicas (SCOP) to determine if the telephone company has not been providing maximum possible service to Mexico City residents by holding from use certain "spare pairs" of every cable and distribution box.

In the first development (which has been in process for the past few years and was so noted in past project renewals) the most notable incidents which effect LIFEAT security are the installation of new underground cables replacing the old overhead telephone wires (thereby reducing access to target lines and tap routing lines) and the institution of a more efficient system to keep track of daily assignments of the telephone company personnel (thereby reducing the mobility of the two LIFEAT linemen and one centralman). LIFEAT has managed to somewhat negate the first of these by making its tap "crosses" in the telephone centrals. However, there is no way that the tap routing line can be completely concealed when it is run from the terminal of the telephone cable to the basehouse itself. With fewer legitimate overhead wires to mask the presence of the tap lead-in lines, these lead-in lines become more readily noted in casual inspection by telephone company crews. The limiting of the mobility of the LIFEAT linemen has not yet interfered seriously with LIFEAT security or efficiency. However, in event of a "flap" situation, the delay in getting one of these linemen away from his normal assignment in order to cut back the affected LIFEAT tap could cause serious consequences. A number of ideas have been tried to bypass this problem but as yet no satisfactory solution has been found. LIFEAT personnel are continuing their attempts to negate this problem, too.

As to the SCOP investigation, which is presently being pursued with more vigor than is usually found in Mexican bureaucracy, the problem here is also two-fold. First is the problem that the SCOP crews have authority to enter any (and eventually all) telephone distribution box and check back on each connection in these boxes to see if they are actually in use. On one occasion they have rung back on a "spare pair" which was in use by LIFEAT to route a tap to a basehouse. Although no security problem ensued it is an example of the daily danger faced by LIFEAT in this case.

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Another problem, and in the long run a greater danger to LIFEAT, is the distinct possibility that SCOP will force the telephone company to use the "spare pairs" for providing service to new subscribers. This would eliminate LIFEAT use of these pairs to route tap lines to its basehouses, in effect leaving LIFEAT with no way to get the tap from the "cross" in the telephone central to the basehouse. Even the possibility of SCOP insistence on only a reduction in the number of "spare pairs" held from use by the telephone company could affect LIFEAT adversely, since this would reduce the options LIFEAT has in routing its tap lines. However, until the investigation is completed, and no firm estimate of a target date is presently known, the real danger of LIFEAT can only be speculated upon. LIFEUD-1 is alerted to obtain the recommendations of SCOP when given to the telephone company and all efforts will be made by LIFEAT personnel to either negate or take advantage of any recommendations which are placed into practice.

It should be noted at this point that the LIFEAT operation could "blow" at any time through any of a large number of security dangers LIFEAT faces in its daily operation as a unilateral effort. LIFEAT personnel are trained and experienced in taking whatever action is necessary to negate or lessen the damage as necessary, but it is true that there can occur a situation which will "blow" the operation despite the best efforts.

15. Training

Initial training of new personnel and continuing refresher training for the experienced personnel are handled primarily by the "outside" case officer, David M. WILSTED. Minor repair and maintenance of equipment as well as emergency security procedures are stressed and continually reviewed with the agents.

16. Equipment and Support

With the funds requested for this purpose in last approved project renewal, LIFEAT audio and dial tape recorders were replaced during the past year. Except for the usual problems discovered in equipment which has been shipped for any distance, this new equipment has worked well since initial use in the operation. It is believed that there will be no need to purchase additional large amounts of special equipment for some years in the future, provided that there is no radical shift necessary in the tap techniques presently employed in the operation.

17. Timetable

LIFEAT has been in continuous operation since its inception in January 1951, and as a vital Station operational support asset, it is planned to continue it indefinitely.

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PROJECT LIFEAT

PROJECT OUTLINE, PART II

18. Estimated Costs

The following are the estimated costs for Fiscal Year 1964. All figures are U.S. dollars per year (US \$1.00 equals 12.50 Mexican pesos). Changes in estimated costs for particular items will be noted. These reflect not only the continued inflationary trend in the Mexican economy, but also the LIFEAT operational emphasis of support to Station operations. In this latter case particular line coverage is of shorter duration, causing greater expense in installation and removal of tap lines and crosses and frequent shifting of basehouse sites.

In the agent salary category total expense in contract agent salaries was increased somewhat (due to raises granted DRABAND and ZINSMEISTER during the past year) and reduced considerably in the field agent category (due primarily to termination of three well paid agents.) Overall funds requested for FY 1964 total \$83,808 compared to \$99,000 granted for use in FY 1963 -- a reduction of \$15,192. A great part of this reduction was possible by programing new equipment purchases for the coming year (see paragraph 16 above).

a. Salaries

(1) Career and contract agents

David M. WILSTED (GS-13 equivalent) no expenses included in Project LIFEAT as he is supported entirely by Project LINGG.	
Wayne C. DRABAND LIEMERACE-8 (since this agent is used in LIFEAT only in emergency situa- tion in the event of WILSTED's absence and is actively employed by MKCHARITY, he will continue to be funded under that project	6,000
Carol K. ZINSMEISTER	6,400
Olga A. PARFINIK	4,500
Additional translator/processor to be recruited.	3,600
	<hr/>

\$20,500

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(2) Field Agents

LIFEUD-1	6,500
LIFEUD-2	2,800
LIFEUD-3	2,000
LIFEUD-4	2,200
LIFEUD-5	3,650
LIFEUD-6 (see Olga A. PARFINIK in contract agent section above)	
LIFEUD-7	2,700
LIFEUD-8	2,800
LIFEUD-9	2,200
LIFEUD-10 (No salary)	
LIFEUD-11 (No salary)	
LIFEUD-12 (No salary)	
LIFEUD-13 (No salary)	
LIFEUD-15	845
LIFEUD-16	1,585
LIFEUD-18 (No salary)	
LIFEUD-19	1,500
LIFEUD-24	1,500
LIFEUD-25 (No salary)	
LIFEUD-26	1,000
Two basehouse keepers to be recruited	2,500
Christmas bonus (in accordance with local custom, which amounts to one month's pay) and gifts where necessary.	4,100

37,880

b. Basehouse rentals

Annex II	2,000
Annex III	2,688
Annex IV	2,760
Annex VI	3,000
Annex VII	1,728
Annex VIII	3,072
Annex IX	2,880

c. Basehouse utilities and expenses

2,000

d. Allowance for usual rental increases
when lease renewed

1,200

21,328

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e. Local purchase replacement parts, wire, expendable supplies (as paper products, typewriter ribbons, and emergency-special equipment)	800	
	—	800
f. Transportation		
MV 2455 used by DRABAND	500	
LIFEUD-2, car rent	400	
LIFEUD-7, car rent	400	
LIFEUD-8, car rent	400	
LIFEUD-5, car rent	300	
ZINSMEISTER mileage	300	
	—	2,300
g. Miscellaneous ops expenses (includes loss of rental deposits, bribes, expenses in moving and setting up basehouses, and expenses involved in special coverage of targets of opportunity)	1,000	
	—	
		—
		—
GRAND TOTAL		83,808

(NOTE: For the coming project year Station has not included, as was done in past, a fund for extraordinary expenses involved in agent terminations. The ordinary costs will be absorbed by the project. If unusual expenses occur, Headquarters will be requested to amend Project LIFEAT for the necessary amount.)

All terminations of indigenous personnel will be in accordance with Mexican law and will include lump sum separation settlement, transportation and moving expense payments, and any salary due at the time of the termination.

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