

DISPATCH **SECRET**

TO : Chief of Station, Mexico City

FROM : Chief, WH Division

SUBJECT : LIENVOY Project Amendment

MARKED FOR INDEXING

X NO INDEXING REQUIRED

ONLY APPLICABLE TO DESK

CAN INDEX INDEXING

NO INDEXING

DESENSITIZED
BY CSN 43-43

1. Attached for the Station's information and records is a copy of the LIENVOY Project Amendment request which was approved on 26 July 1963, raising the LIENVOY approval by \$23,000 for FY 1964, bringing the total approval for the present project year to \$70,068.

2. There follows a resume of the pertinent correspondence concerning this Project Amendment, which resulted from problems surrounding LIENVOY, LICAPER, Orville R. HORSFALL, Douglas J. FEINGLASS and Arnold F. AREHART.

a. The Station was informed in DIR-35426 dated 26 April 1963 that the Station's original request in HDMT-3380 for replacement of the LIENVOY equipment was held up for budget reasons and until the future of the proposed LICAPER unit under LIENVOY could be determined.

b. The LICAPER Project Outline as submitted with HMM-21437 was not submitted by Headquarters to the appropriate authorities for approval. Instead, Headquarters cabled approval in principle of the proposed project (see DIR 48559, 20 June 1963), stating that the LIENVOY Project was being amended for the new equipment, which would release the old LIENVOY equipment for LICAPER. (See HMMW-11678.)

(continued)

Attachments:
Project Amendment in 2 separate (split) transmissions
(left side forwarded h/w) ol
(right side u/s/c)

Removed from Project *[Handwritten]*
CS Classification: *50-6-75/1*
JOB # *23-175/34*
Box: *29* Fold: *6*

Distribution:
O&I - COS, Mexico City

CS COPY

50-6-75/1

CROSS REFERENCE TO	DISPATCH SYMBOL AND NUMBER	DATE
	HDMT-11811	31 July 1963
	CLASSIFICATION	DISPATCH NUMBER
	SECRET	50-6-75/1

1 - RI 1 - Chrono	COORDINATING		FILE
	WH/3/Mexico/C.	Bustos:dd	5940
	COORDINATING		
	COORDINATING		
RELEASED			
C/WHD	DATE	SIGNATURE	
	2 AUG 1963	J.C. King	

4/7/63

2011

c. After the LIENVOY Project was submitted for amendment, the Station notified Headquarters in MEXI 5412 of 17 July that the wise decision had been made to delay making any approaches to LIENVOY regarding LICAPER until after the (presidential nominations) had been made and the political future of LICAPER and LIENVOY could be better evaluated. Headquarters asked the Station in DIR 55521 on 19 July 1963 whether this decision to delay LICAPER might not affect the new LIENVOY equipment and asked the Station whether Headquarters should withhold the requisitions for the new LIENVOY equipment until notified by the Station. In effect, Headquarters now is holding the requisitions forwarded with HMMT-3380 until the Station informs Headquarters that a new basehouse has been selected, and that LICAPER can use the old equipment. MEXI 5452 notified Headquarters on 22 July that a separate cable would be sent answering the questions regarding the LIENVOY equipment.

3. Headquarters will take no action regarding the new LIENVOY equipment until the Station notifies Headquarters that everything is ready for the switch in equipment.

END OF DISPATCH

CS COPY

UNCLASSIFIED INTERNAL ONLY CONFIDENTIAL SECRET

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

LIENVOY

FROM:

WH/3/Mexico/Bustos

EXTENSION

NO.

DATE

24 June 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.)

1.

C/WH/3/Mexico

24 JUN 1963

M

2.

C/WH/3

25 JUN 1963

De

3.

WH/D&F

6/28

POC

4.

WH/Logistics

3 JUL 1963

WWS

5.

C/WH/Support

7/3

Cited in FY 64 op program for \$48,100. Attached request for \$23,000, added to previous approval of FY 64 (then \$1,857) makes total of \$51,857. Excess funds for FY 64 will be found w/ WH allocation.

6.

WH/FI/Project Officer

8.

WH/C/PO/A

5/8

12

9.

WH/C/OPS

1

10.

C/WH/D

Rev

11.

WH/FI/Projects Officer

9 July 9

8

12.

DDP/PG/FI

20 July 1963

12/17

13.

3 B 4404

14.

WH/FI/Project Officer

25 July 63

8

13 to 14. Amendment approved. De

15.

WH/3/Mexico/C. Bustos

FORM 3-62

610

USE PREVIOUS EDITIONS

SECRET

CONFIDENTIAL

INTERNAL USE ONLY

UNCLASSIFIED

SECRET

DDP/PG/FI
25 Jul 63

PROJECT BRIEFING

PROJECT: LIENVOY WH - Mexico

ACTION : ADDP approval of amendment 1 Feb 63 - 31 Jan 64

PURPOSE: Provides for a ²⁴ [joint] telephone tap operation and ²⁴ [an] unofficial liaison relationship with LIELEGANT and the President of Mexico. ₀₁

AMEND-
MENT : Station has been considering moving the tap center for security reasons since June 1962, in view of the fact that the present basehouse has been used for three years. Station also desires to provide the new center with more mobile equipment. Old equipment will be used in a new telephone tap operation (LICAPER).

FUNDS : \$23,000 additional in FY 64 New total: \$70,068

New equipment includes 32 recorders,
30 B-10's and various testing and auxilliary
equipment.

PREVIOUS
APPROVALS: 1 Feb 63 - 31 Jan 64 \$47,068
1 Feb 62 - 31 Jan 63 43,240
1 Feb 61 - 31 Jan 62 59,690
1 Feb 60 - 31 Jan 61 53,840
1 Feb 59 - 31 Jan 60 163,537

STAFF
COMMENTS : FI and CI Staffs concur in approval of amendment.

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4/2

SECRET
(When Filled In)

37287

PROJECT ACTION				PROJECT CRYPTONYM			
				LIENVOY			
TYPE OF ACTION		X FI/CI		CR			
NEW PROJECT APPROVAL	DIVISION			WH Division			
AMENDMENT NO. 1	FIELD STATION			Mexico City			
RENEWAL FY 196	BRANCH		DESK		Mexico		
EXTENSION	CASE OFFICER			C. Bustos Charlotte Bustos-Videla			
TERMINATION	ROOM NO.	BUILDING	EXTENSION				
	#3B01	Headquarters	5940				
CONCURRENCES OF DIVISION							
ORGANIZATIONAL ELEMENT	TYPED NAME (And signature)	DATE	COPY NO.	MEMORANDUM ATTACHED			
				YES	NO	DATE	
C/WH/3/Mexi	Lee G. Norris <i>[Signature]</i> 03	24 June 63					
C/WH/3	John M. Whitten <i>[Signature]</i> 26	25 JUN 1963					
WH/B&F	Robert Carter <i>[Signature]</i> 03	7/3					
WH/SS	W. Brooks <i>[Signature]</i>	7/3/63					
WH/FI/PO	Ruth L. Geary <i>[Signature]</i> 03						
C/WH/POA	John R. Horton <i>[Signature]</i>	5/1/63					
C/WH/OPS	William Hood <i>[Signature]</i>	5 June					
C/WH/D	J. C. King <i>[Signature]</i>	8 July					
CONCURRENCES OF OTHER COMPONENTS							
FI Staff	-s/ ⁰³ J. Baine <i>[Signature]</i>	24 Jul 63	X	24	Jul 63		
CI Staff	-s/F. Hughes	15 Jul 63					
FI/INT	-s/ ⁰³ J. Spicer <i>[Signature]</i>	18 Jul 63					
CONCUR:							
C/DDP/PG	<i>[Signature]</i>	16 July 63					
APPROVAL							
PERIOD		TOTAL AMOUNT	FY	AMOUNT			
FROM	TO	73,000 add'l	1963	118,210			
1 February 63 31 January 64		70,068	1964	51,858 73,000			
APPROVING AUTHORITY		SIGNATURE		DATE			
A DDP		<i>[Signature]</i>		26 July 63			

G/12W

346

24 JUL 1963

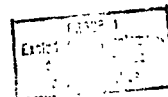
MEMORANDUM FOR: Assistant Deputy Director (Plans)
THROUGH: EDP/PG
SUBJECT: Amendment of Project LIENVOY

The Foreign Intelligence Staff recommends approval of the amendment of LIENVOY Project. This project continues to provide a quantity of valuable intelligence.

03
(Signature)
W. LLOYD GEORGE
Chief
Foreign Intelligence

Attachment
Project

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1170

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21 June 1963

MEMORANDUM FOR: Deputy Director (Plans)

SUBJECT : Request for Amendment of the LIENVOY Project

The LIENVOY Project is submitted for amendment. It was last approved on 29 March 1963 for a total of \$47,068 for the period 1 February 1963 to 31 January 1964. It is requested that this Project be amended for an additional \$23,000 for FY 1964 to cover replacement of equipment for the LIENVOY tap center.

24 1. Objectives: The LIENVOY Project covers a 24 [joint] telephone tap operation, and an [unofficial liaison relationship] between the Station, [ELEGANT] and 24 the President. This [liaison relationship] is often 24 utilized by the Ambassador as a [non-diplomatic channel] to the President. 24

2. Agents: This amendment does not change the agents under this Project.

3. Changes: Since June 1962, the Station has been considering moving the LIENVOY center for security reasons. As the time for the [Mexican Presidential election] approaches, it may become more difficult to conceal the activities and location of the LIENVOY tap center. The present equipment is large and difficult to conceal. The last LIENVOY Project renewal request stated that a move was contemplated 1) because of security reasons since the present base has been used for almost three years; and 2) to provide the new center with more mobile equipment. During the approval process, CI Staff commented that it concurred with the Station's plan to move the intercept center for the reasons stated, as the project activity was bound to become of interest to various opposition elements and the Station was well advised to make necessary changes to provide for and improve on the security of the operation. 24

This new equipment will be placed in a new, more secure basehouse which is yet to be selected, but

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which will continue to be under the direction of LI(ELEGANT) and LI(ENVOY-2) (representing the Mexicans, 08 and Willard C. CURTIS and Arnold F. AREHART, (representing KUBARK) 24. The workers in the present center will not know the destination of the rack-mounted equipment which is presently being used. It will be crated, and ostensibly flown out of Mexico being replaced by the new, light-weight equipment.

The old equipment will actually securely be transferred to the LICAPER tap center, which is being established by LI(TEMPO-2) and which will be carried under the LICAPER Project. Approval has already been received from CI and FI Staffs for the establishment of this new semi-liaison tap center under LICAPER with the old LI(ENVOY) equipment.

4. Intelligence Production: LI(ENVOY) is one of the most productive telephone tap projects in KUBARK of both FI and CE type information.

5. Effectiveness: In addition to providing intelligence through its tap center, LI(ENVOY) also provides the Station with an effective channel to the President of Mexico on matters of prime interest to the Ambassador and the Department of State, as well as on subjects of KUBARK interest. 24

6. Problems: [Presidential elections] are to be held in July 1964. Since this project is conducted in cooperation with the present President and his personal advisor LI(ELEGANT), the future of this project, and the equipment involved will depend on the person selected as the next President. 24.08 The COS has stated that the equipment will remain in KUBARK control through the KUBARK Staff Agent who runs the control center, thus it would eventually be disposed of in KUBARK's interest should LI(ELEGANT's) government relationship slip when the next President takes over. 24.08

7. [Liaison:] This is an [unofficial liaison] relationship. 24

8. Inter-Agency Coordination: Not applicable

9. Plans: No other changes are contemplated during the present Project year.

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10. Funds: Arnold E. AREHART, Staff Agent and KUBARK Case Officer in the tap center, discussed the appropriate new equipment with TSD specialists during a TDY to Headquarters for this purpose. The following equipment will be requisitioned upon approval of this Project Amendment:

- 32 Revere recorders
- 30 B-10's
- 1 Regulator, automatic-line voltage
- 1 Oscilloscope
- 2 Dial simulators
- 12 Headsets
Revere parts

The approximate cost for this equipment is \$23,000; bringing the total Project approval to \$70,068: \$18,210 for FY 1963 and \$51,858 for FY 1964; for the period 1 February 1963 to 31 January 1964.

J. C. King
Chief,
Western Hemisphere Division

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