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10 January 1963

Request for Renewal of Project LIENVOY

1. It is requested that the LIENVOY Project be renewed for the period 1 February 1963 through 31 January 1964 for a total of \$7,000; \$13,210 for FY 1963 and \$28,250 for FY 1964.

2. The liaison channel of this project to LIELEGANT, LIERGO, and the President of Mexico was particularly worthwhile during the past year in making arrangements for the trip of President Kennedy to Mexico from 28 June to 1 July and at the time of the Cuban crisis in October 1962. The Chief of Station was given permission to give President LOPEZ Mateos a special briefing on Soviet missile bases in Cuba and special photographs were shown to him. In view of Mexico's important position in the "neutralist non-intervention" camp of Latin American countries, the ready access to President LOPEZ Mateos, through the COS who has built up an excellent rapport, is an invaluable asset for ODYOKE policy makers. The present Ambassador has chosen to use this channel on several occasions.

3. The Station passes to the President FBRAND material after proper editing. These are given him promptly so that the information will be timely, and he has shown great interest in this weekly briefing. In fact, he has asked for special briefings, and one such report on the India-Red Chinese border war was prepared for him. On his trip to the Far East in October 1962, he asked for special briefings on communism and important personalities who were communists or pro-communists in three countries he planned to visit; Indonesia, Japan, and India. They were prepared by SI/TCG and forwarded to the Station for translation and passage to the President.

4. The joint tap center which provides coverage of 30 lines, is one of the most important sources of positive intelligence and CI information for Mexico. The Station is provided with the take from these lines on a daily basis. There is a KUBARK Staff Agent, Arnold F. AREHART (ps), who spends full time in the LP, and is responsible for complete maintenance of all the

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equipment and for controlling KUBARK interests in this phase of the Project.

5. With regard to events which might be considered as bearing on the security of this project, the Station reported that on 15 June 1962, at approximately 0930, the concierge noticed two men standing directly across the street from the LP and who seemed to have an unusual interest in the activity of the LP. After about an hour both got in an automobile and continued to watch the building from the car, and from time to time appeared to be taking notes on the comings and goings of the installations, as well as making notes on the cars used by the personnel of the LP. They attempted to follow one LP employee when he left for lunch. Later that day, LIENVOY-2 and LIENVOY-111 approached one of the two surveillance men and asked for an explanation of his action that day. They also asked him to identify himself. He showed them a driver's license with the name Mariano VERA Gonzalez. This information was checked at the Department of Traffic and found to be the license of another person. The Traffic Department was staked out to determine who, if anyone, might show an interest in the names and addresses of the cars used by LP personnel. On the 16th of June, an agent of the Secret Service of the Police Headquarters showed up and tried to obtain information about the owner of the license plates on LIENVOY-2's car. The stake-out employee and Secret Service man checked the traffic files, but the information was not there. In conversation with the Secret Service man, information was gained which led the Station to suspect that he was a member of an investigative group headed by a Mexican whose aim is to obtain political information for Mexican politicians. Since the 15th, no further attempts to place the LP under observation have been noted. Any problems such as this can be handled, if necessary, by the COS and his government contacts since this is a joint venture.

6. During the past project year, there have been 236 disseminations based on LIENVOY and LIENVOY-2 information: 200 from the former and 36 from the latter. LIENVOY reporting covered such topics as:

- a. Activities of Mexican leftists such as Lazaro CARDENAS, Jorge L. TANAYO, Vicente LOMBARDO Toledano.
- b. World Peace Council.
- c. Soviet and Czech activities in Mexico.
- d. Activities of Soviet and Czech officials in Mexico.
- e. National Liberation Movement (MLN).

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- f. Cuban commercial activities in Mexico, and transshipment of goods to Cuba.
- g. Activities in Cuba and Cuban activities in Mexico.
- h. Mexican Communist Party.
- i. Popular Socialist Party.
- j. Clandestine Communist propaganda and periodicals.
- k. Coverage of activity in Mexico of interest to KUBARK in connection with the trip of President Kennedy.
- l. Travel of persons of interest.

LIENVOY-2's informants provided reports covering such topics as the following:

- a. Communist Party activities in Mexico.
- b. Anti-government propaganda and activity.
- c. National Liberation Movement.
- d. Anti-U.S. activity in the National University.
- e. Developments in Mexico of interest regarding the trip of President Kennedy.

7. WH Division supports the attached renewal request for Project LIENVOY submitted by the Mexico City Station. This project is considered one of the Station's most productive sources of positive, operational and CI information. Also, it provides a clandestine channel to the President of Mexico for both the Station and the Ambassador.

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REQUEST FOR PROJECT LIENVOY RENEWAL

A. Current Objectives.

The objectives of this project remain the same as those stated in the last renewal request. The project continues to provide the Mexico Station with a smooth and rapid channel to Mexico's highest political figures. The Principal Agent continues to be a close associate of Pres LOPEZ Mateos. The intercept center has undergone no major changes during the past year.

1. RMDM-6 Objectives Priority A, 1, a; Priority A, 4, a, b, c; and Priority B, 2 and 3 continue to be effectively covered by this project. Cordial and friendly relations continue between Government of Mexico leaders and the Chief of Station, Mexico. During the past year, the Chief of Station, Mexico, at the request of the Chief, ODACID, Mexico, has held a number of covert meetings with President to convey ODYOKE policy matters. The Chief, ODACID, remains pleased with this access to Mexican officials.

2. All Soviet and Czechoslovak installations in Mexico City are covered by this project. The Case Officer for Soviet Operations and the Case Officer for Soviet Satellite Operations rely heavily on this product for operational leads and data to support double agent operations.

3. All major anti-PBPRIME elements in Mexico City are covered by this project.

4. Targets of opportunity which appear to be hostile or critical to PBPRIME or to the present Government of Mexico are covered by this project.

All major objectives of the project are being effectively realized.

B. Changes.

At a yet to be determined date, it is planned to move the intercept center from its present location. Two reasons are behind this move: 1) security, since the present base has been used for almost three years; and 2) to provide the center with more mobile equipment. Such equipment is now under consideration by KURIOT and when it becomes available, an amendment to this project will be forwarded requesting approval for the transfer of the intercept center.

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C. Intelligence Production.

The activities report forwarded to Headquarters each month lists the intelligence reports received from this project. During 1962 there were 534 intelligence reports produced by this project which were forwarded to Headquarters through 1 December 1962. All of these concerned RMDM-6 reporting priorities and current requirements levied by Headquarters and the ODACID installation.

In addition, this project produces a large amount of information which is not disseminated on a current basis but is reported to ODACID, ODENVY and other ODYOKE agencies in reply to a steady stream of routine file trace requests. These file trace requests run into the thousands each month. It would be difficult to determine the exact percentage of the information produced by LIENVOY; but in many instances involving prominent Mexican Government officials, large portions of the file came to us through LIENVOY coverage.

D. Effectiveness.

The LIENVOY project provides the Station with a channel to the highest level of the Mexican Government which is both effective and rapid as well as covert. The Station continues to receive the daily "resumen" highlights from the thirty (30) lines covered. A high percentage of current intelligence is disseminated from these daily reports. In addition, full transcripts are received on Soviet and Czech lines and on any of the thirty targets we may request. A good part of this is personality data useful only to KUBARK and in some cases to ODENVY. In addition, the project provides a support mechanism for covering targets of interest to KUBARK or other ODYOKE agencies.

E. Problems.

There have been no significant security, cover, control or liaison problems during the past year.

F. Liaison.

From a liaison point of view, the Station believes that this project contributes greatly to the present friendly attitude of the Mexican Government leaders toward ODYOKE policies. The liaison remains clandestine in nature though contacts between the Chief of Station and Pres LOPEZ Mateos are usually made at the request of the Chief, ODACID, Mexico.

G. Interagency Coordination.

The Chief, ODACID, Mexico, is the only ODYOKE representative in Mexico outside KUBARK who is aware of this project. His role has been

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explained above and the coordination with KUBARK is excellent.

H. Plans.

No significant operational changes are recommended for the next project year. Subject to the continuation of the present Mexican officials in their current positions, the project will not be changed.

I. Costs.

1. For the past period.

The cost of the project (paid by Mexico Station exclusive of Headquarters costs) from 1 February 1962 through 30 June 1962 was US \$16,253.00 and from 1 July 1962 through 30 November 1962 (actual) US \$13,122.00 and \$7,600.00 for December and January (estimated). The total for the past year will be approximately US \$36,975.00.

2. For the next project year.

During the period 1 February 1963 through 31 January 1964, an estimated amount of US \$47,068.00 will be required with US \$18,210.00 to be spent from 1 February 1963 through 30 June 1963 and US \$28,858.00 to be spent from 1 July 1963 through 31 January 1964.

3. Agent Salaries.

	<u>MN No.</u>	<u>US P.A.</u>	<u>FY 63</u>	<u>FY 64</u>
LIENVOY/2.	6,000.	5,760.	2,400.	3,360.
LIENVOY/4	3,000.	2,880.	1,200.	1,680.
LIENVOY/5	3,000.	2,880.	1,200.	1,680.
LIENVOY/7	2,000.	1,920.	800.	1,120.
LIENVOY/8	2,000.	1,920.	800.	1,120.
LIENVOY/11	3,000.	2,880.	1,200.	1,680.
LIENVOY/12	3,000.	2,880.	1,200.	1,680.
LIENVOY/14	2,000.	1,920.	800.	1,120.
LIENVOY/15	650.	624.	260.	364.
LIENVOY/16	2,000.	1,920.	800.	1,120.
LIENVOY/18	3,000.	2,880.	1,200.	1,680.
Xmas bonus one month's pay 1963	29,000.	2,320.	--	2,320.
Contingency fund for new agents or severance pay		2,284.	950.	1,334.
Operational expenses		2,000.	800.	1,200.

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Local purchase supplies & equipment	2,500.	1,000.	1,500.
Upkeep of 2 QP vehicles	1,200.	400.	800.
Safehouse rental	2,500.	1,000.	1,500.
Entertainment & gifts for Mexican officials	3,000.	1,000.	2,000.
Purchase of information via LIENVOY/2 5,000.	2,800.	1,200.	1,600.
TOTAL	47,068.	18,210.	28,858.

J. Annex.

The equipment and Headquarters technical support furnished this project during the past year has been commendable. A project amendment will be submitted requesting additional equipment for the transfer of the intercept center as soon as modifications and estimates are known.

K. Emergency Conditions.

Should a crisis require the evacuation of the KUBARK staff agent working inside the Intercept Center, contact can be maintained with LIELEGANT at his clandestine apartment. This address is retained at the Mexico Station. If the contact is not made by Willard C. CURTIS, the use of his name should be sufficient introduction. LIENVOY/2 could be contacted in the same manner at his home in Mexico City.

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