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19 June 1963

SUBJECT: Renewal of Project LIFEAT for FY 1964

(1 JULY 63 to  
30 JUNE '64)

The attached LIFEAT Project Renewal Request, as prepared in project outline form by the Mexico City Station, is forwarded for approval.

1. Objectives:

The objective of this project is to provide, through a unilateral telephone tap operation, information on the activities of selected individuals and groups in response to both Station needs and Headquarters requests.

2. Agents:

a. LIEMBRACE-8 who normally functions under the MKCHARITY Project was actively employed in the technical phase of the operation during the home leave period of principal outside case officer, David M. WILSTED.

b. During the past project year, 5 indigenous basehouse keepers were dropped from the project. LIFEUD-14 and LIFEUD-17, a married couple, decided on separation and eventual divorce, thus making the continuance of their basehouse keeping duties impossible. LIFEUD-22 and LIFEUD-23, son and mother, occupy a basehouse that was originally intended to be used for LIFEAT but is being used only in another operation. LIFEUD-27 was granted a POA during the project year but was never recruited.

c. Three new agents have been employed since the last project renewal. LIFEUD-24 is an old friend of WILSTED's who will be used as a basehouse keeper and translator along with LIFEUD-26 who is his wife. LIFEUD-25, the wife of LIFEUD-4 had been included in her husband's clearance but has now received her own clearance as a basehouse keeper.

3. Changes:

a. Other than the personnel changes described in paragraph 2 above, there were no organizational changes in the project in the past project year. At this time no

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organizational changes can be foreseen for the coming project year.

b. Funds requested for FY 1964 total \$83,808 compared to \$99,000 granted for use in 1963. A great part of the reduction of \$15,192 is due to the fact that the Station programmed no new equipment purchases for the coming year.

#### 4. Intelligence Production:

Although the emphasis of the LIFEAT Project is on Station operational support, the project through May 1963 was totally or partially responsible for 31 positive information reports of which 29 were disseminated. Of the disseminations, 13 involved the activities of Juan Jose AREVALO Bernejo or his followers.

#### 5. Effectiveness:

The LIFEAT Project is a model telephone tap operation. During the last project year LIFEAT continued to actively support the operations of the Station by providing leads and information on selected targets. In addition to this mission the project provided on a regular basis valuable information on active Soviet intelligence officers, the Polish and Yugoslav official installations and personnel, selected Cuban personnel (10 lines), American Communists in Mexico, Mexican leftists and, exile groups in Mexico. In the latter field the intensive coverage of Juan Jose AREVALO Bernejo was particularly rewarding. It is believed that the support provided other Station operations, the CI/CE information and leads, the ability of the unilateral LIFEAT operation to cover sensitive targets without revealing Station interests to the Mexican Government, well justify the expenditure of funds, time, personnel and the security risk.

#### 6. Problems:

In the past year as in the past few years the greatest problems have concerned the security of the operation and equipment. The current problems center on two developments:

a. The Mexico City telephone system is continually being modernized. Installation of new underground cables replacing the old overhead lines reduce access to target lines. The Telephone Company is keeping

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closer track of the assignments of its telephone linemen thereby reducing the mobility of the LIFEAT linemen. The Station has managed to somewhat negate the first of these problems by making its tap crosses in the telephone centrals.

b. A government investigation which is under way allows investigating crews to enter any distribution box and check back on any connection in the box to see if it is actually in use. On one occasion a team rang back on a spare which was being used by LIFEAT.

All LIFEAT personnel have been trained to take whatever action would be necessary to prevent, or negate the effects of a security flap. For details of the problems faced and the precautions taken by the Station, see paragraph 14 of the attached Project Outline.

7. Liaison:

Not applicable

8. Interagency coordination:

Not applicable

9. Plans:

It is planned that LIFEAT will as in the past provide valuable information on a continuing basis on top priority targets and at the same time remain flexible enough to be employed in support of other Station projects against targets of opportunity. LIFEAT has the capability of reactivating its coverage on the important targets now being covered by the semi-liaison LIENVOY Project if the latter should have to be discontinued for any reason.

10. Funds:

Sufficient funds have been programmed in the WH Division's FY 1964 budget for the LIFEAT Project.

11. Recommendations:

It is requested that Project LIFEAT be approved for FY 1964, 1 July 1963 through 30 June 1964, in the amount of \$83,808.

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