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100-113

8 JAN 1960

MEMORANDUM FOR: Chief of Operations, DD/P
SUBJECT : Project LIEMPTY (Renewal)
WH - Mexico

1. The attached project, originating in WH Division, is presented for renewal for the period 1 December 1959 through 31 November 1960. The project provides for physical and photographic surveillance operations in support and exploitation of other Mexico City operations, particularly those targetted at Soviet personnel and installations.

2. Authority is requested to obligate \$84,910 from the DD/P-WH Division operating budget: \$48,485 for fiscal year 1960 and \$36,425 for fiscal 1961, subject to the availability of funds. These sums include \$61,910 compensation for five contract agents (three of whom serve as principal agents for segments of the project), and sixteen support agents; \$3,500 for vehicle maintenance and commercial carrier travel; \$7,500 for operational equipment; \$5,000 for maintenance of three safehouses; \$2,000 for additional safehouse, post office box, and vehicle rental; \$1,000 exchange commodities; \$2,000 "key" money, broken contracts, etc.; and \$2,000 for the purchase of information, documents, payment of bribes, etc.

3. The attached renewal request, prepared in the Division and supported by a project review prepared in the Field, reviews the activities of the project during the past year and present a detailed breakdown of the funds requested. The project operates in three segments: (a) Contract agent Oliver G. SCANTLING is an independent asset who is used to follow-up and exploit operational information on target personnel and installations, to case various installations of interest, acquire property, etc.; (b) a photographic surveillance team, under principal agent Raymond H. GERENDE, utilizing three houses or apartments and one photo truck; and (c) a physical surveillance team under principal agent Simon D. CLACKETT, consisting of three trained members at the present time. The attached renewal request reviews the activities and accomplishments of the project in terms of these three segments and in relation to project objectives. SCANTLING's contribution to the collection of operational information pertaining to Soviet personnel and installations is regarded by the Station as unique. He also

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trained CLACKETT in radio controlled mobile surveillance. SCANTLING also has rendered valuable support to the LITACIT operation having gained entry to the target under a fabricated cover. He has also cased and prepared reports on the LITABBY target in preparation for future operations and performed investigations of numerous other Station targets of opportunity. He investigated many leads from other audio-surveillance operations enabling the Station to maintain current data on various Soviet contacts and resulting in a recruitment attempt which, while unsuccessful, is believed to indicate future potential along this line. He has further been used to develop radio procedures for the mobile teams and to rent various properties in support of other Station operations. The GERENDE segment, using three base houses for photography, produced upwards of 12,000 photographs during the year. One base has recently begun taking motion pictures of Soviet personnel in the course of conversation which have been forwarded to FI/D for possible exploitation by lip reading analysis. This segment also operates the mobile radio surveillance vehicles. A mobile photography surveillance truck has been used during the project year for coverage of various Station targets which do not warrant the establishment of permanent photographic bases. GERENDE has also served to rent post office boxes, hotel rooms, etc., in support of other Station operations. During the past project year CLACKETT, who returned to Mexico in early April 1959 after Headquarters training, spent the following two months being trained by SCANTLING in mobile surveillance techniques. He then undertook training of a four member team which was judged ready for operational use toward the end of the project year. Two additional contract agents, Wilma J. FIORDALISI and Louise J. MACRINO, performed translation and support functions.

4. Appropriate staff components concur in recommending renewal.

(a) CI Staff notes that the CI value of the project is difficult to judge since it appears that much of the material produced remains in the Station for exploitation. However, CI Staff remarks that the value of the project should be increased when the CLACKETT surveillance team enters into active operation. CI Staff suggests that the Station be queried as to the pretext or circumstances under which SCANTLING frequently visits Inez Parada de Moreno, the occupant of the property adjacent to the Soviet installation.

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(b) FI/OPS notes that while the project review presents a clear picture of the aims and objectives of the various segments, it does not provide, except in the case of SCANTLING, detailed indication of the value or usefulness of the other segments, particularly the photographic activity. FI/OPS requests that the Station provide such an appraisal during the first quarter of 1960. FI/OPS recommends strongly that the photo coverage be reviewed from the standpoint of value and usefulness with a view to determining whether the LILYRIC activity could not be safely eliminated and the additional photographic coverage conducted on a more selective basis, without materially affecting overall usefulness. FI/OPS notes that, in the absence of further proof of usefulness, the color photography and moving pictures appear to be an unnecessary luxury. FI/OPS commends the careful handling of the CLACKETT segment and requests that the next project action include examples of the team's progress.

5. I recommend renewal of Project LIEMPTY as presented with attention to the staff comments in paragraph 4 above.

W. Lloyd George
 W. LLOYD GEORGE
 Chief
 Foreign Intelligence

Approved: *Richard Helms*
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JAN 8 60
 Date

Attachment:
 Project Outline LIEMPTY

Staff Coordination:
 For C/FI/OPS -s/R. Bryant
 For CI Staff -s/R. Brown
 For C/CCD -s/F. Youngblood

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