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MARKET FOR INCOME.

Chief of Station, Mexico C:

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Chief, WH Division

MIRITOR

LIENVOY Project Amendment Miles Resolutes Profesers.

- 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 KY 1964, bringing the total approval for the present project year to \$70,068.
- There follows a resume of the pertinent correspondence concerning this Project Amendment, which resulted from problems surrounding LIENVOY, LICAPER, Orville R. HORSFALL, Douglas J. PEINGLASS and Arnold F. AREHART.
 - The Station was informed in DIR-35426 dated 26 April 1963 that the Station's original request in HMMT-3380 for replacement of the LIENVOY equipment was held up for budget reasons and until the future of the proposed LICAPER unit under LICAMPO could be determined.
 - b. The LICAPER Project Outline as submitted with HMMA-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)

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Removed from Project Godalkick CS Classification: Fold:

Distribution:

O&1 - COS. Mexico City

IMMW-11811

31 July 1963

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DISPATCH SYMBOL AND NOVIBER

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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 LIENTO regarding LICAPER until after the had been made and the political nature of LIENTO regarding 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

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DDP/PG/FI 25 Jul 63

PROJECT BRIEFING

LIENVOY PROJECT: WH - Mexico

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

Provides for a [joint] telephone tap operation and [an 24 unofficial liaison relationship] with LIELEGANT and [the

24

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 auxiliary equipment.

PREVIOUS

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

STAFF

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

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2 4 JUL 1963

MEMORANDUM FOR: Assistant Deputy Director (Plans)

THROUGH:

DDP/PG

SUBJECT:

Amendment of Project LIENVOY

The Foreign Intelligence Stuff recommends approval of the amendment of LTEN/OY Project. This project continues to provide a quantity of valuable intelligence.

Chief
Foreign Intelligence

Attachment Project

SEURET

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, oil [ELEGANT] and 24 utilized by the Ambassador as a 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.

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 LIELEGANT) and LIENVOY-2 representing the Mexicans, of and Willard C. CURTIS and Arnold F. AREHART, representing KUBARK) 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 estensibly 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 LICEMPO-2) and which will be carried under the LICAPER Project. Approval has already been received from Cl. and FI Staffs for the establishment of this new/semi-liaison tap center under LICAPER with the old LIZEMYOY equipment.

- 4. Intelligence Production: LIENVOY 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, LIENVOY also provides the Station with an effective on matters of prime interest to the Ambassador and the Department of State, as well as on subjects of KUBARK interest.
- 6. Problems: Presidential elections are to be held in July 1964. Since this project is conducted in LifeLEGANT of the future of this project, and the equipment involved will depend on 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 belidisposed of in KUBARK's interest should LIELEGANT's
- 7. Liaison: This is an unofficial liaison relationship.
 - 8. Inter-Agency Coordination: Not applicable
- 9. Plans: No other changes are contemplated during the present Project year.

SECTIET

10. Punds: Arnold F. 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

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- 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