MEDICAANDUM FOR: Assistant Deputy Director, Flore

SUB-PARK ( : Troject AIMEAT ( denomal)

WH - Mexico City

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- presented for renewal for the period | July 1962 through 30 Tene 1963. The project supports a unilateral telephone tap operation which provides daily information on the activities of official foreign installations in Mexico City and personnel thereof, as well as coverage of the activities of selected indicated and groups.
- 2. Authority is requested to obligate \$99,000 from the DD 1 WH Division budget in fiscal year 1963, subject to the availability of funds. Of this amount \$18,800 is estimated for administrative salaries; \$43,415 for field agent salaries; \$20,823 for basehouse rentals; \$13,050 for equipment; \$2,100 for local transportation; and \$807 for miscellaneous operational expanses.
- The Field Project Outline and review which are forwarded by the Division with a covering memorandum, give a clear descriptical of the project activity and accomplishments. The project <u>has been in continuous operation since 1951, starting with a </u> sir the tap against the Soviet Legation in Mexico City and now covering as many as thirty lines in a given month. The project is staffed by an "outside" case officer (Career Agent David F. The project WHI TED (p) of Project LINOG), four contract accests who do pdministrative work, and twenty-one field agents including monitors and linesmen. During the past year the project provided coverage to the home phones of three Soviet Intelligence officers, the For sh Embassy, the Yugoslav Embassy, major firms dealing in the trapshipment of U.S. goods to Suba, American Communists in Mexico, exile and revolutionary groups in Mexico. CI information va. obtained and additional security was provided Station operatirms. Although coverage of the official Soviet and exech inguallations became a joint operation with the Mexican Government in LIENVOY. Project LIFEAT remains available to resume coverage these installations should a change in the local government Acr its attitude to CIA marticipation necessitate such change.

For the future, the Station has hopes of employing LIFEAT assets in "hot mike" operations which will require access to telephone centrals and called. It is the epicion of the Station that the support provided the Station operations, the SIAS information, and the ability to cover sensitive targets without revealing our interest to lisison services justifies the expenditure of funds, time, and personnel under this project. The overall performance of all agents in the complex continued to be good; no security problems were encountered which were not solved by the personnel involved.

The FI Staff notes that the project continues to be a most useful eperational asset of the Station and in addition has produced thirty-seven positive intelligence disseminations, six of which are of particular interest concerning the illegal transhipment of produced to Cuba. FI/O comments that one item of direct interest profile of the diplomatic installations would afford valuable insistance to the planning and conduct of any FI/O endeavor to fount operations. The CI Staff reiterates that the facilities of this project could and should be used for the coverage of the mount of any highly suspected agents of the Soviet/Satellite/and than intelligence services in Mexico. CI notes that some twenty of these agents have been documented in detailed target studies which were forwarded to the Station.

5. I recommend renewal of Project LIPEAT and invite the Division's attention to the recommendations of CI Staff in paragraph 4 above.

> S. M. HIHES Chief, DDP/PG

Approved:

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27 July 62

Attachments:
Project Outline SIFEAT
FI Memoranda

Staff Coordination:
For FI Staff -s/J. Pains
For CI Staff -s/F. Hughes
For MI/HMM -s/H. Water
For CJG -s/E. Strange
For FI/D -s/V. Leichliter