

with a limited number of people. We believe the direction of the station is of high caliber, but not all the station effort is carefully directed at priority targets. Under current personnel ceilings, there is little hope of increasing the manpower evailable for this critical effort. Thus, both Headquarters and the station must carefully place emphasis on assignment of priorities and upon selective execution of the activities to meet those priorities.

Organisation for Operations

The Mexico City Station approaches the classic type station in opportunities and in operations. It has high-level liaison operations, unilateral operations, joint operations with the host government, and Soviet, Satellite, Cuban, and indigenous Communist Party operations. It has local collaborative liaison with other U.S. agencies: the State Department, the Federal Bureau of Investigstion, the Immigration and Maturalisation Service and the military. To accomplish this wide range of tasks, the station is organized into the Soviet Branch, Cuban Branch, Satellite Branch, Covert Action Branch, Communist Party Branch, and an operational catch-all which is called the "Operational Support Branch." This latter branch is headed by a senior operations officer who has two assistants, but the branch in reality is an extension of the chief of station's personal clandestine capabilities, giving force and effect to that facet of the chief of station's personality as an operator. The deputy chief of station, in addition to his administrative duties, also personally handles the operations of three projects.

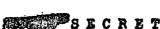
Cuban Operations

6. Mexico City is the only direct air link which Cuba has with the Western Hamisphere. It is the major transit point for all air travel to and from Guba. Approximately 150 persons per week travel each way to and from Havana via Mexico City. This fact plays a prime role in shaping the station's operational activities. For example, over 10 per cent of the station's II reporting on Cuban activities in the past year dealt with travel, both Cuban and non-Cuban, between Mexico City and Havana.

[Significant]

7. The station has no agents reporting from in place in Cuba. Two operations have had problems in loss of communications, but have some promise of future success. One agent, a Cuban refugee

98



第二次,但是国际的国际的国际

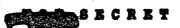
now working in Mexico City, had recruited three sub-agents before leaving Cuba but his channel of communications with them has been severed. Another station agent is in a good position in Cuba to obtain intelligence from foreign telephone communications. The station will attempt to re-establish contact with him through a legal traveler to Cubs. The station has a marker of sources with access to Cuba in third country nationals who are debriefed each time they return to Mexico City from Cuba. Best of these is a Western European who was the source of some 15 disseminated intelligence reports last year. He trevels to Caba four or five times a year and is contacted by a station case officer after each visit. An operation, presently under development, is sixed at exploiting the presence of a religious order. A recruited egent will be in the high levels of the Mission. It is expected that the Mission will have secure communications facilities as is the case in other countries. Primary control, however, will be maintained by Mexico City Station through contact with the agent each time he travels to Mexico City from Haven

A major objective of station operations is the recruitment of personnel in the Cuban Exbassy. There are shout 20 Cubans on the embassy staff of whom six are believed to be numbers of the 84 Cuben Intelligence Service outle with operations directed against the Soviet Esbassy, beavy reliance is placed upon surveillance through telephone, photo, physical, and audio operations as well as on ecces agents. The effort has been reserted with some suctess albeit limited. One official has been recruited, but his value is generally low due to lack of access to information of prime importance and to a reluctance to accept operational assignments. A Mexican woman employee in the embassy is also a station agent, but she has no access to classified documents and provides only meager information. A recruitment pitch to enother efficer Vas unsuccessful and he was subsequently recalled to Cube. Through Station efforts a "hot mike" was successfully placed in a key office. Vafortunately, the target officer moved, and his old office is now being occupied by an officer of lesser potential, who is the supervisor of the recruited officer. This midio device is at the moment of little value except to provide an excellent check of the egent's OS activities.

98

10. As might be expected, Maxico City has a constant stream of refugees from Cuba, estimated at about 350 per month. Through an American contract agent the station runs the Cuban Refugee Reception and Orientation Center which screens refugees for possible

- 3 -



gb

easts in training the personnel there. et anitata est of bellaten sees been detailed to the station to proved and the operational leads increased. An experienced officer capabilities to the end that the intelligence product will be impast year. It is planted to correct these defletencies and expand telligence reports were disseminated by Meadquarters during the edequate facilities and trained personnel. Only 29 positive ingence value. Beretofore this project has suffered from lack of operational leads and debriefs those with information of intelli-

etation operational program insufficient time for pleaning and development of an effective of day to day extivities and to bendle the volume of paper laft officers in Maxico City feel that the requirements to keep shreat operations originating in other CIA stations. The Cuben case medial to trougues edt of beforeb ed feuer Apidu trolle evitalen edf Approximately if per cent of the etation's cable trained to cerned with caben operations. This volume slone is testimeny to stations, chially detall, with involvement in Cuben operations. tial effort to responding to requests for engioet from other il. The station's Cubes case officers must devote a substan-

requirements.

76.00

regulrements on Maxico City, with a view toward reduction of such

THE STATE OF THE S

It is recomminded that!

The Chief, an Bivisions

ing egent essets resident in Cidal and to concentrate Cuban case officer offorts on developinstruct the Chief of Station, Senico City,

Bivision, should direct other stations to carefully screen Cuban stations so they can consentante on this target. The Chief, Will case officers should be freed from the encessive support to other it will be deno in Mexico City. In the extent possible, the Cubes and, if it is to be achieved at all, it is ingical to expect that his been seatened as Priently & to near takin American countries descripting agents in place in therest are the terrest

kion estride the only direct air link to Cube Engre success chould and the results while limited, ore as satisfactory as may be em-pected in view of the target. Given Mexico City's strategic loca-

12. Operations are being conducted equinat the Cuban Enbang

Ullage

BECKEL

evidence that the ambassador would strongly object to Agency support for IISE propagands activities. In addition, of a total annual budget of \$16,000, \$6,000 goes for the salary of a U.S. businessman cutout (LIEFF-1) while \$6,000 goes to the support of MEMO and \$4,000 to support other activities of the IISE. This is an inordinately high sum for the services of a cutout in proportion to the total cost of the proposed project. These points, taken together, constitute a valid basis for terminating operations in connection with LIEFF.

It is recommed that:

D. T

The Chief, WH Division, disapprove the proposal of Chief of Station, Mexico, for Project LIMPF and direct him to terminate operations in connection therewith.

18. The station has a highly successful project directed at the rural and peasant targets. The principal agent is a Catholic priest through whose efforts an extensive network of regional organisations have been established including youth groups, credit unions, agricultural co-ops and peasant unions. Some 26 regional centers of the Maxican Institute for Social Studies, a project mechanism, have been set up and 12,000 people were enrolled in special training courses during the year. This operation is now largely self-sufficient but the station should continue to give it support and direction. The project shows premise of expending into Gastemala where the Archbishop of Guatemala has asked for assistance and training to set up a similar organization. In view of the present lack of Agency-sponsored peasant projects in Guatemala, every effort should be made to exploit this possibility.

It is recommended that:

Ho. 71

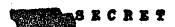
The Chief, WH Division, expand Project LINCOULE to include essistance in establishing a similar covert action project targeted on peasant groups in finaturals.

Seviet Operations

98

19. Mexico is one of the four Latin American countries which maintain diplomatic relations with the Soviet Union thereby permitting the establishment of diplomatic installations in these

-8-





countries. Because of the relative ineffectiveness of the Mexican police and security services, Soviet activities in Mexico are not subjected to the same scrutiny as they are in the U.S. by the FBI and in Canada by the Royal Canadian Mounted Folice. Soviet personnel in Mexico thus have a freedom of movement which facilitates the conduct of clandestine operations targeted not only against the U.S. but also against other Latin American countries where there is no Soviet official presence. In addition, Mexico's long border with the U.S. has only minimum guards. Travel between the U.S. and Mexico is heavy and clandestine border crossing can be relatively simple. The Soviet Embassy in Mexico City, therefore, assumes more than the usual interest normally attached to similar Soviet installations as targets for U.S. intelligence.

20. Soviet operations conducted by the station are directed 24 primarily at the personnel of the embassy. At the present time. there are fifty-one officers attached to the embasey of whom thirtythree have been identified as masters of either the RGB or the CRU. It may be assumed that dependents and nonintelligence personnel, by performing various support functions, small the total of those engaged in intelligence assignments. In its operations against the Boviets, the station is beavily dependent upon technical solleetion through telephone taps, photographic coverage of the enbassy, physical surveillance, and hidden microphones. These operations 24 produce masses of information cally on the activities of the Seviet 24 personnel, such as telephone conversations with persons outside the embassy, [complete] photographic records of the coming and going of 24 [all persons]-Soviet and non-Soviet -- at the embassy; contents of embassy personnel outside the embassy, etc. Because of the strict security indoctrination of Soviet oversees personnel, the bulk of this information is low-level and not disseminable as positive intelligence. Its chief value, aside from occasional items of intelli- 24 24 gence interest or operational isport, derives from its compilation in depth to reveal patterns of activities and contacts, indicative of intelligence missions of essociations, and to disclose behaviorial characteristics of individual Soviets which might be symptometic of a vulnerability to recruitment. a period of time the station has identified Boriet officers in the NAM and GAU, and gained an insight into their modus operand in executing intelligence assignments. This is itself is of value from a counterintelligence point of view even though exploitation against Soviete has been limited. Also, by colleting the mass of collected data into personality reports on persons attached to the makesy, the station hopes to be able to detect, foster, and even-In tuelly exploit any vulnerability to recruitment or detection—the

98

- 9 -

amber one priority of Soviet operations here as eleawhere in the world.

21. The station is seeking to supplement its collection through technical means with a progress to acquire at least one access agent for each number of the Soviet Rebassy staff. These access agents serve two purposes: first, they provide additional information on the activities and personalities of those with whom they are in contact; and second, they afford a channel for "getting et" a Soviet individual should it be found adventageous to bring some sort of recruitment pressure to beer on him. Consideration is now being given by the station to expanding the effort to recruit Mexican nationals who are known, through technical collection sources, to have been in touch with the Soviete on intelligence missions and to work through them to develop information on Soviet clandestine activities. Additional case officer strength will be needed if this approach is to be effective.

22. The station currently has six double-egent operations. Like most such cases they move slowly. The chief purpose in running these operations is to direct the agents into the U.S. where, in cooperation with the FBI, they might be used to identify Bovist illegals. Three of these double agents have all received intelligence assignments from the Soviets of on as yet undefined nature in the U.S. Another appears destined for some Soviet essignment in the Philippines. Since the Soviets have no official representation in the Philippines, it is hoped that this agent may be put in touch with illegals. Still another is considered a poor double agent operation by the station, but shows some promise of developing into a penetration of the Mexican Foreign Ministry. The cirth is retel vary low as a station operation. and is being continued only at the specific request of the U.S. Army. The station's technical collection essets provide a useful means for checking these druble agents in their contacts with the Seviets.

23. To evaluate properly the Soyiet operations at Mexico City, which rely heavily on expensive technical collection devices would involve a basic effectment of the whole concept of Borlet operations, which is beyond the scope of this reported Despite the exploitation of material collected by technical means for over ten years at the station, the primary objective of recruiting a Soviet national has not been achieved. Although the station's knowledge of Soviet intelligence activities centered about The Combanny in Mexico City has been greatly fidened, it has led to little positive

SECRET

- 10 -

ection to counter these sctivities) as they might affect U.S. fargrets of the S.S.R. diplomatic missions are targets of vitel importence for U.S. S.S.R. diplomatic missions are targets of vitel importence for U.S. Intelligence, the Soviet Embassy in the U.S. The Marico City Station has attacked this target with determination and imagination. The Calef, EM Division, and his principal officers have commended highly the Soviet operations in Marico City Station. The fallows the Soviet operations in chieffing the Soviet operations in them to a last of resourcefulness in attacking prestor the target utility of the target of the target unitility of the target of the target

sh. Probably the most algnificent contribution which the station which the station, the station of the heaten heaten to the the the tor one reason or enother to establish centert with the soviets. Through the technical coverage of the Soviet with the station has been able to spot and, through subsequent action, to threat a number of guest factors, several of whom alght have to the station works closely with the respect to 0.5. Intereste had they not been apprehended. The factor of the station of Freeddent. The factor to 0.5. Intereste had they not been apprehended. The factor to 0.5. Intereste had they not respect on the sessestation of Freeddent in the respect on the connection with the reference to information collected by station enotes in connection with the activities in his connection with the sesses of the station city.

GENERAL DESCRIPTION

ES. The Satellite Branch, which is steffed by EE Division to terrence in the EE formulation of its reseat time from its EE terrence to a Communiate-Chinace presents in Marico City. Although there is no official government representation by the Peting regime, the May China Here former (MUM) has several people in Marico City. At least three of these individuals have been identified as CHINGE interligence officers. Freject STREO is an audio operation against three rooms of their efficies, and their telegipses lines are targed the LINERT Freject. Seem of their sent carefules the LINERT Freject. Seem of their sent carefules in the LINERT Freject. The raw results of these operations they been formered been formed as the LINERT Freject. The raw results of these carefulas in the LINERT Freject. The raw results of these carefulas the LINERT Freject. The raw results of these carefulas the LINERT Freject. The raw results of these carefulas the LINERT Freject. The raw results of these operations is an emphasis of the LINERT Freject. The translation of the meterials, he of the time of the inspection, the translation of the meterials. As of the time of the inspection, the station had been softling from Heedquarte

86

0

13-00000



responsible to control from the female operations officer who has recently been transferred to LILIEK control. It is possible that this operation will be transferred to a covert action project, where some improvement is expected.

98

41. The station has a unilateral physical surveillance team, five of whom have been on the team for more than three years. Only one case of trouble has shown up in this project. One agent had cooks terminated because he talked too much and tried to black-mail blackes officer. The use of the polygraph has been most affective in control of this team, which has been generally effective.

Technical Operations

42. The station is heavily committed in the technical field with a large audio operation run jointly with the Mexican Govern-24 ment (LIMNOY), as well as a unilateral audio operation (LIFEAT). 24 The station has been imaginative in approaches to problems and villing to examine and experiment with the unusual. In example of this is the communications link between the station and the princi-24 pal agent of LILIMA, which will be discussed later.

with Soviet operations, resulted from an approach six years ago 24 from President Lopes Mateos After considerable discussions, the operation was approved, providing the Mexican Government would in-29,24 clude Soviet and Satellite targets, and such other communist targets as were obvious to the Mexican Government to be of concern to the 29 United States. This project is manned by selected Mexican Army 24 personnel, who are carefully screened and paid high incentive wages, 28 reducing their vulnerability to bribery. Other privileges add to the high esprit de corps essential to such an operation. The unit is managed by a career agent who transmits the take regularly to the station by clandestine means. This project has been fruitful in intelligence reports and has been of value in operational leads and in CE/CI information. The project also has a visual surveillance and a photo-surveillance capability. It was this project which provided data on the actions of Lee Earvey Oswald in his famous visit to Mexico City.

98

Mexican Covernment knowledgeable of all its anti-communist operations. Therefore, the station has continued its unlisteral audio

- 16 -



RETURN TO CIA Background Use Only Do Not Reposition

- Exclude routine travel information and CI/CE information from TDCS and CS reports; and,
- d. Use the cable channel only for reports that are periabable or are of special intelligence interest.

Organisation for Administration

- 56. As in his direction of operations, the chief of station maintains a close personal hold upon the administrative life of his station. Such delegation as he makes does not include the greating of usual enthority to a subordinate. For example, although the deputy has been delegated authority over the Registry, which vill be discussed in detail later, in reality the chief continues daily activities which have a marked effect on the Registry. station has a small, hard-working support section, handling finencial and property matters, and the usual fine communications section.
- 57. Morale and health were generally good, although for a city as modern as Mexico there is an unusual emount of abdominal disorder known in Mexico City as "Montesums's Revenge." The esbassy furnishes edequate medicines, and medicines are spailable on the open market, although not always to be trusted. One incident was recently uncovered in which sulfur was consuled and sold as an antibiotic. Medical facilities have recently been improved by the opening of a new hospital which meets United States standards Physicians and surgeons are well trained and quite competent. Insofar as social life is concerned, morals in the station was excellent. Mexico City offers some of the finest social activities in the world, from booky-took to opera. There is local television, radio, and a great interest in music. There is a great deal of outdoor activity available -- evinning, tennis, golf, exploration of ruins, and vest city parks. Some sporte activities are comparetively expensive. Masherehip in country clubs is prohibitive except for persons on the diplomatic list.
- One of the principal administrative problems fasting the Chief of Station, Mexico City, is his Registry. The Re handles the station files which are more complete than in any other station in the VI Division. There are more than 9,000 personality files and a vast accumulation of 3x5 card files (mostly biographic) which continue to increase at the rate of 23 linear inches per month. The station's present level of activity precludes any reduction in the card index file, but aperture cards



BECRET

24

98



are assisting in some reduction of the personality files. The Registry also handles the pouching. This task is also the largest in the WH Division, particularly in lateral pouching. On one occasion, at Headquarters' request, Mexico City handled the lateral pouching to 35 stations and bases of one document.

19. The problems of the Registry are compounded by the lack of training provided personnel assigned to the Registry. Personnel problems in the Registry are many and diversified. First of all, with the limited number of personnel and the great burden of work, a large smount of overtime has been required. Secondly, it has been difficult to get people to accept an assignment to the Mexico City Registry because the tasks are dull, tedious, and infinitely demanding of the individuals' time. The morals in this section was poor. We made several recommendations to the chief of station pointing out to him a conscientious effort must be made by all members of the station to reduce the workload in the Registry. In this connection, we suggested that individual case officers accept the responsibility for periodic cleaning of files which they used, and of which they have the most intimate knowledge. We further recommended that maximum discrimination be used in determining material which should be filed and that wherever possible the sheer bulk of the filing be reduced. We further recommended that overtime be made voluntarily whenever possible, but that in any event personnel be provided with a full weekend off from time to time.

The chief of the Registry is the only senior person assigned to the Registry and has no deputy or other person competent to take his place during his temporary absence. The chief at the time of our inspection had taken very little time off, including weekends in the two years of his tour. We feel that one of the positions in the Registry should be re-evaluated for possible upgrading to includes the duties of deputy chief of Registry.

It is recommended that:

No. 78

The Chief, WH Division, request the Director of Personnel to conduct a review of the function of Deputy Chief, Registry, Mexico City Station, to determine whether or not such a position should be established in an appropriate grade.

SECRET

61. We found the Registry to be a controversial matter between Headquarters and the chief of station. The newly assigned deputy chief of station, who primarily had supervisory responsibility over the chief of Registry, was making a determined effort to reduce the workload in the Registry and to seek means of relying upon Headquarters' files rather than station files. We were told that on several occasions, Headquarters had reached the point of demanding that Maxico City reduce its Registry to a size comparable to other stations. Each time such a decision was reached, there would be a concurrent flap which would prove the value of Hexico City's shility to instantly retrieve information from their files. One of the most noteworthy of such flaps took place in However 1963, when Mexico City's files brought forth detailed information on Lee Hervey Oswald's visits to the Cuben and Soviet Rebessies in Mexico City.

62. The nature of Mexico City's operations, particularly its technical operations LIENVOI and LIFRAT produce [voluminous files.] 24 Until some system is devised for this information to be quickly 24 digested and retrieved in Headquarters, we believe that there is no alternative to the present system Mexico City is employing. However, we believe that a determined effort must be in Headquarters for processing and retrieval of such information.

It is recommended that:

b. 79

The Chief, WH Bivision, in collaboration with the Chief, Records Integration Division, devise a system for reducing the volume of files held in Hexico City, while maintaining a capability for rapid retrieval from Headquarters of information essential to present and future operations in Mexico.

63. Mexico City is one of the great metropolises of the world and the beaming economy of Mexico is reflected in its bousing. It is difficult to find housing which compares exactly with United States housing because the Spanish tradition of servants' quarters, large space, and great entertainment are a basic way of life. However, in such a great city, there is naturally a large selection of housing within this limitation. There are good apartments, but such apartments usually are more expensive than allowances will permit for single occupancy. Housing for officers and families is generally quite good, not plentiful, but with predent selection, edequate housing can be found within reasonable range of the

