

<b>DISPATCH</b>	CLASSIFICATION <b>S E C R E T</b>	PROCESSING	
		PROPOSED	ACTION
TO Chief, WH Division		X	MARKED FOR INDEXING
INFO			NO INDEXING REQUIRED
FROM Chief of Station, Mexico City			ONLY QUALIFIED HEADQUARTERS DESK CAN ASSESS INDEXING
SUBJECT LIFEAT Progress Report/April, May, June 1963			ABSTRACT
ACTION REQUIRED - REFERENCES			MICROFILM
<p>Reference: a. HMA 21434 b. HMA 21080</p> <p>1. Since the LIFEAT Project Renewal Request forwarded by reference (a) contained a thorough review of the LIFEAT project for the entire project year through May 1963, most of the items of interest to the project were included in the review through that date. The following report contains those items not fully reported or not included in that review plus items of interest occurring during June 1963. Except for the above noted period, LIFEAT progress reports generally will be forwarded on a monthly rather than a quarterly basis.</p> <p>2. The following report is submitted in accordance with CSFIB-F 52-6-1, section V, paragraph 2 (d) (1).</p> <p>A. <u>EXPLOITATION OF LEADS</u></p> <p>(1) LIFEAT/Soviet - During the reporting period LIFEAT has continued its daily coverage of the home phones of two known Soviet intelligence officers. Information and leads from this coverage provide the interested Station Officer with a valuable check on the Soviet contacts of several KUBARK controlled double agents. There is also provided the type of information on daily activities of Soviet personnel without which the planning for and successful completion of the technical surveillance operation against one of these Soviets would have been impossible. Station believes that LIFEAT contribution to the success of this operation deserves particular mention.</p>			
<p>Distribution: 3 - WHD 2 - Files</p>			
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CS COPY		50-6-32/3	
CLASSIFICATION <b>S E C R E T</b>		DATE TYPED 16 July 1963	DATE DISPATCHED 19 July 1963
CROSS REFERENCE TO		DISPATCH SYMBOL AND NUMBER HMA 21755	
		HEADQUARTERS FILE NUMBER 50-6-32/3	

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CONTINUATION OF DISPATCH	CLASSIFICATION S E C R E T	DISPATCH SYMBOL AND NO HPTA-21755	
<p>(2) LIFEAT/Polish - LIFEAT support to the BEKNAVE/BECHICK operation in recent months has been particularly noteworthy in providing travel plans of BEKNAVE. During the intensified efforts against BEKNAVE in the coming month plans for periodic live-monitoring by LIFEAT have been completed and should provide a valuable support to this operation.</p> <p>(3) LIFEAT/Yugoslav - Of continued interest to the Station has been the information concerning the locations being considered by the Yugoslav mission for a new embassy. Station planning for a technical operation in this area has depended heavily on LIFEAT leads.</p> <p>(4) LIFEAT/Cuban - LIFEAT coverage in the AMSTRUT case provides a window to the operation which is of interest to WAVE and Headquarters. (Transcripts from these two lines are forwarded semi-weekly to the interested Headquarters component and WAVE.) LIFEAT coverage of the home of a Cuban Commercial Attache provides information of interest concerning Cuban commercial contacts and purchases.</p> <p>(5) LIFEAT/Exile - LIFEAT coverage of ESLARD-1 has been most rewarding in terms of his contacts, travel, and future plans. This information has been of interest to Headquarters. LIFEAT has exerted every effort to provide continuing coverage of this target even when ESLARD-1 resided in a hotel under an alias and following his move to new quarters. Coverage by LIFEAT was especially difficult during E-1's stay at the hotel since the technical problems were considerable and the processing of all calls to and from the hotel in order to extract E-1's calls was a heavy burden on the LIFEAT processor/translator staff. It is noted that in Station's opinion the LIFEAT complex showed up particularly well in this assignment.</p> <p style="text-align: center;">LIFEAT coverage of Judith FERRETO Segura has been especially fruitful concerning the travel and contacts of Costa Rican Communists, including their travel to Cuba. It has also provided some leads concerning ZRKNICK operation.</p> <p>(6) LIFEAT/American Communist Group in Mexico (ACGM) - During the reporting period local ODENVY requested that LIFEAT coverage be initiated on David DRUCKER, prominent member of the ACGM. Product from this coverage, in conjunction with that coverage already being provided on Charles SMALL (aka SMOLIKOFF), is valuable to ODENVY in providing data on U.S. Communists who travel to Mexico and contact the members of the ACGM. Information is also provided on the daily activities and contacts of members of the ACGM.</p> <p>(7) LIFEAT/Miscellaneous - Coverage of a former SMOTH agent at the request of Headquarters resulted in the knowledge that this former agent was in contact with a number of Soviet Satellite personalities and was exerting a strong influence on a friend of his, a PEPRIME citizen employed as the local representative of a well known PEPRIME news media. It became apparent that the PEPRIME citizen, through his connection with the news media, was being encouraged by the former SMOTH agent in an attempt to "destroy" the senior ODACID official in Mexico. Early warning to this official resulted in action which greatly diminished the effect of this effort. Coverage of both the former SMOTH agent and the PEPRIME citizen is being continued.</p> <p style="text-align: center;">LIFEAT coverage was also placed on the private office of a Mexican army General based on a lead that he was the contact of former Mexican President Lazaro CARDENAS del Rio who was guiding a number of Mexican army officers of troop command rank who would support CARDENAS in any show of force. LIFEAT coverage, however, provided no information of value and was discontinued.</p>			
FORM 10-57 53a 142	USE PREVIOUS EDITION REPLACES FORMS 5128, 5128A AND 5129 WHICH ARE OBSOLETE	CLASSIFICATION S E C R E T  <div style="border: 1px solid black; padding: 2px; display: inline-block;">           GROUP 1            EXCLUDED FROM AUTOMATIC            DOWNGRADING AND            DECLASSIFICATION         </div> <input checked="" type="checkbox"/> CONTINUED	PAGE NO 2

B. PROCESSING OF TAKE

Due to the heavy workload shared by the present LIFEAT processor/translator staff, it was decided that an additional agent was needed for these duties. Station review of a number of agent candidates to fill this position was undertaken and one individual was selected. See paragraph 2 C below.

C. PERSONNEL

Provisional operational approval was requested on LIFEUD-28 on 29 May 1963 to fill the need noted in paragraph 2 B above. Recruitment will be undertaken when such approval is received.

At the end of May 1963, LIFEUD-1 was called into the offices of the President of the telephone company and told that since he has passed the retirement age (LIFEUD-1 is 63 years old) "room must be made for younger men". A retirement payment was agreed upon which, when all benefits are included, equals to approximately 70 to 80 percent of LIFEUD-1's base salary. After the retirement plan was agreed upon, the President of the company, in a private conversation, asked LIFEUD-1 to accept a special commission as part-time investigator concerned with administrative personnel at 1,000 pesos per month. LIFEUD-1 accepted this commission.

The above action will reduce LIFEUD-1's access to the operating centrals where most LIFEAT tap "crosses" were made. The extent of this reduction can only be determined after LIFEUD-1 works his special commission for a period of time. As a preliminary opinion, and not a final decision, it is believed that LIFEUD-1's knowledge of and contacts in the telephone company, coupled with his new position as personnel investigator, will continue to make his contribution to the LIFEAT project valuable and possibly unique. (See paragraph 2 E below re security aspects of LIFEUD-1's retirement).

D. LIAISON

In late May 1963 local ODENVY requested coverage be instituted on David DRUCKER. ODENVY is to process the take as on other ACGM coverages. This coverage was installed 2 June 1963. No other change from that noted in reference (b).

E. SECURITY

- (1) In the security area the retirement of LIFEUD-1 and the events surrounding it have produced two dangers to the operation which affect both security and efficiency. The first of these involves the reduction of LIFEAT access to the telephone centrals. Formerly LIFEUD-1 could, by calling the supervisor of any central, arrange for LIFEUD-16 to enter a central, and while engaged in normal work there establish a tap "cross" on a LIFEAT target line. Tapping through a central is not always possible, but has become the standard method used in LIFEAT operations. It is considered less time consuming and somewhat more secure than tapping through distribution boxes. Secondly, LIFEUD-1, prior to retirement, could backstop the presence of the LIFEAT linemen (LIFEUD-2 and LIFEUD-3) in areas of the city outside their normal work areas while these agents worked on the routing of the LIFEAT taps lines. LIFEUD-1's retirement diminishes LIFEAT access to the centrals and removes the "protection" LIFEUD-1 provided to the linemen and centralman.

In a related incident during a discussion of his retirement with LIFEUD-1, it became apparent that he believed that LICCOACH was providing backup protection to the entire LIFEAT complex. LIFEUD-1 based this assumption on the fact that at one time he had discussed providing LIFEAT with high level protection with a former LIFEAT Case Officer and later learned that this Case Officer had visited LICCOACH on a number of occasions. From this LIFEUD-1 deduced that LICCOACH was in contact with the former LIFEAT Case Officer in order to provide protection for LIFEAT activities. LIFEUD-1 himself never

had any dealings with LICOACH other than during some investigations which LIFEUD-1 conducted for the telephone company approximately nine years ago. At no time has LIFEUD-1 mentioned LIFEAT operations to LICOACH. Since LICOACH returned to his native Western European country 1 June 1963, LIFEUD-1 will not be told that LICOACH was not in LIFEAT employ. However, LIFEUD-1 has been reminded never to speak with anyone about LIFEAT without first discussing it with WILSTED.

- (2) Another difficulty facing LIFEAT is the continuing improvement in the telephone company's control of personnel movements (noted in refs a and b). The latest development in this area requires that an authorized "work order" be presented by any telephone company employee who enters a central and is not a full time employee of that central. Any work being performed must be witnessed by the supervisor of the central and his written report of the work and its satisfactory completion must be entered on the "work order". This "work order" is then filed in the company records. This will greatly reduce LIFEAT access to the centrals, at least from the time the "work order" system is fully implemented. Personal friendships of LIFEUD-1 and assignments of LIFEUD/2,3 and 16 to periodic regular tours in the various centrals will give LIFEAT some access, but most LIFEAT tap crosses will of necessity be made in the street distribution boxes. This until such time as a method to get around the "work order" system is developed or this system falls of its own weight due to the Mexican "manaña" attitude. Making crosses in distribution boxes is somewhat more risky and more expensive, but will be an operational necessity for some time.

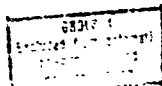
F. TECHNICAL

The change to making crosses in distribution boxes, which was the original LIFEAT tap method, is the most obvious change on the operational horizon. Technically there is no difficulty to be overcome and in some ways this system of tapping is a simpler method of doing the job. The increase in security risk was noted in paragraph 2 E above.

3. The combined coverage for the three months of this report totaled 25 lines. Coverage by target was as follows:
1. Aleksandr G. SIDOROV
  2. Svyatoslav F. KUZNETSOV
  3. Suspected Soviet Support Agent
  4. and 5. Polish Embassy
  - 6., 7, 8, and 9. Yugoslav Embassy
  10. and 11. AMSTRUT operation
  12. and 13. Homes of two Czech Intelligence Officers
  14. Charles SMALL aka SMOLIKOFF
  15. David DRUCKER
  16. Judith FERRETO Segura
  - 17., 18., 19., 20. and 21. ESLARD-1 and related lines
  22. and 23. Former SMOTH agent of interest to Headquarters and a related line.
  24. AMSTET-1
  25. Private office of a Mexican Army General
4. During the reporting period a number of memoranda were prepared by the Station for passing to local ODACID and ODENVY based in whole or in part on LIFEAT provided material. The following HMMs were provided as a by product of the LIFEAT operation.

HMM 7145  
HMM 7160  
HMM 7214

HMM 7310  
HMM 7330  
HMM 7379



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