

PREVIOUS PROJECT ACTION

SECRET

DDP/PG/FI  
9 Feb 66

PROJECT BRIEFING

PROJECT: LIEMPTY WH - Mexico

ACTION : ADD/P approval of renewal 1 Dec 65 - 30 Nov 66

PURPOSE: To provide support for mobile and stationary photographic surveillance of the Soviet Embassy and a dispatching base for a physical surveillance team.

PROGRESS: Assets included under the project include three base-houses which provide front and rear views of the Soviet Embassy, and a panel truck equipped for spot photo coverage. Raymond H. GERENDE (p), principal agent, meets the basehouse keepers regularly, maintains regular contact with the mobile photo unit and with the developing and processing base. He also performs many other support functions.

The photographs from all these operations have been of value to the Station in operational planning, for identification by surveillance teams, for mug books, and for Headquarters permanent files. The Station believes that this operation is essential to the fulfillment of the overall operational program levied on the Station by the RMD.

FUNDS : \$41,500 \$25,520 in FY 66 \$15,980 in FY 67  
(Programmed for \$50,000 in FY 66)

Salaries

GERENDE	\$ 7,000
Basehouse keepers (3)	10,100
Mobile unit operators (2)	7,000
Lab personnel (2)	3,600
Cut-out	2,200
Vehicle maintenance (2)	2,000
Rent and utilities	7,600
Equipment maintenance	1,000
Miscellaneous ops expenses	1,000

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PREVIOUS  
APPROVALS:

1 Dec 64 - 30 Nov 65	\$45,300
1 Dec 63 - 30 Nov 64	49,700
1 Dec 62 - 30 Nov 63	49,900
1 Dec 61 - 30 Nov 62	49,500
1 Dec 60 - 30 Nov 61	53,000
1 Dec 58 - 30 Nov 59	95,380

STAFF

COMMENTS : FI and CI Staffs concur in renewal.

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(When Filled In)

<b>PROJECT ACTION</b>						<b>CT CRYPTONYM</b>		
						<b>LIEMPTY</b>		
	TYPE OF ACTION	<b>XX</b>	FI/CI	CA	OTHER			
	NEW PROJECT APPROVAL	DIVISION <b>Western Hemisphere</b>						
	AMENDMENT NO.	FIELD STATION <b>Mexico City</b>						
	RENEWAL FY 1966	BRANCH <b>1</b>		DESK <b>Mexico</b>				
	EXTENSION	CASE OFFICER <b>C. Bustos-Videla</b>			DATE			
	TERMINATION	ROOM NO. <b>GH-43</b>	BUILDING <b>Hdqs</b>	TEL. EXT.	RED <b>9325</b>			BLACK <b>4506</b>
	<b>CONCURRENCIES OF DIVISION</b>							
ORGANIZATIONAL ELEMENT	TYPED NAME (and signature)			DATE	DO NOT USE THIS SPACE			
C/WH/1	W. J. Kaufman <i>[Signature]</i>			11/29				
NH/B&F	Robert D. Carter <i>[Signature]</i>			28/1/65				
NH/SS	W. E. Brooks <i>[Signature]</i>			12/13				
C/WH/FI	Thomas Polgar <i>[Signature]</i>			16/12				
NH/EXO	Donald Marelius <i>[Signature]</i>			28/12/65				
C/WH/D	William V. Broe <i>[Signature]</i>			30/1/66				
<b>CONCURRENCIES OF OTHER COMPONENTS</b>								
				DATE	COPY NO.	MEMO ATTACHED		
						YES	NO	DATE
FI Staff	-s/Robert E. Andersen			4 Feb 66		X	4 Feb 66	
CI Staff	-s/Frank W. Hughes			7 Jan 66				
C/DDP/PG	<i>[Signature]</i>			11 Feb 66				
<b>APPROVAL</b>								
		PERIOD		AMOUNT OF ACTION	FY	TOTAL AMOUNT		
		FROM	TO		1966	\$ 25,520.00		
		1 Dec 1965	30 Nov 1966	\$ 41,500.00	1967	\$ 15,980.00		
APPROVING AUTHORITY Assistant Deputy Director for Plans				SIGNATURE <i>[Signature]</i>		DATE 11 FEB 1966		

14 FEB 1966

MEMORANDUM FOR: Assistant Deputy Director for Plans

THROUGH: DDP/PG

SUBJECT: Project LIEMPTY Renewal

1. FI Staff recommends approval of the renewal of Project LIEMPTY. This project, costed at \$41,500., supports the following Mexico City assets: a panel truck used for mobile photography, three base houses for fixed photographic surveillance, a contract agent manager and eight support agents. One of the base homes is used as a control point to dispatch a surveillance team. (The latter is not a part of the project, however.)

2. The LIEMPTY target is the Soviet Embassy and Soviet activities in Mexico City. LIEMPTY is part of the complex of station instruments by means of which requirements from a variety of U.S. agencies are met. One of the sites provided pictures later used in the Warren Commission Report, and the publication of the report created a security hazard. The Station moved the site and it is now back in operation.

3. The possibility of Soviet intercept of radio commo to the surveillance team has been carefully weighed recently by SR, the desk, O/C and TSD. The decision to accept the risk appears to have been taken with due deliberation.

4. This is clearly an effective, well-managed operation serving an important need. We recommend renewal without hesitation.

*Philip E. Anderson*  
for W. LLOYD GEORGE  
Chief  
Foreign Intelligence

Attachment  
Project

14-00000

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00 DEC 1965

MEMORANDUM FOR: Deputy Director for Plans

SUBJECT : Project LIEMPTY Renewal Request

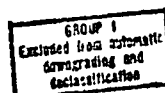
1. Renewal is requested for the LIEMPTY Project for the period 1 December 1965 through 30 November 1966 for a total of \$41,500; of this amount, \$25,520 should be allotted for FY 1966 and \$15,980 for FY 1967. This Project has been programmed in FY 1966 for \$50,000. The last Project Renewal was approved at \$45,300. Funds are available within WH Division.

2. The security of this Project appears to be good. The LIENTRAP photo truck was repainted a different color in January 1965 to preserve the security of this vehicle which operates extensively in the same general areas. There have been no apparent ramifications from the publication of the LIMITED Photograph in the Warren Commission Report in September 1964.

3. LIENTRAP is one of two mobile photo surveillance units at the Station, both of which are used extensively because of the many requirements for spot photo coverage of diplomatic installations, agent meetings, and current identification photos of targets among others.

4. Although there are three stationary photo basehouses under this Project all targeted against the Soviet Embassy, there is very little duplication of effort, and the coverage of this Embassy would be weakened through the termination of any of them. LICALLA covers the rear of the Embassy (garden and parking lot) and is in a unique position to observe informal meetings and activity there. In May 1965 a thorough assessment was made of this basehouse to determine whether an audio installation could be based here, directed against these garden conversations. It was determined that due to the high incidence of street and other noises, this was not practical. TSD and SR Divisions are conscious of this requirement, however, and if any new equipment is developed which might make this operation more feasible it will be tested. LIMITED and LILYRIC which both cover the front entrance, provide coverage during different parts of the day, and LIMITED also serves as a fixed radio

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dispatching base for the LIEMBRACE surveillance team.

5. The photographs from all these operations are of value to the Station in their operational planning, for identification by surveillance teams, for mug books, which are often used by surveillance teams and singleton agents in identifying Soviets, and for Headquarter's permanent files.

6. With reference to the FI Staff comment made last year at the time of the Project renewal that the radio dispatching from the LIMITED installation might have made this base a target for the RIS, the problem was discussed in depth with the Office of Communications, TSD, and SR Divisions. The Station has been alert to the Soviet's monitoring capability and they have developed a signaling system and inter-car communications system that will leave the LIEMBRACE surveillance cars on the air for a minimum of time, and with limited open conversation. The result of Headquarters and the Station's research on this problem resulted in the conclusion that, if a surveillance team is to operate with automobiles, radios must be used if there is to be efficient surveillance, and regardless of what presently available type of scrambling or coding is used, radio is susceptible to monitoring by the opposition. It was therefore concluded that if the Station is to use the LIEMBRACE team against members of the Soviet installation, LIMITED must continue to be used as the radio dispatching center and the risk factor must be accepted until some new, more secure yet efficient commo system is devised.

7. The reporting on the administration of this Project is handled through regular quarterly progress reports. The appropriate Soviet, CP, or other Case Officers handle the reporting and exploitation of the product. During the past year there were no positive intelligence reports from this Project.

8. Both SR and WH Divisions recommend renewal of this Project.

by *William V. Brue*  
William V. Brue  
Chief  
Western Hemisphere Division

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DDP 1-2581

MEMORANDUM FOR: Chief of Operations, DD/P

SUBJECT : Project LIEMPTY (Renewal)

WH - Mexico City

1. The attached project, originating in WH Division, is presented for renewal for the period 1 December 1960 through 30 November 1961. The project provides for physical and photographic surveillance operations in support and exploitation of other Mexico City Station operations, particularly those targetted at Soviet personnel and installations.

2. Authority is requested to obligate \$53,000 from the DD/P-WH Division budget: \$31,900 in fiscal year 1961, and \$21,100 in fiscal year 1962, subject to the availability of funds. The amount includes \$38,000 compensation for two principal agents, one clerical support agent on an hourly basis, and eleven surveillance and support agents; \$7,000 operational expenses (safehouse procurement, post office boxes, rented automobiles, purchase of information, vehicle maintenance, and operational travel); \$2,500 replacement, repair and maintenance of photographic equipment; and \$5,500 basehouse rental, utilities, and maintenance.

3. The field's renewal request, supported by a covering memorandum of the Division, sets forth accomplishments of the project in the past year in terms of objectives and estimates effectiveness. It is noted that one principal agent, Simon D. CLACKETT (p), resigned in October 1960, and the four-man surveillance team previously handled by him will be transferred to project LITEMPO, consequently being omitted from LIEMPTY in this renewal. Three basehouses continue to be operated under the project: (a) LIMITED, which compiles daily logs on arrivals and departures from the LIMERICK installation, together with attendance lists of LIMERICK employees, and handles the radio dispatch of the LIEMBRACE surveillance team on LIMERICK personnel and targets

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of opportunity. This basehouse also provides photographic coverage, concentrated on visitors. (b) LILYRIC which provides clandestine photographs particularly of visitors to, as well as employees of, the LIMERICK installation, prepares weekly reports on LIMERICK employees and their wives, and reports on license numbers of all cars visiting the installation. (c) LICALLA, which concentrates on photographic coverage of LIMERICK employees and their families, as well as providing observation on the apparent positions and jobs of the target employees, and as well as personnel changes. Additional photographic coverage is provided by the mobile LIENTRAP vehicle. Principal agent Raymond H. GERENDE (p) continues to coordinate basehouse activities; principal agent Oliver G. SCANTLING (p) continues to be an independent asset used to follow-up and exploit operational information on target personnel and installations, to case various installations of interest, to acquire property, etc. SCANTLING has managed the surveillance team being transferred to LITEMPO in the interim following the resignation of CLACKETT. The Station notes that activities at the LICALLA basehouse were suspended in September 1960 as the result of the arrest of a knowledgeable TSD technician in another area and it is not known precisely when it will be possible to resume these operations. The Station believes that the GERENDE segment is now operating under optimum arrangements and SCANTLING will soon be relieved from his interim responsibility for the surveillance team being transferred to LITEMPO and can concentrate more on his investigative and casing activities. It is not planned in the coming year to expand project activities.

4. Appropriate Special Staff components concur in recommending renewal. FI Staff notes the Division's assurance that the transfer of the unilateral surveillance team to LITEMPO will not affect its independent status, and remarks that the current project review presents a clearer picture of the usefulness of the several segments than the previous one.

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5. I recommend renewal of Project LIEMPTY as presented.

*S. M. Hines*  
S. M. HINES  
Chief, DDP/FO

Approved: *Richard Hines*

COP-DD/P

3 FEB 1961

Date

Attachment:  
Project Outline LIEMPTY  
FI Memorandum

Staff Coordination:  
For FI Staff -s/R. Bryant  
For CI Staff -s/R. Brown  
For CCG -s/P. Youngblood

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25 JAN 1961

MEMORANDUM FOR: DDP/COPS  
THROUGH: DDP/FC  
SUBJECT: Project LITEMPTY

FI Staff recommends renewal, with the assurance of the desk that the transfer of the unilateral surveillance team to LITEMPO will not affect its independent status. This review presents a clearer picture of the usefulness of the several segments than the previous one.

  
W. LLOYD GEORGE  
Chief  
Foreign Intelligence

Attachment  
Project

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8 JAN 59

MEMORANDUM FOR: Chief of Operations, DD/P

SUBJECT : Project LIBERTY (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: \$48,435 for fiscal year 1960 and \$36,475 for fiscal 1961, subject to the availability of funds. These sums include \$51,910 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 presents 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. GENSEN, 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 eased 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 GLENDA 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 Perada 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 GLACKETT segment and requests that the next project action include examples of the team's progress.

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

*W. Lloyd George*  
W. LLOYD GEORGE  
Chief  
Foreign Intelligence

Approved: *Richard Helms*

60P-DD/P

JAN 8 1960

Date

Attachment:  
Project Outline LIEMTY

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

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9 December 1959

MEMORANDUM FOR: FI - Projects Branch

SUBJECT : Purchase of One Automobile and Increase of  
LIEMPTY TVA by One

1. According to the Project Renewal Request for LIEMPTY from the Mexico City Station, they plan to increase the LIEMPTY surveillance team during the coming year by two agents. To maintain the efficiency of an enlarged team, they will require one additional automobile.

2. It is requested that the TVA for LIEMPTY be increased by one automobile and that the Station be authorized to purchase locally this automobile for use under the LIEMPTY Project.

J.C. King  
C/WHB

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(When Filled In)  
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SUPPORT ANNEX - TABLE OF VEHICULAR ALLOWANCE					
1. PROJECT  <b>LEMPY</b>			2. SENIOR STAFF		
			4. AREA		
			A. DIVISION <b>WHD</b>		
			B. BRANCH <b>III</b>		
			C. DESK <b>MEXICO</b>		
3. TYPE OF ACTION (Check one)					
A. NEW TVA					
B. AMENDMENT OF EXISTING TVA					
5. REQUESTED ACTION					
ITEM	TYPE	TOTAL ON HAND	TOTAL PRESENT TVA	TOTAL PROPOSED TVA	
A.	SEDAN 2 or 4 door used passenger American or foreign		4	5	
B.	STATION WAGON				
C.	OTHER (List below)				
(1)					
(2)	Panel truck		1	1	
(3)					
(4)					
(5)					
D.	TOTALS		5	6	
6. REVIEWED BY			7. APPROVAL REQUESTED BY		
SIGNATURE LOGISTICS OFFICER <b>JAMES S. BURWELL</b> <i>James S. Burwell</i>	DIVISION <b>WH/LOG</b>	DATE <b>11 Dec. 1959</b>	SIGNATURE CHIEF, ADMIN. <i>Paul E. Arneson</i> <b>PAUL E. ARNESON</b>	DIVISION <b>WH/SUPPORT</b>	DATE <b>11 Dec 1959</b>
8. APPROVED			9. AUTHORIZED		
BY DIRECTION OF DDP <i>Edna Danner</i>		DATE <b>12/11/59</b>	BY DIRECTION OF DD'S		DATE

FORM NO. 1116 TEST  
1 NOV 58

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(40-38)



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MEMORANDUM FOR: Chief, FI

HEADQUARTERS CASE OFFICER:

SUBJECT : Project LIEMPT Amendment

Name: J. B. Brady

Room: 2114 Barton Hall

Ext.: 2555

Date: 23 June 1959

1. It is requested that approval be granted to amend Raymond H. GERENDE's contract to provide him with a termination settlement of one month's salary for each full year that he works for KUBARK and to raise his salary effective July 1959 from \$4,000 to \$4,560.00 per year. His last salary increase was granted on 1 September 1957. The date, 18 March 1955, has been suggested by the Station as the beginning date for the computation of GERENDE's termination benefits. The Station believes that this benefit will provide GERENDE with the necessary incentive to make KUBARK a career and at the same time will give the Station an additional element of control.

2. As pointed out in the LIEMPT Project Approval, GERENDE, an indigenous agent, is one of the Station's most valuable assets. He has a responsible full time job as the LIEMPT Principal Agent who handles the LIMITED, LILYNIC and LICALIA base houses, the LIENTRAP operation, the outside photographic processing and translation service and all the agents participating in these activities. He performs his duties in a conscientious and professional manner and his already excellent abilities are showing continued improvement.

3. Money was already allocated in the LIEMPT Project approval for the salary increase. With the effective date of 18 March 1955, for the termination clause, GERENDE will already have accrued \$1,520 (his salary is \$4,560 per year) if he should resign today. The LIEMPT Project, as approved, has sufficient funds to cover this cost if it is necessary to obligate this amount during the present Project year. Therefore, no additional funds are requested.

Attachments:

Folder with past approval

Envelope with true name

Concur:

Richard W. Kleck  
Chief, FI, OPS

Approved:

Edna J. Munroe  
Chief, FI

Date:

14 July 59  
Senior Staff Coordination  
For C/FI/OPS -s/R. Bryant  
For CI Staff -s/R. Brown

R. W. Dahlgren, C/CH/III

Paul F. Tacton  
for C. W. Anderson, WH/FI

B. Loney  
for J. C. King, C/WD

Approved:

B. Loney  
for J. C. King, C/WD

Date

16/VII/59

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27 March 1959

MEMORANDUM FOR: Chief of Foreign Intelligence

SUBJECT : Project LIEMPTY (Amendment)  
WH - Mexico City

1. The attached project, originating in the WH Division, provides the services of a surveillance activity to support Mexico City operations and is approved for the period 1 December 1958 through 30 November 1959. It is presented for your approval of amendment to include the addition of a contract agent, Louise J. MACRINO, to furnish administrative support, and also to formalize a special commitment made to one of the two principal agents, Oliver G. SCANTLING. A contract prepared in the Field and signed by the agent permits the payment of one year's salary to him or his assigned heirs in event of loss of life or total disability if incurred in the performance of duty. This has not previously been included in the project.

2. The LIEMPTY project has authorization for the expenditure of \$95,380. No additional funds are required for the amendment. Sufficient funds remain in the project to absorb the salary expenses for MACRINO and funds to cover the extra year's salary for SCANTLING will not be requested until such time as they are needed.

3. Memoranda prepared in the WH Division supporting the request for amendment are attached, summarizing the important factors involved. These detail SCANTLING's performance and provide a resume of MACRINO's past activities in behalf of the Agency.

4. Staff Components have concurred in amendment to Project LIEMPTY.

5. I recommend approval of amendment of Project LIEMPTY as presented.

*Benjamin A. G. Fuller*  
Chief, FI/OPS Division

Approved: *W. H. Karaman*  
Chief, Foreign Intelligence

*25 March 59*  
Date

Attachment:  
Project Outline LIEMPTY

Staff Coordination:  
For C/FI/OPS -s/V. Hoffmann  
For CI Staff -s/R. Brown  
For DC/CCD/NC -s/F. Youngblood

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MEMORANDUM FOR: Chief, FI

HEADQUARTERS CASE OFFICER:

SUBJECT : Amend LIEMPT Project to Include a  
Special Benefit for Oliver G.  
SCANTLING (ps) and to Include  
Louise J. MACRINO (ps)

NAME	J. E. Brady
ROOM	2114 Barton Hall
EXT.	2555 or 3152
DATE	5 March 1959

1. It is requested that approval be granted to give Oliver G. SCANTLING a special benefit of one year's salary to him or his assigned heirs in the event of loss of life or total disability if incurred in the performance of duty. This benefit was included in a contract prepared in the field and signed by Subject on 15 February 1957. The contract was not submitted to Headquarters for approval until December 1958. The Station and WH Division do not want to delete this benefit from Subject's contract at this time and we feel Subject deserves this benefit.

2. SCANTLING, a civil engineer, is a Mexican citizen, who is 40 years old. He was granted an Operational Approval on 2 December 1954. SCANTLING began his employment with NEARK as a footman on the LIPSTICK physical surveillance team and gradually became a driver of a surveillance automobile, then team leader. As team leader he was responsible for the operational deployment and administrative direction of the entire LIPSTICK team, three automobiles, four photographic and radio dispatching basehouses and the attendant mobile and stationary radio equipment. He collated the fragmentary surveillance reports into finished intelligence reports for study by the Case Officer. SCANTLING developed into a fine investigator and has obtained information where other Station investigative assets have failed.

3. Almost all of SCANTLING's time now is spent following up leads obtained from telephone intercepts and photographic surveillances. From July through December 1958 he made approaches to individuals performing services for the Soviet Embassy and he made a detailed casing report of the West German Embassy. In addition, he conducted many routine investigations and surveillances. The Station plans to have SCANTLING attempt to recruit the landlord of the proposed basehouse for a LINIMENT (FI/D) operation. SCANTLING no longer handles the surveillance team and the Station plans to continue to use him as an independent asset. SCANTLING has in his possession official credentials of the Federal Security Police (DFS). He has used these credentials in making contacts with targets of various sensitive Headquarters' operations (i.e., LONAYFOWL).

4. As a graduate engineer who has spent at least ten years in house construction in Mexico, he has been invaluable to the Station in submitting detailed casing reports, including detailed and professional plans of technical targets. He has been commended by TSS for the support role he has played for them. He has submitted several casing reports on the Soviet Embassy and is an unparalleled source of information to the Station for information about the Embassy's construction activities, modifications and reasons for same.

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5. For your information there is attached the Station's review of SCANTLING for the period July through December 1958. It is believed you will find this report of interest and further support the justification outlined above for the granting to SCANTLING of the special death and disability benefit. This agent assessment states "Oliver O. SCANTLING has continued to perform his assigned tasks in an outstanding manner. SCANTLING's poise, common sense, education, ideology, and native ability for the pursuit of clandestine activities make him one of the most valuable support assets available to the Mexico City Station. The fact that SCANTLING has a full time overt occupation as Chief Engineer and Production Manager for a local manufacturing company adds to his long-range potential as a KUBARK agent". SCANTLING has excellent cover as half-owner of a local firm which manufactures farm instruments and he represents the high calibre of person which KUBARK requires for the institution of their long-term resident agent program.

6. The LIEMPTY Project (now approved for \$95,380) will not be amended at this time to include an extra year's salary for SCANTLING (\$4,000). In the event it becomes necessary to fulfill this commitment during the project year, and if the expense cannot be absorbed by the present project authorization, an amendment will be submitted.

7. It is also requested that effective 1 March 1959 the LIEMPTY Project be amended to include Louise J. MACRINO, a Contract Agent, who is a Station support asset. Her OA was reinstated on 8 August 1958 (C-41152). She was formerly included under Project LIFEAT. However, the Station requirements for general translation work increased to the extent that it was necessary to use MACRINO to translate reports other than those originating from LIFEAT. It was therefore decided it would be more appropriate to include her under LIEMPTY. She does typing of reports and non-sensitive translations. She is paid on an hourly basis of \$2.02, an estimated yearly salary of \$3,500. The Station stated that the present LIEMPTY Project could absorb the expense of her salary for the remainder of the Project year.

Robert N. Dahlgren  
R. N. Dahlgren, C/WA/III

Charles W. Anderson  
C. W. Anderson, WFA/II

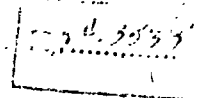
R. E. Gomez  
R. E. Gomez, AC/WAF/II

Attachments:  
Folder with LIEMPTY Project Approval  
Envelope with true names  
HMM 12095 (1 copy) FAPOR

13/ March / 59  
Date

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MEMORANDUM FOR: Chief of Operations, DD/P

10 JAN 1959

SUBJECT : Project LIEMPTY (Approval)  
WH - Mexico City

1. The attached project, originating in WH Division, is presented for your approval for an initial period from 1 December 1958 through 30 November 1959. The project provides for the development of operational information through physical and photographic surveillance operations in support of other Mexico City operations, particularly those targetted at Soviet personnel and installations. Previously these operations were conducted for the most part under Projects LIPSTICK and LIJERSEY. They are incorporated in this new project because of the June 1958 compromise of LIPSTICK and to accomplish a more orderly administration of certain operational support assets.

2. Authority is requested to obligate \$95,380 from the DD/P-WH Division operating budget: \$65,580 for the current fiscal year and \$29,800 in fiscal year 1960, subject to the availability of funds. These estimates include: (a) funds for the compensation of the presently-recruited fifteen action and support agents, six new agents, and two principal agents: Raymond H. GERENDE (p) (LIEMPTY/1, formerly LIPSTICK/20) and Oliver G. SCANTLING (p) (LIEMPTY/2, formerly LIPSTICK/19); (b) funds for the compensation, travel, allowances and Headquarters' training of two contract agents, Simon D. CLACKETT (p) and Wilma J. FIORDALISI (p), his wife, who are hereby transferred from Project LIMESA; (c) funds for operational expenses and equipment, including the purchase of four new or used vehicles as replacements for previously authorized vehicles and their maintenance, and a CP vehicle for SCANTLING; (d) the rent, utilities and maintenance of safehouses; and, (e) other appropriate operational expenses.

3. The attached Field Project Outline, a covering memorandum from the Division, and an addendum to the Project Outline, review the personnel assets and facilities transferred from the LIPSTICK and LIJERSEY operations following the partial compromise of LIPSTICK in June 1958 and describe the concept of the physical and photographic surveillance operations to be conducted under this project directed primarily at the Soviet Embassy in Mexico City. These surveillances provide photographs and other operational data of persons entering and leaving the building or present in the garden area, and through additional foot and mobile surveillances, investigative information concerning their contacts and destinations. Agent personnel, particularly the principal agents, are used also to conduct separate investigations, make recruit-approaches to

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individuals of operational interest, and to rent rooms, and apartments and perform other support activities. The fixed surveillance bases, LIMITED, LILYRIC and LICALLA, have been in operation for almost three years without having been in any compromising situations insofar as the Station knows. The LIPSTICK unit, a panel truck equipped with cameras, etc., is considered a particularly valuable asset by the Field. As a replacement for a staff agent, Wilfred O. CLOWER (p), who directed and trained the LIPSTICK surveillance team, the husband and wife team of CLACKETT and FIORDALISI are proposed as qualified individuals to recruit, train, and direct the new LIEMPTY surveillance team and maintain its records. Appropriate notional cover was arranged for them while in their previous project, LIMESA, as they reside in Mexico under true names. One of the principal agents, GERENDE, will have no contact with the new surveillance team, but will be used to conduct special investigations, counter-surveillances, and for other support activities.

4. The CI Staff comments that LIEMPTY provides several types of physical surveillance, all of which provide information of CI interest, and as a support mechanism, a production review is not appropriate or necessary. The CI Staff states further, that with the compromise of the LIPSTICK surveillance team the Mexico City Station lost its only reliable and efficient surveillance team, LIEMPTY representing the Station's effort to replace that asset. Because of the great number of CI targets in Mexico City, the CI Staff believes it is essential that the Station be given the opportunity, through this project, to build another surveillance team capable of operating against sensitive targets. Additionally, the CI Staff believes the case officer should work at devising ostensible sources of incomes for the agents which will stand the scrutiny of friends, relatives and less friendly forces.

5. FI/OPS suggests that the Division consider a gradual reduction of the considerable financial and personnel commitments in this project in view of the favorably developing LIENVY liaison relationship. FI/OPS believes that a smaller, more manageable support group, with greater Station emphasis on selectivity of tasks and targets could well result in more effective CI and FI productivity.

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6. I recommend approval of the project and the transfer of the contract agents as outlined above. The Division is requested to take cognizance of the suggestions of the CI Staff and FI/OPS in the paragraphs above relative to the security and the overall direction of the surveillance activities to make them more efficient.

*Benjamin A. G. Fuller*  
 BENJAMIN A. G. FULLER II  
 Chief  
 FI/OPS Division

*W. Lloyd George*  
 W. LLOYD GEORGE  
 Chief  
 Foreign Intelligence

Approved: *Richard Helms*  
 COP-DD/P

10 JUN 1959  
 Date

Attachments:  
 Project Outline LIEMPT  
 Addendum to Project Outline

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

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14-00000

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MEMORANDUM FOR: FI/OPS - Projects Branch

HEADQUARTERS CASE OFFICER:

CRYPTONYM: LIEMPTY

NAME: J. B. BRADY

DIVISION: Western Hemisphere

ROOM: 2120 Barton Hall

EXT.: 2555

STATION: Mexico City

DATE: 15 December 1958

1. It is requested that the LIEMPTY Project approval request be amended to include Simon D. CLACKETT (ps) and Wilma J. FIORDALISI (ps) under the LIEMPTY Project effective 1 January 1958. No additional funds are required.

2. It is also requested that the LIMESA Project be amended to delete from this Project these two Contract Agents effective 1 January 1958.

Robert N. Dahlgren  
R. N. Dahlgren, C/WH/IIP

Charles W. Anderson  
Charles W. Anderson, WH/FI

R. J. King  
for J. J. King, Chief, WH  
16 Dec 1958  
Date

Attachments:

Memorandum (in quad)  
Envelope with true names

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14-00000

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Request for Amendment to LIEMPTY Project

1. It is requested that the LIEMPTY Project approval request be amended to include Simon D. CLACKETT (ps) and Wilma J. FIORDALISI (ps), U. S. citizens and contract agents, under this Project in place of the Staff Agent written into the field project outline. At the same time it is requested that the LIMESA Project be amended to delete these contract agents from the latter project.

2. CLACKETT and FIORDALISI are now approved under the LIMESA Project. They were recruited in the United States to occupy a sensitive LIMESA basehouse. Because of the sensitivity of the operation and the equipment to be installed in the basehouse Headquarters decided U. S. citizens should be used. The Station said appropriate documentation and backstopping could be secured for those agents so they could be given false identities under which they could live while they occupied the basehouse.

3. MEXI-2777 (IN 26519), of 14 November 1958, notified Headquarters that security factors and difficulty in obtaining adequate documentation and backstopping precluded the use of U. S. citizens under LIMESA and requested permission to use indigenous agents for this operation. After discussions between John Brandt, Chief of the Mexican desk, with the LIMESA/LIEMPTY Case Officer in Mexico City, and discussions between representatives of FI/D, OC, TSS, and WH at Headquarters, Headquarters concurred in the field's operational decision to use indigenous agents in the LIMESA Project. CLACKETT and FIORDALISI received only a very superficial briefing regarding the LIMESA Project. It is not believed Subject's limited knowledge of this sensitive operation will pose a security hazard.

4. Construction on the LIMEST houses is being kept about two weeks from completion until indigenous agents can be cleared and recruited. The delay in completion is normal because all construction money in Mexico has become extremely tight because of the recent presidential inauguration.

5. The Station believes CLACKETT will be an excellent replacement for Wilfred O. CLINGER (ps), former Staff Agent under Project LIPSTICK, who directed and trained that surveillance team. CLACKETT has shown a remarkable aptitude for clandestine operational activity and surveillance and investigative work in particular. He also is interested and enthusiastic in undertaking this assignment for KUBARK. The Station needs a good bilingual agent to recruit, train, direct, and develop a strong dependable physical surveillance team under LIEMPTY.

6. Clearances and Contacts: CLACKETT was granted a PCSA on 23 July 1958. A POA/CA for use under LIMESA was requested on 19 August 1958. FIORDALISI was granted an OA for use under LIMESA on 14 November 1958. Requests have been submitted to amend their clearances for use under LIEMPTY. CLACKETT and FIORDALISI have signed contracts effective 1 September 1958. The sensitivity of the LIMESA Project required them to leave their young son in

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- 2 -

the United States. Because of this a special benefit of periodic trips to their home in Arizona was included in their contracts. Under LINESA their quarters were to be provided. An amendment has been requested to their contracts deleting the special benefit and adding educational and quarters allowances.

7. Motivation and Control: CLACKETT and FIORDALISI are extremely patriotic and highly motivated as evidenced in their willingness to undertake the LINESA Project and be separated from their son. They have indicated they are more than willing to do whatever is requested of them, no matter what personal sacrifices and hardships are required. Their complete livelihood is dependent on their NUBARK income.

8. Tasks: CLACKETT will recruit, train, and direct the LIEMPT surveillance team. The Station hopes to develop this team into a major Station support asset. He will receive instructions and direction from the Station Case Officer. FIORDALISI will be used to do all the clerical and administrative work for the LIEMPT surveillance team.

9. Communication and Contact: CLACKETT will contact the Station Case Officer in a clandestine manner. All necessary security precautions will be taken. CLACKETT will also contact his surveillance agents under a cover which will be determined later by the Station and CLACKETT. In view of his Mexican background, CLACKETT can pass as a Mexican. Details of communication and contact arrangements with KGBARK will be arranged by the Station. Under LIEMPT CLACKETT will be contacted by the same Case Officer he is now contacted by under LINESA. CLACKETT and FIORDALISI will be in direct contact with relatives and friends in the United States. The cover company has, until now, been serving as a letter drop and contact point for emergency messages.

10. Cover: CLACKETT and FIORDALISI entered Mexico on United States documentation and it is planned they will continue to live in Mexico under true name. CLACKETT has a notional cover as a public relations consultant which was established by GCD/NC to use with friends and relatives in the U. S. The same cover story can be adopted to cover their proposed use under LIEMPT vis-a-vis their United States friends. The Station is working on local cover for CLACKETT to use in Mexico.

11. Anticipated Costs: It is anticipated that the following expenses will be incurred by CLACKETT and FIORDALISI:

Compensation:

CLACKETT	(\$7750/yr)	7100	
FIORDALISI	(\$4040/yr)	<u>3700</u>	10,800

Allowances:

Educational allowance		320	
Quarters	(\$2500/yr)	<u>2500</u>	2,820

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- 3 -

## Travel:

PCS

300

TDY to Headquarters for  
training (including  
30 day per diem at  
\$12 per day)

648948

Total

14,368

A total of \$14,470 was included under the LIEMPT Project approval request submitted on 24 November 1958 for a Staff Agent; therefore, no additional funds are required.

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24 November 1958

MEMORANDUM FOR: FI/OPS-Projects Branch

SUBJECT : Justification for Automobiles under Project LIEMPT

1. It is requested that the Mexico City Station be authorized to purchase three used sedans for use by the LIEMPT surveillance team. The Station plans to expand the LIEMPT surveillance team into a larger, well-trained physical surveillance asset. They will need three automobiles. Private automobiles or commercial transportation will not be satisfactory since the cars must be outfitted with two-way radios.

2. Authority is also requested to purchase a panel truck to be used in the LIENTRAP operation under this Project which mounts mobile photographic surveillances.

3. It is also requested that a quasi-personal car be authorized for Oliver G. Scantling (ps). Scantling is an indigenous agent under oral contract. A car is a prerequisite for his work for KUBARK which includes casings, surveillances, and investigations. Because of the sensitive nature of his work, and the heavy use made of the car, the Station has decided that Scantling should be furnished a QP car.

4. LIEMPT agents were formerly carried under the LIJERSEY and LIPSTICK Projects. The vehicles used by the LIEMPT agents under these other Projects will be disposed of and new ones will be purchased after the above TVA has been approved. The vehicles which will be replaced are MV 2148, MV 2147, MV 2138, and MV 2041. One of the surveillance cars will be new and will not replace an old car. It was decided that these vehicles should be replaced rather than transferred to the LIEMPT Project for security reasons and because of the age of the automobiles. The automobiles are 1951 and 1952 models and have been used for sensitive surveillance work for over two years. The panel truck which was used in the LIENTRAP Operation under the LIPSTICK Project has been operating for two years in all parts of the city and has become a security threat. The fact that the LIPSTICK surveillance team knows that the truck exists, even to the point that one of the team members is the listed owner of the truck, also dictates replacement of this vehicle.

*J. C. King*  
J. C. KING  
Chief, WHD

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**SECRET**  
(When Filled In)  
**CIA INTERNAL USE ONLY**

SUPPORT ANNEX - TABLE OF VEHICULAR ALLOWANCE					
1. PROJECT  <div style="text-align: center; font-weight: bold;">LIEFTY</div>			2. SENIOR STAFF		
3. TYPE OF ACTION (Check one)			4. AREA		
X A. NEW TVA			A. DIVISION <div style="text-align: center;">III</div>		
B. AMENDMENT OF EXISTING TVA			B. BRANCH <div style="text-align: center;">III</div>		
			C. DESK <div style="text-align: center;">Mexico</div>		
5. REQUESTED ACTION					
ITEM	TYPE	TOTAL ON HAND	TOTAL PRESENT TVA	TOTAL PROPOSED TVA	
A.	SEDAN 2 or 4 door, 5 passenger American or foreign		0	4	
B.	STATION WAGON				
C.	OTHER (List below)				
(1)	truck, panel, American or foreign mfg.		0	1	
(2)					
(3)					
(4)					
(5)					
D.	TOTALS		0	5	
6. REVIEWED BY			7. APPROVAL REQUESTED BY		
SIGNATURE LOGISTICS OFFICER	DIVISION	DATE	SIGNATURE CHIEF, ADMIN.	DIVISION	DATE
<i>James S. Bunnell</i>	WH	26 May 1958	<i>Kenneth</i>		28 Jun 58
8. APPROVED			9. AUTHORIZED		
BY DIRECTION OF DDP		DATE	BY DIRECTION OF DD/S		DATE
<i>Benjamin A. G. J. J. J. J.</i> for C/F		20 Jun '58			

FORM 1116 USE PREVIOUS EDITIONS.  
9-57

**SECRET**  
**CIA INTERNAL USE ONLY**

(20-36)

**CONFIDENTIAL**

**NOTICE**

**THIS FILE HAS BEEN PROCESSED AND RETIRED. DO NOT**  
**ADD ANY DOCUMENTS TO THIS FOLDER. FORWARD CS**  
**DOCUMENTS THAT SHOULD BE INCLUDED IN THIS FOLDER**  
**TO RID/RPU GE-58.**

**NOTICE**

**CONFIDENTIAL**

**SECRET**  
(WHEN FILLED IN)

FROM: (Headquarters component) <div style="text-align: center; font-weight: bold;">WH/1</div>		<b>SUBJECT AND PROJECT FILE REQUEST AND FIELD NOTIFICATION OF ACTION</b>	
TO : <div style="text-align: center; font-weight: bold;">IP/AN</div>			
TO : (Station/Base) <div style="text-align: center; font-weight: bold;">Mexico City</div>		FROM: (Division) <div style="text-align: center; font-weight: bold;">WH</div>	
INFORMATION FOR REQUESTERS			
COMPLETE ITEMS 1 THROUGH 12. ITEM 3 - ALL FILE TITLES MUST BE STERILE SINCE THEY WILL APPEAR ON THE FIELD COPIES AND ON MACHINE LISTS. ITEM 6 - ALL REMARKS MUST BE STERILE. ITEM 7 AND 8 - USE FIRST THREE LETTERS OF DISPATCH SYMBOLS FOR FIELD STATIONS AND LIST HEADQUARTERS ELEMENTS ACCORDING TO ESTABLISHED NUMERIC CODES.		ITEM 10 - ENTER OLD TITLE WHEN AMENDING A TITLE. CITE ANY FILES, SUCH AS 201 OR PROJECT FILES THAT ARE RELATED TO THE FILE COVERED BY THIS REQUEST. ITEM 10 MAY ALSO BE USED TO GIVE REASONS FOR THE ACTION BEING REQUESTED, TO IDENTIFY THE TYPE OF MATERIAL TO BE PLACED IN A FILE OR TO MAKE OTHER EXPLANATORY REMARKS.  ITEM 11 - A RECORDS OFFICER MUST SIGN ALL FILE ACTION REQUESTS. CONSULT YOUR RMO ON ANY PROBLEMS THAT ARISE.	
INFORMATION CONCERNING FILE			
1. TYPE OF FILE <div style="display: flex; justify-content: space-around;"> <span><input type="checkbox"/> SUBJECT</span> <span><input checked="" type="checkbox"/> PROJECT</span> </div>		2. COUNTRY NUMBER      CODE (FILE) NUMBER <div style="display: flex; justify-content: space-between;"> <div>CATEGORY NUMBER</div> <div>SPECIFIC SUBJECT NUMBER</div> </div> <div style="display: flex; justify-content: space-around; font-weight: bold;"> <span>050</span> <span>006</span> <span>074/1</span> </div>	
3. FILE TITLE (SPECIFIC SUBJECT) (PROJECTS LIMITED TO 15 SPACES)  <div style="text-align: center; font-weight: bold;">KDFACTOR</div>			
ACTION REQUIRED			
4. ANALYSIS ACTION <div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> OPEN FILE  <input type="checkbox"/> AMEND FILE TITLE         </div> <div> <input checked="" type="checkbox"/> CLOSE FILE (INDICATE DISPOSITION)  <input type="checkbox"/> REOPEN         </div> </div>		5. DISPOSITION <div style="display: flex; justify-content: space-between;"> <div> <input checked="" type="checkbox"/> RETAIN  <input type="checkbox"/> DESTROY         </div> <div>           DESTRUCTION RECOMMENDED THRU (DATE)         </div> </div>	
6. REMARKS (FOR FIELD DISTRIBUTION)  <div style="height: 40px;"></div>			
7. INTERESTED STATIONS (PROJECTS ONLY)  <div style="text-align: center; font-weight: bold;">HMM</div>		8. INTERESTED HEADQUARTERS DESK (LIST ACTION DESK FIRST)  <div style="text-align: center; font-weight: bold;">050</div>	
FILES ACTION			
9. HOLD IN CS FILES <input checked="" type="checkbox"/>		10. RESTRICTED <input type="checkbox"/>	
11. UNRESTRICTED <input checked="" type="checkbox"/>		12. PREPARE FOLDER AND SEND TO REQUESTER <input type="checkbox"/>	
13. CHARGE PERMANENTLY TO OFFICER & DESK <input type="checkbox"/>			
14. COMMENTS (INCLUDE SPECIAL HEADQUARTERS ROUTING INSTRUCTIONS)  <div style="height: 40px;"></div>			
11. ENDORSEMENT SIGNATURE OF BRANCH/DESK R. O. <div style="font-family: cursive; font-size: 1.2em;">Eric Palmer #630</div>		12. COORDINATION SIGNATURE OF BRANCH/DESK R. O. (WHEN APPLICABLE) <div style="font-family: cursive; font-size: 1.2em;">Eric Palmer</div>	
13. RID APPROVAL REQUEST APPROVED BY <div style="font-family: cursive; font-size: 1.2em;">Eric Palmer</div>		CODE (FILE) NUMBER <div style="display: flex; justify-content: space-around; font-weight: bold;"> <span>50</span> <span>06</span> <span>74/1</span> </div>	
EFFECTIVE DATE <div style="font-size: 1.5em; font-family: cursive;">23 July 1973</div>			





14 May 1973

MEMORANDUM FOR: Acting Chief, WH Division

SUBJECT: KDFACTOR Project Amendment and Termination

1. The KDFACTOR Project, which provided photographic surveillance from two vantage points of the Soviet compound in Mexico City, was determined to be compromised due to the VWBLANKET case. The five agents were terminated in July 1972, but the base houses could not be terminated until January 1973 because it was necessary to sell one and the termination of the second was tied to the termination of KDABBEY who owned the second base house. It was necessary to pay rent for several extra months until these other terminations could be effected.

2. The base houses and agents have now all been terminated and the Station already has rented a replacement safehouse with new agents to provide the same coverage (KDALCOVE).

3. Approval of the amendment and termination of Project KDFACTOR is recommended.

Herbert W. Natzke  
Acting Deputy Chief  
Western Hemisphere Division

**DISPATCH**

CLASSIFICATION

PROCESSING ACTION

**SECRET**

MARKED FOR INDEXING

TO

Chief of Station, Mexico City

NO INDEXING REQUIRED

INFO.

ONLY QUALIFIED DESK  
CAN JUDGE INDEXING

FROM

Chief, Western Hemisphere Division

MICROFILM

SUBJECT

Summary of KDFACTOR Project Security Review

ACTION REQUIRED - REFERENCES

Forwarded under split transmission for your information  
is a copy of the KDFACTOR security review. Also included are  
two memoranda containing C/WOLENS and C/WOMUSE comments on the  
security review.

*Roger W Bicego*  
Roger W. BICEGO

## ATTACHMENTS:

1. Left Side - herewith
2. Right Side - U/S/C

## DISTRIBUTION:

Orig. &amp; 1 - COS, Mexico City

CS COPY

CROSS REFERENCE TO	DISPATCH SYMBOL AND NUMBER 1000W-19061 CLASSIFICATION <b>SECRET</b>	DATE 28 JUN 1972 TYPED: 21 June 1972 HQS FILE NUMBER 50-6-74/1															
1-WH/1 Chrono 1-IP Files  <table border="1"><tr><td>AN</td><td><input checked="" type="checkbox"/></td></tr><tr><td>AB</td><td><input checked="" type="checkbox"/></td></tr><tr><td>IN</td><td><input checked="" type="checkbox"/></td></tr><tr><td>PS</td><td><input checked="" type="checkbox"/></td></tr><tr><td>EX</td><td><input checked="" type="checkbox"/></td></tr><tr><td>DISP</td><td><input checked="" type="checkbox"/></td></tr><tr><td>REF</td><td><input checked="" type="checkbox"/></td></tr><tr><td>WT</td><td><input checked="" type="checkbox"/></td></tr></table>	AN	<input checked="" type="checkbox"/>	AB	<input checked="" type="checkbox"/>	IN	<input checked="" type="checkbox"/>	PS	<input checked="" type="checkbox"/>	EX	<input checked="" type="checkbox"/>	DISP	<input checked="" type="checkbox"/>	REF	<input checked="" type="checkbox"/>	WT	<input checked="" type="checkbox"/>	ORIGINATING OFFICE WH/1 John Davis TYPIST cf EXT. 6954
	AN	<input checked="" type="checkbox"/>															
	AB	<input checked="" type="checkbox"/>															
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WT	<input checked="" type="checkbox"/>																
COORDINATING																	
OFFICE SYMBOL	DATE	OFFICER'S NAME															
RELEASING																	
OFFICE SYMBOL WH/1	DATE	OFFICER'S SIGNATURE John C. Murray															

**DISPATCH**

SECRET

9 May 1972

MEMORANDUM FOR: Assistant Deputy Director for Plans  
THROUGH : MPS/BG/FI  
SUBJECT : Project KDFACTOR - Security Review

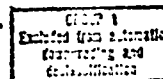
1. The CI Staff is satisfied with the fine Security Review of the KDFACTOR Project activity and personnel.
2. However, the Staff urges the Station to remain constantly alert to any security repercussions pertaining to all the terminated assets particularly in view of their past knowledge of the project activity and the fact that some of them had family and relatives who also were aware of the project activity. Focus should continue regarding any security problems pertaining to KDFACTOR-7.
3. In addition, the Station should continue to monitor any Soviet investigation or probing of owners and tenants involved in the properties used under this project.

Frank W. Hughes  
C/CI/OPS/WH

Distribution:

Orig. & 3 - MPS/BG/FI  
1 - WH/1/Mexico ✓  
2 - CI/OPS/WH

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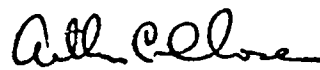
8 - MAY 1972

MEMORANDUM FOR: Assistant Deputy Director for Plans  
SUBJECT: Security Review of Project KDFACTOR

1. At the time you approved the renewal of Project KDFACTOR in December 1971 you asked that the Station conduct an updated security review of this operation, which provides photographic surveillance of the Soviet Embassy in Mexico City. You asked that particular attention be paid to terminated agents and their families. The Station has made a security review and a detailed report on the findings, from Chief, WH Division, is attached.

2. The report discusses the history of the operation, describes security problems of the past and steps taken to remedy them, and discusses the security and operational situation of the agents presently covered by the project. The report notes that the two operational sites and their associated agents are compartmented from each other and that processing the film is now being done inside the Station. One section of the report discusses in detail the assets who were formerly involved in these operations but have been terminated. The final section of the report describes current security practices and notes that an alternate photographic surveillance site has been procured and is available for use should the present one be compromised.

3. The report demonstrates that the security of the operation is being kept up to high standards and that there are no potential security threats from former agents that the Station is not aware of. The FI Staff believes that the Station's security review and the attached report satisfy the requirements of your request.

  
L. A. Campbell  
Chief  
Foreign Intelligence

Attachment



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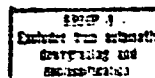
9 May 1972

MEMORANDUM FOR: Assistant Deputy Director for Plans  
THROUGH : MPS/BG/PI  
SUBJECT : Project KDFACTOR - Security Review

1. The CI Staff is satisfied with the fine Security Review of the KDFACTOR Project activity and personnel.
2. However, the Staff urges the Station to remain constantly alert to any security repercussions pertaining to all the terminated assets particularly in view of their past knowledge of the project activity and the fact that some of them had family and relatives who also were aware of the project activity. Focus should continue regarding any security problems pertaining to KDFACTOR-7.
3. In addition, the Station should continue to monitor any Soviet investigation or probing of owners and tenants involved in the properties used under this project.

*Frank W. Hughes*  
Frank W. Hughes  
C/CI/OPS/WH

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**SECRET**

DDP 74-1719

17 APR 1972

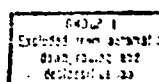
**MEMORANDUM FOR: Assistant Deputy Director for Plans****SUBJECT : FI Project KDFACTOR, Security Review****REFERENCE : ADDP Memo (DD/P 1-5899) to C/WHD dated  
14 December 1971**

1. In response to reference the following is a summary of the KDFACTOR security review:

The Station summary of the KDFACTOR Project security is as follows:

"There were no known problems of security relating to the Project. In response to the Headquarters request, we have reviewed all phases of the operation and believe that Project security is sound. The Project assets have all been with us for many years and have established themselves as respectable long-time residents of the area. All five assets, four in one family and one in another, are extremely security conscious and have all been SGSWIRLED. The assets derive a substantial portion of their livelihood from their Agency employment and would thus lose a great deal if security factors ever necessitated a termination of their work for us. As an additional safeguard, the KDLITERAL and KDABSINTHE operations are compartmented from each other, and there has never been any indication that either segment of KDFACTOR knows of the other's existence".

The Headquarters desk has also reviewed the security of the KDFACTOR Project and agrees with the Station that the security is sound. In fact, as presently constituted, the KDFACTOR Project is well compartmented, and each of the two KDFACTOR photo basehouses (KDLITERAL and KDABSINTHE) is run by long-term assets who draw a minimum of suspicion in their operational activities. Terminated assets could possibly expose the existence

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of this project, but that seems unlikely from the Headquarters review of terminated agents witting of present KDFACTOR operational activities. A Soviet investigation of property ownership around the Soviet Embassy and their awareness that the Soviet Embassy was under photographic surveillance in the past could result in a Soviet investigation of the activities and contacts of KDABBEY-1, the owner of an apartment building and four houses close to the Soviet Embassy. It is doubtful that KDABBEY-1's activities, which do not inter-relate with the activities of the KDFACTOR agents, would in any way expose the KDFACTOR Project operational activities.

2. A brief history of the KDFACTOR Project:

The KDFACTOR Project had its origins in the LIJERSEY and LIPSTICK Projects, both active in the mid-1950's. In 1958, after the arrest of two LIPSTICK surveillance team members, it was decided to break off the more sensitive, uncompromised LIPSTICK assets manning and supporting two basehouses for photo surveillance of the Soviet Embassy. These assets were consolidated with one photo basehouse against the Soviet Embassy and one surveillance team from the LIJERSEY Project into a new project (LIEMPTY), which was approved on 16 January 1959. The LIEMPTY Project, renamed the KDFACTOR Project in 1971, consisted of three photo basehouses, two viewing the front of the Soviet Embassy (LIMITED and LILYRIC) and one viewing the rear garden of the Soviet Embassy (LICALLA), plus a mobile surveillance team (LIENTRAP) tied closely with the LIMITED basehouse, which was the radio control point for dispatch of the LIENTRAP.

In 1959 the LIENTRAP surveillance vehicle and two team members were arrested at the scene of a Cuban demonstration in Mexico City. A Station review of the security implications of this incident stated that it did not materially affect the security of the project nor expose any of the LIEMPTY basehouse operations. (Note: As the basehouse operations were compartmented, the only exposure possible from this incident would have been of the LIMITED basehouse, which is no longer in existence.)

The LIEMPTY Project operated substantially as above until the Warren Commission report was published in late 1964. In this publication was a picture of a person entering the Soviet Embassy taken from the LIMITED basehouse. The LIMITED photo basehouse was closed in September 1964, and all photographic surveillance was suspended as a security precaution. In January 1965 the LIMITED basehouse was relocated, and

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later that year the building it had previously been in was razed by the owner, KDABBEY-1. From 1964 on it must be assumed that the Soviet Embassy in Mexico City believes it is under regular photographic surveillance.

Further project changes took place in 1966 when the LILYRIC basehouse was relocated to another apartment with approximately the same view. In May 1968 the LIMITED basehouse was terminated and LIEMPTY-6, the basehouse keeper, retired. This affected the LIENTRAP coverage of Soviet vehicular movement monitored and directed from the LIMITED basehouse. With the closing of LIMITED and the Station decision to replace Raymond H. GERENDE, Mexican national contract agent who handled the LIEMPTY Project since its inception, the LIENTRAP mobile surveillance team was underemployed, and the decision was made to move it to the LIEMBRACE Project. This was done in early 1970, soon after GERENDE had been relieved of operational responsibilities in December 1969.

The photo processing of the KDFACTOR (formerly LIEMPTY) film take is now being done by the Station. In the past, it was done by the Station, by GERENDE, and by KDFACTOR-1, who was terminated amicably in early 1971. The building housing the KDLITERAL (formerly LICALLA) photo basehouse was purchased in 1957 by KDABBEY-1 for the Station. KDLITERAL is in a row of four houses all owned ostensibly by KDABBEY-1 but actually by the Agency. This row also houses a basehouse for FID's KDVAULT Project. The apartment building housing the KDABSINTHE (formerly LILYRIC) photo basehouse is owned outright by KDABBEY-1, who has been most cooperative in assisting the Station in maintaining and occasionally moving (1965 and 1966) photo basehouses. The LIMITED photo basehouse was also located on KDABBEY-1's property when it was active.

The individual basehouse operations are and have always been compartmented one from the other. The only points of breakdown in the compartmentation have been: (a) the LIMITED basehouse was linked to the LIENTRAP mobile surveillance; (b) KDFACTOR-1 was processing films from all the basehouses and could, therefore, be aware of their exact locations; (c) GERENDE was aware of all aspects of the KDFACTOR operation, and has since been terminated; (d) Oliver G. SCANTLING, Station contract agent retired in 1971, was aware of the KDFACTOR Project

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through his past work with LIEMPTY-6 and with GERENDE on KDFACTOR Project activities; and (e) the fact that the two present basehouse properties are owned by KDABBEY-1, who is witting of the locations and general activity of both KDFACTOR basehouses.

**3. Agents and Case Officers presently active in the KDFACTOR Project:**

As of March 1972, Oliver J. MANKUNAS is the case officer responsible for handling the operations of KDFACTOR; Bruce H. FERNALD is the alternate case officer. The following is a list of active agents in the KDFACTOR Project:

- A. KDFACTOR-2 (201-136454)  
 DATE OF OA: 27 December 1956  
 DATE SGSWIRLED: 27 April 1966  
 PRESENT POSITION: KDLITERAL Basehouse Operator  
 COVER: Accountant for a local bus line - works cover job in the evenings.
- B. KDFACTOR-5 (201-119961)  
 DATE OF OA: 9 May 1956  
 DATE SGSWIRLED: 2 March 1966  
 PRESENT POSITION: KDABSINTHE Basehouse Operator  
 COVER: Industrial engineer - works cover job during the day.
- C. KDFACTOR-6 (201-167567)  
 DATE OF OA: 16 October 1967  
 DATE SGSWIRLED: March 1966  
 PRESENT POSITION: Wife of KDFACTOR-5.  
 Co-KDABSINTHE Basehouse Operator  
 COVER: Housewife
- D. KDFACTOR-8 (201-762111)  
 DATE OF OA: 29 November 1965  
 DATE SGSWIRLED: 3 March 1966  
 PRESENT POSITION: Son of KDFACTORs-5 and 6.  
 Part-time KDABSINTHE Basehouse Keeper/Operator.  
 COVER: Part-time shopping (shopper) investigator for Sears Roebuck de Mexico.

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- E. KDFACTOR-9 (201-762112)  
 DATE OF OA: 27 July 1966  
 DATE SGSWIRLED: 3 March 1966  
 PRESENT POSITION: Son of KDFACTORs-5 and 6.  
 Part-time KDABSINTHE Basehouse  
 Keeper/Operator.  
 COVER: Medical student
- F. KDFACTOR-10 (201-254181)  
 DATE OF OA: 14 September 1959  
 DATE SGSWIRLED: Not tested  
 PRESENT POSITION: Non-salaried. Wife of KDFACTOR-2,  
 (KDLITERAL).  
 COVER: Housewife
- G. KDABBEY  
 DATE OF OA: 28 April 1954  
 DATE SGSWIRLED: Not tested  
 PRESENT POSITION: Non-salaried. President of  
 Construcciones Aztlan. Owner  
 and landlord of KDVAULT and  
 KDFACTOR basehouses.

Regarding the security of the above active KDFACTOR agents, the KDLITERAL basehouse is handled by KDFACTOR-2 with the assistance of his wife, KDFACTOR-10. They have a long-time maid and a 13-year-old son who lives with them in the basehouse. Neither the son nor the maid is believed to be witting. The photographic equipment is kept in a locked room, and the product is kept in a locked safe. KDFACTOR-2 was recruited by KDCALVERT-1, who is an active, long-term Station agent in the KDCALVERT Project and who is not considered a threat to KDFACTOR-2's security. KDFACTOR-2's activities are also known to his brother, the former LIPSTICK-47, who was one of the two LIPSTICK surveillance team members arrested in 1958 and who gave the police considerable information regarding LIPSTICK surveillance activities. LIPSTICK-47 was terminated in late 1958 and is believed to have withheld from the police the information regarding KDFACTOR-2 and the KDLITERAL basehouse. KDFACTOR-2 and his family have occupied the KDLITERAL basehouse since 1957 and have been discreet and security conscious in their dealings with neighbors and relatives.

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The KDABSINTHE basehouse is manned by KDFACTOR-5, his wife KDFACTOR-6, and his two sons KDFACTOR-8 and KDFACTOR-9. The SGSWIRL of 2 March 1966 went into detail on who is witting of KDFACTOR-5's work for the Station. The result was that his immediate family, including a married daughter who no longer lives at the basehouse, are aware of the photographic operation. KDFACTOR-5 was recruited by LIEMPTY-12, a U. S. citizen with a private company in Mexico City who is no longer working with the Station but who is considered patriotic and no threat to KDFACTOR security.

#### 4. Terminated Agents Possibly Affecting Present Project Security:

##### A. Raymond H. GERENDE

GERENDE is a Mexican citizen and was a contract agent until his termination on 26 June 1970. He had been employed by the Station intermittently since 1955 and was used almost exclusively in support activities. Since the start of the LIEMPTY Project in 1958 GERENDE had been directly involved with this project serving as cutout to the basehouses, carrying and processing films, and giving general direction to the project as principal agent. In 1969, after years of excellent service with the Station, GERENDE had serious marital problems which ended in separation from his wife, KDFACTOR-7. From December 1969 to June 1970 GERENDE was not used operationally but was maintained on half pay with the hope the divorce proceedings would be completed quickly. When it became apparent the divorce would drag on interminably, the Station reluctantly terminated GERENDE and his wife. Bruce H. FERNALD, career agent, met with GERENDE monthly from July 1970 through May 1971 while paying him his termination bonus in ten installments. GERENDE is still living in Mexico City, where he owns some property and has an income as an English teacher to employees of two local firms. He visited his wife and children in Holland in December 1970. It appears he may now be financially pressed as his English class schedule has been cut back. The Station as of 10 April 1972 had no information that would indicate GERENDE has violated his secrecy agreement.

There is an indication that GERENDE came to the attention of the Soviets in 1968. A Mexican walk-in to the FBI office in Mexico City, who was later interrogated by the Federal Security Police in 1970, said that in 1968 he had been employed by the Soviet Embassy Second Secretary, Oleg Maskimovich Nechiporenko (201-305870), to investigate persons working with the Mexican Olympic Committee. The persons investigated

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included GERENDE, who apparently became a specific target of Soviet investigation. It is unclear from the report of the Federal Security Police how far the Soviet investigation of GERENDE had proceeded. Nechiporenko was PNG'd from Mexico in March 1971. GERENDE's possible exposure to the Soviets could have been through his work on the Olympic Committee as a translator or through his work for the Station, which used him for a wide range of support tasks against the Soviet and Cuban targets.

**B. KDFACTOR-7 (wife of GERENDE)**

KDFACTOR-7 is a Dutch citizen and the former wife of GERENDE. She returned to the Netherlands in July 1970 with her children. She had served as a support agent assisting GERENDE. She is believed witting, in general terms, of GERENDE's activities regarding the KDFACTOR Project. She was terminated on 26 June 1970 and signed both a secrecy agreement and quit claim. After termination it became apparent that she had considerable hard feelings toward both the Agency and GERENDE over financial problems between her family and GERENDE. While the Station was not directly involved in all the financial problems, the Station was involved in regard to her divorce claims against GERENDE's salary, a large part of which came covertly from the Station. In July 1970 KDFACTOR-7 came to the Agency Headquarters and complained about her financial settlement. In September and November 1970 she wrote two letters directly to the Agency on the same subject. In late 1970 she also asked a Hague Embassy political officer to put her in contact with the Agency; however, she did not tell him the nature of her business. In January 1971 the Agency contacted KDFACTOR-7's brother, a U. S. Army civilian with a "Top Secret" clearance living in Alexandria, Virginia, and was able to resolve the financial misunderstandings with KDFACTOR-7. In January 1971 the Hague Station reported KDFACTOR had, without Station influence, obtained a job as social secretary with the Department of State at the Embassy. It is believed that this job has probably solved many of her financial problems and should also inhibit her from exposing her past work with the Mexico City Station, as such exposure could jeopardize her job. The Embassy in the Hague was briefed in general terms on KDFACTOR-7's background.

**C. KDFACTOR-1**

KDFACTOR-1 is a Mexican citizen and the brother-in-law of GERENDE. He was hired by the Station in 1956 to assist GERENDE in processing the photographic take of the KDFACTOR Project (at that time the LIPSTICK Project and later the LIEMPTY Project). KDFACTOR-1

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was later assisted in processing the photographic take by his wife, LIEMPTY-5, who is GERENDE's sister. KDFACTOR-1 was terminated in March 1971, and the photographic processing previously done by KDFACTOR-1 is now done in the Station. The termination was amicable and largely due to delays in film processing as KDFACTOR-1's medical practice expanded. There does not appear to be any security problem in the termination of KDFACTOR-1 as he is discreet and also a close relative of GERENDE. The security of processing the film in KDFACTOR-1's medical office was good as KDFACTOR-1's wife, LIEMPTY-5, was assisting him with the processing and with the security of the darkroom.

**D. LIEMPTY-5**

LIEMPTY-5 was hired by the Station in 1957 to assist KDFACTOR-1 with the processing of KDFACTOR films. She is the sister of GERENDE and wife of KDFACTOR-1. She was terminated along with KDFACTOR-1 in March 1971. Due to her close relationship with GERENDE and KDFACTOR-1, she is not considered a threat to the Project Security.

**E. Oliver G. SCANTLING**

SCANTLING is a Mexican citizen who worked as a Station agent from 1954 until his termination without prejudice in February 1971. SCANTLING is in an excellent financial position and has assisted the Station in recent years largely because his strong motivation to work against the Communists. SCANTLING worked as a surveillance team leader from 1954 to 1957 and then in the LIEMPTY (KDFACTOR) Project from 1958 through 1966. He was the cut-out to LIEMPTY-6 and a back-up principal agent for GERENDE. SCANTLING's termination was amicable, and he is not considered a security problem to the Station or the KDFACTOR Project.

**F. LIEMPTY-6**

LIEMPTY-6, a Mexican citizen and long-term Station asset, was retired in May 1968. He had manned the LIMITED photo basehouse with his wife and son assisting him. He had been working with the Station since 1954, but age and ill health had reduced his efficiency. LIEMPTY-6 knows GERENDE and SCANTLING, but is not aware of the names or locations of any of the present KDFACTOR agents and basehouses. While he could give information on his participation in KDFACTOR activities up to 1968, he has no motive to do this and is apparently happily retired on his Agency termination bonus plus some financial assistance from his son-in-law. He is not considered a threat to the security of this Project.

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There was one indication that the Soviets were seeking out the LIMITED photo basehouse and may have had suspicions concerning LIEMPTY-6. This was a report by KDADAGE-10 that in mid-1966 Stanislav Sergeyevich Silnikov (201-271103), a Soviet Embassy guard, asked KDADAGE-10 to report on his neighbors near the Soviet Embassy. Silnikov expressed interest in all the occupants of the new apartment building which houses the KDABSINTHE photo basehouse, but did not mention the KDABSINTHE basehouse keepers by name. Silnikov did name specific persons he was interested in and these included LIEMPTY-6. KDADAGE-10, of unknown reliability, said he did not give Silnikov any information, but added that, between himself and the Station, he suspected LIEMPTY-6 and had heard it rumored he worked for the Americans. In 1966 Headquarters already assumed the Soviets were aware of the LIMITED basehouse because it was used for radio direction of the LIENTRAP mobile surveillance. In any case, the Soviets apparently took no action prior to the closing of the LIMITED basehouse and the relocation of LIEMPTY-6 in May 1968. It is believed this incident has no implications that would threaten the security of current KDFACTOR assets.

#### 5. Current KDFACTOR Security Practices:

The two photo basehouses, KDLITERAL and KDABSINTHE remain compartmented, as they have been throughout the history of the Project. The Station case officer responsible for the project meets weekly with KDFACTOR-2, responsible for the KDLITERAL basehouse, and with KDFACTOR-5, responsible for the KDABSINTHE basehouse. In these meetings he picks up the product, provides new supplies, pays salaries and handles miscellaneous administrative matters. These are car meetings usually held in early morning or at night and the pickup points are changed regularly. Meeting time is kept to a minimum and meetings are pre-scheduled whenever possible. The photographic product is processed in the Station, thus increasing the security and timeliness of its handling over the past practice of having KDFACTOR-1 process it in his office darkroom. The case officer only meets with KDFACTOR-2 and KDFACTOR-5; however, in emergencies other witting family members of either basehouse can be contacted and met. In case the present sites or personnel are compromised, the Station has rented another apartment in the building housing the KDABSINTHE basehouse and has installed members of the KDCALVERT Project as residents. This new apartment offers as good a vantage point

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for photographic coverage as the KDABSINTHE and could quickly be activated if for any reason the KDABSINTHE basehouse becomes untenable.

*Theodore G. Shackley*

Theodore G. Shackley  
Chief  
Western Hemisphere Division

NOTED:

*Adl May Jr.*  
ADD/P

*12 May 72*  
Date

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14 DEC 1971

DD/P 1-5899

MEMORANDUM FOR: Chief, Western Hemisphere Division

SUBJECT: FI Project KDFACTOR  
FY 1971 Amendment No. 1  
Biennial Renewal  
Proposal for Fiscal  
Years 1972 and 1973

1. On 10 December 1971 I approved subject actions in the amounts specified below:

- a. FY 1971 Amendment No. 1 - For \$4,266, increasing the project's FY 1971 funds authorization (from \$23,630) to \$27,896.
- b. FY 1972 Renewal - For \$19,000
- c. FY 1973 Renewal - For \$20,000

2. I ask that the Station conduct an updated security review of this operation, giving particular attention to the knowledgeability of terminated agents and their families as discussed in paragraph 3 of referent memorandum.

3. Also, I ask that you provide me (via MPS/BG) with a memorandum report summarizing the results of the above (paragraph 2) security review by 31 March 1972.

*Cord Meyer Jr.*  
Cord Meyer Jr.

Assistant Deputy Director for Plans

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ADDP MEMO of 14 December 1971





S E C R E T  
(When Filled In)

FUNDING

NO. 3  
(DOCUMENT # FOR  
THIS PROJECT)

DATE 1 June '70

NOTIFICATION OF PROJECT APPROVAL ACTION

TO: CHIEF OF STATION (BASE) Medio City

ATTENTION: FINANCE OFFICER

INFO: \_\_\_\_\_

PROJECT LIEMPTY FAN 0135-1009

TYPE OF ACTION	PERIOD OF ACTION	TO	AMOUNT
NEW	1 May 69	2 June 71	24,123
RENEWAL	PREVIOUS ACTION IN THIS FISCAL YEAR		58110
EXTENSION	TOTAL FISCAL YEAR APPROVAL		47,443
TERMINATION	FUNDS AVAILABLE FOR HQS USE		500
AMENDMENT	FUNDS AVAILABLE FOR FIELD USE		13,128
OTHER	subject transferred by 1710 funds.		13,128

CHIEF, WH/B&F \_\_\_\_\_

HQS USE ONLY

<u>PROCESSED</u>	<u>APPROVED</u>	<u>TYPE OF ACTION</u>	<u>PERIOD</u>	<u>AMOUNT</u>
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*LIEMPTY  
development & plan*

S E C R E T  
(When Filled In)

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WH/1

PROJECT APPROVAL NOTIFICATION									
PROJECT <b>LIFTY</b>			<input type="checkbox"/> CA <input checked="" type="checkbox"/> FI/CI		<input type="checkbox"/> PROPRIETARY <input type="checkbox"/> SUBSIDY <input type="checkbox"/> DIRECT				
ACTION				AREA					
	NEW PROJECT			DIVISION <b>WH</b>					
<b>I</b>	AMENDMENT			BRANCH <b>WH/1</b>					
	RENEWAL			DESK <b>Mexico</b>					
	TERMINATION			CASE OFFICER <b>Joak Barry</b>			EXTENSION <b>4167</b>		
	EXTENSION								
	OTHER								
AUTHORIZATION									
APPROVING AUTHORITY <b>ADP</b>				TOTAL AMOUNT APPROVED		FY		AMOUNT	
				<b>\$49,468</b>		<b>190</b>		<b>\$49,468</b>	
PERIOD OF APPROVAL						<b>196</b>			
FROM <b>1 July 1969</b> TO <b>30 June 1970</b>				FINANCIAL CODE SYMBOL		<b>0235-1009</b>			
CONDITIONS OF APPROVAL									
<p>Project amended for an additional \$10,498 for FY 70.</p>									
SIGNATURE						DATE			
(Signed) E. K. Harris						<b>20 MAY 1970</b>			
DISTRIBUTION									
1	FINANCE DIVISION	1	BUDGET DIVISION	1	OPERATING DIVISION CHIEF OF SUPPORT	1	CASE OFFICER	2	MPS/SG

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ACTION UNIT		FILE, VR		R/AN. SR8					
ACTION NO. 986									

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DIRECTOR

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M

LIEMPTY

REF: DIRECTOR 018246

1. POUCHING LIEMPTY REPORT 26 MARCH. REGRET DELAY WHICH  
DUE PRESS OTHER ACTIVITIES REDTOP FIELD.

2. FILE: 50-6-74/3. GP-1

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*LIEMPTY - 10 4 11 out - total not ready.  
MEXICO LIEMPTY REPORT  
DIP*

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*Logan*

DISPATCH

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Chief of Station, Mexico City

Chief, Western Hemisphere Division

LIEMPTY Project Approval (FY 1970)

Action Required: None, FYI

Project LIEMPTY has been approved in the amount of \$38,970 for the period 1 July 1969 through 30 June 1970. Of the total FY 70 amount, \$38,470 is authorized for field use, and \$500 will be retained for Headquarters use.

Anthony B. WELDRAKE

Distribution:  
Orig. & 1 - COS, Mexico City

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9 September 1969

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J. J. Barry

ORIGINATING

TEXT

nks

6954

COORDINATING

OFFICE SYMBOL

DATE

OFFICER'S NAME

AC/WH/1

10 Sept

RELEASING

OFFICER'S SIGNATURE

Ernest J. Tsikerdanos

FORM 53

USE PREVIOUS EDITION

MFG 11-64

DISPATCH

SECRET

17 March 69  
Date

NOTIFICATION OF PROJECT APPROVAL ACTION

TO FIELD FINANCE OFFICER

TO: Chief of Station (Base) Mexico City  
INFO: Att. Vicer: Finance Off. Fin  
PROJECT: L1 EMPTY  
FAN: 9-35-1009  
TYPE OF ACTION:

OTHER Reduction in funding.  
\_\_\_\_ NEW  
\_\_\_\_ RENEWAL  
\_\_\_\_ EXTENSION  
\_\_\_\_ AMENDMENT  
\_\_\_\_ TERMINATION AND DATE \_\_\_\_\_

PERIOD OF ACTION: \_\_\_\_\_ AMOUNT \_\_\_\_\_

FISCAL YEAR PROJECT APPROVAL: FY 69 FY \_\_\_\_\_

THIS ACTION: \_\_\_\_\_

PREVIOUS ACTION: 43520 \_\_\_\_\_

TOTAL FISCAL YEAR PROJECT APPROVAL: 43520 \_\_\_\_\_

FUNDS AVAILABLE FOR HQS USE: 7-00 \_\_\_\_\_

FUNDS AVAILABLE FOR FIELD USE: \* 21320 \_\_\_\_\_

\*TO BE USED AS A GUIDE FOR DISTRIBUTION OF OBLIGATION AUTHORITY.

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*file*  
*53-6-74*

# DISPATCH

CLASSIFICATION

PROCESSING ACTION

TO

Chief, IN Division

INFO

Chief, SB Division

FROM

Chief of Station, Mexico City

SUBJECT

LIEMPTV Project Renewal Request

ACTION REQUIRED - REFERENCES

- References:
- A. HMMA-53486, 8 November 1967
  - B. HMMA-53514, 8 January 1968
  - C. HMMA-1 419, 21 May 1968
  - D. HMMA-53680, 22 July 1968
  - E. HMMA-16984, 13 January 1969
  - F. HMMA-53272, 22 January 1969
  - G. MEXICO CITY 5439, 11 March 1969

Forwarded herewith and under separate cover by split transmittal is a request for the renewal of Project LIEMPTV for FY 1970. Funds in the amount of US\$36,910 are being requested.

for/William C. CURTIS

RECORDS OFFICER STAMP

The following action is authorized: *do. Refuse*

Signature: *William C. Curtis*

E.O. 12958 - U.S. *W/C*

Note: If distribution, cite reasons and coordinate if appropriate.

Attachment:

1. Project renewal request, right side h/w
2. Project renewal request, left side u/s/c;

Distribution:

- ② - C/WR w/att h/w and u/s/c
- 2 - C/SB w/att h/w and u/s/c

2 ATT

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CROSS REFERENCE TO

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DATE

HMMA-53710

14 March 1969

CLASSIFICATION

NO. FILE NUMBER

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✓ 50-1-74/1



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REQUEST FOR PROJECT RENEWAL

PROJECT LIEMPT

CASE OFFICER Vincent P. Rizzo  
Vincent P. RIZZO

STATION Mexico City

CHIEF OF STATION Willard C. Curtis  
Willard C. CURTIS

RECORDS OFFICER STAMP

The following action is  
authorized: de-Rizzo

Signed: Colvin Palmer

R.O. #630 - Unit: Wt/H/R

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if appropriate.

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TO FIELD DISSEMINATION

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50-6-77/1

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PROJECT LIEMPTY

REQUEST FOR RENEWAL

1. CURRENT OBJECTIVES

A. The overall objective of Project LIEMPTY, now in its eleventh year of existence, is to collect operational information on the FJSTEAL installation, its personnel and visitors, as well as related targets or opportunity through stationary/mobile photographic and physical surveillance mechanisms. Corollary objectives which are to be fulfilled through use of the LIEMPTY installations, mechanisms, and personnel are as follows:

1. To provide detailed operational information pertaining to the daily movements and activities of FJSTEAL personnel, particularly those individuals of intelligence interest, as well as information on the FJSTEAL physical plant and visitors to the premises.
2. To collect operational information on persons associated with FJSTEAL personnel and on individuals known or suspected to have connections with the FJSTEAL intelligence services or other hostile groups which are inimical to the interests of LAFORT.
3. To provide operational support, counter surveillance, and/or other protective services to REFIRM personnel and operations, as may be levied upon the Station or as may be deemed necessary.

B. The above objectives are to be fulfilled through continued maintenance and exploitation of the LILYRIC and LICALLA base-houses, the LIENTRAP mobile unit, and the services of long-time contract agent, Raymond H. G. RANDE. The LIEMPTY Project is the cornerstone of the Station's operational program against the FJSTEAL target and as such is completely responsive to Priority A-1 of the Station's Operating Directive.

C. Throughout the Project year under review, Project LIEMPTY continued to contribute directly and significantly to the fulfillment of Station and Headquarters' requests and requirements for coverage of various targets falling within the above cited framework.

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During the Project year Project LIEMPTY provided all of the fixed operational photographs and physical surveillance reports used in Mexico City Station's operations targetted against the FJSTEAL installation and personnel. Specific examples of the LIEMPTY Project's progress and contributions will be found in Section 3 below (EFFECTIVENESS).

## 2. CHANGES

### A. Operational

1. The major change during the preceeding period has been the closing of the LIMITED basehouse and the termination of LIEMPTY-1. This has resulted in considerable financial saving with no loss in efficiency--to the contrary, as a matter of fact. The major reason for the change was the fact that LIEMPTY-1 was growing less reliable with age. He was not always able to be on the job, and when he was, his fixed surveillance reporting was occasionally inaccurate, and his photography was often poor. There had been considerable overlap between LILYRIC and LIMITED reporting, and with the closing of LIMITED, the LILYRIC working hours were extended slightly so that full working hours of the FJSTEAL installation continued to be covered. The only disadvantage to this arrangement is that the vantage point of the FJSTEAL installation which had been shared by LIMITED and LILYRIC will now go uncovered during periods of annual leave by LILYRIC personnel (the LILYRIC personnel are all members of one family and normally take their leave together).

2. There have been no changes in the operating procedures and techniques of LIEMPTY-9 in the LICALLA basehouse. The refinements described in the previous Project Outline have been effective and have been maintained. The same can be said of LIENTRAP, which has become a much more flexible tool since its partial integration into the LIEMBRACE team. There have been no changes in LILYRIC procedures, other than expansion of coverage to include the entire working week.

B. Financial - LIEMPTY-9 was granted a salary increase, effective 1 May 1968, in recognition of his excellent job performance. LIEMPTY-14 and -27 were granted salary increases on 1 May 1968, largely as compensation for the extra hours they agreed to put in to insure full-time coverage of the FJSTEAL installation by LILYRIC. Memoranda of Oral Agreement covering these three salary increases were forwarded with HMMA-34573, 2 May 1968. Finally, LIEMPTY-11 was granted a salary increase effective 1 January 1969, in recognition of his increased work load with the LIEMBRACE team. MCA was forwarded with HMMA-34101, 23 December 1968.

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C. Personnel

1. As noted above, LIEMPTY-6 was terminated effective 31 May 1968 in connection with the closing of the LIMITED basehouse. Termination was completely amicable, and LIEMPTY-6 received a generous termination bonus.
2. LIEMPTY-26 was hired as of 1 May 1968 to help LILYRIC personnel maintain their expanded coverage. No security factor is involved, as LIEMPTY-26 is part of the same family as the rest of the LILYRIC personnel. LIEMPTY-26 had been granted an OA in 1965 and had been used sporadically since that time.
3. An amendment to GERENDE's contract has been requested. This amendment would guarantee GERENDE termination benefits equal to those provided for by Mexican law, in the event of GERENDE's termination by WOFIRM. The amendment would also provide GERENDE with a graduated scale of benefits should he decide to resign. See HEMA-33312, 27 January 1969, for details.

3. EFFECTIVENESS

Throughout the period under review, each operational component of Project LIEMPTY contributed actively and concretely to the fulfillment of the operational tasks levied on Station Mexico City. High-lights of the accomplishments and the achievements of each component are cited below:

A. Fixed Basehouses

1. LIMITED

Until its termination, the LIMITED installation provided daily photographic coverage and physical surveillance of the main gate of the FJSTEAL installation. During the seven-month period from 1 November 1967 through 31 May 1968, the LIMITED base provided 911 frames of operational photographs. In addition, the LIMITED base provided over 1,000 pages of physical surveillance reports.

2. LILYRIC

During the Project year under review, the LILYRIC installation provided extensive photographic and fixed visual surveillance of the front of the FJSTEAL installation. The LILYRIC basehouse provided the majority of the operational photographs produced by the LIEMPTY Project. During the 13-month period from 1 November 1967 through 31 December 1968, the LILYRIC basehouse provided 15,331 operational photographs and several

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thousand pages of physical surveillance reports covering the daily movements of all FJSTEAL officers. As a specific example of the importance of LILYRIC coverage, it was LILYRIC photos which made possible the identification of a WOLADY citizen who had been in clandestine contact with an AEGRIIP officer. This information was turned over to LNERGO, which was pursuing the case. In general, LILYRIC provides the Station with a large percentage of the CI raw material collected on the FJSTEAL target, such as automobile license numbers, PCS and TDY arrivals and departures, unusual activities such as demonstrations, unusual or lengthy absences of personnel, etc. This information also has positive operational value, but its most important use is as the major source of identification of FJSTEAL personnel and of information on their movements. The Station has frequent requests from LNERGO which can only be fulfilled by LIEMPTTY coverage, and this "permanent and complete record" of FJSTEAL activities is invaluable for servicing the CE requirements of both WOFIRM and LNERGO.

### 3. LICALLA

During the above cited 13-month period, the LICALLA installation provided photographic and physical surveillance coverage of the back of the FJSTEAL installation and its garden and patio area. This coverage provided 5,125 individual photographs as well as numerous surveillance and observation reports. These reports included daily, weekly, and monthly summaries of activities, semi-monthly attendance reports (of FJSTEAL personnel), various special reports, and special intensive coverage of targets selected by the Station. It should be noted that the LICALLA basehouse allows Station Mexico City to observe the FJSTEAL personnel during their off-duty and recreational hours. The LICALLA installation has become the most valuable of the basehouses, not only because of its unique vantage point but also because of the perceptiveness of LIEMPTTY-9. His surveillance reports have frequently given us valuable insight into personal associations among the FJSTEAL personnel and have enabled us to introduce greater flexibility and effectiveness into the entire LIEMPTTY operation. LICALLA reporting has the greatest positive operational value since it provides raw material for use in target selection. Finally, the LICALLA OP is occasionally used in support of various technical operations conducted from the LILISA complex.

### B. Summary of Fixed Basehouse Effectiveness

The fixed LIEMPTTY basehouses (LIMITED, LICALLA, and LILYRIC) provided approximately 21,267 individual frames of operational photographs during the 13-month period reviewed above. This photographic coverage, linked with the physical surveillance reports prepared by each basehouse, has proven to be a most reliable and viable tool for:

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1. Following the daily comings and goings of FJSTEAL personnel and indigenous employees.
2. Confirming the identities of FJSTEAL staffers and their visitors (some of whom are EULATY citizens).
3. Ascertaining and verifying the relative rank and position as well as indicating the specific intelligence service connection of various FJSTEAL officers.
4. Providing detailed reporting on the movement and habit patterns of selected targets of special interest.
5. Providing physical facilities for the support of various operational, technical, and surveillance operations.

C. The Mobile Photographic Unit

1. During the period under review, the LIENTRAP mobile photographic unit covered 40 photographic assignments in support of Mexico City Station's FJSTEAL, PERUMEN, and Communist Party operations. An average of two to three days is spent on each assigned target, usually rotating the time of day the coverage is provided. The LIENTRAP operators, LIEMPTY-10 and -11, have consistently turned in a useful and excellent quality photographic product.
2. In addition, while not on an assignment, both operators have regularly assigned duties. LIEMPTY-10 has the responsibility for obtaining, renewing, and servicing most of the Station's accommodation addresses. The addresses are serviced three times a week. LIEMPTY-11 has been serving part-time for the past year as the seventh member of the LIEMBRACE surveillance team and has performed well in this capacity.

D. Raymond H. GERENDE - LIEMPTY Principal Agent

During the period under review, Raymond H. GERENDE continued in his role as the Project LIEMPTY principal agent. GERENDE operated as the full-time cut-out to the LIMITED, LILYRIC, and LICALLA basehouses and bore the first echelon agent handling responsibility for the related personnel. In addition, GERENDE continued to bear the contact and handling responsibilities for the operator of the LIEMPTY photographic developing/processing laboratory, LIEMPTY-4. GERENDE's overall operational assignment involved at least 10 clandestine meetings per week, in addition to his meetings with the LIEMPTY Project case officer. It should also be noted that GERENDE made numerous and essential contributions to the sensitive JMRCP operation and assisted the Station greatly with his detailed area knowledge in many instances. He is used to make independent investigations and neighborhood checks. He

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assisted the Station in its MIRAVEL program. As a part of the Station's effort to broaden GERENDE's horizons and to take better advantage of his capabilities, GERENDE was made the handling officer for MRFAM-3 under close case officer supervision. Similar tasks are envisioned for GERENDE in the future--agent handling as well as the spotting and assessment of operational leads. These tasks are all assigned with due regard for GERENDE's primary responsibilities, with the aim of getting the optimum use out of a capable and experienced field contract agent.

E. Overall Effectiveness

As outlined above, each individual operational component of the LIEMPTY Project, with the exception of the phased-out LIMITED basehouse, contributed regularly and significantly to the fulfillment of Station Mexico City's operational program. Based on the continued excellent performance of Project personnel and the overall contributions of this Project, the Station strongly recommends that this Project be continued during the forthcoming Project year as an essential element of the Station's operational support apparatus.

4. PROBLEMS AND SECURITY

During the Project year under review there were no known incidents which adversely affected the security of Project LIEMPTY or the related personnel. The termination of LIEMPTY-3 caused no problems, nor did the construction of a maid's room on the roof of the LICALLA installation, adjacent to LIEMPTY-9's photo point. There is no indication that FJSTEAL personnel had any suspicions about the construction work. The exposure of a LIEMBRACE surveillance vehicle (see MEXICO CITY 9283, 28 February 1969) caused momentary concern because the vehicle had been bought from a dealer where LIEMPTY-9 has a part-time job. Along with all other employees of the auto dealer, LIEMPTY-9 was questioned about the purchaser of the car. While LIEMPTY-9 was worried because he knew the purchaser of the car and was able to guess what had happened, the investigation was dropped and the case closed without any adverse effect on LIEMPTY-9 or the LICALLA basehouse.

5. LIAISON AND INTER-AGENCY COORDINATION

Not applicable to Project LIEMPTY.

6. PLANS

A. The changes made in the period under review have been largely technical. With the exception of a continued expansion of

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non-LIEMTY-oriented operational activity by GERENDE, there are no significant operational changes contemplated. LIEMTY is a project designed to support the Station's REDTOP program and is useful only as long as it supports that program effectively. The Station believes that the support has been effective, and that the product of the operation is valuable. Occasional minor changes will undoubtedly be made in response to specific requirements and to continual efforts toward improvement, but continuing emphasis on the FJSTAL target for the foreseeable future means, among other things, that the LIEMTY Project, in essentially its present form, will continue to be a necessary part of the Station's program.

B. No need for expansion, in terms of personnel or facilities, is foreseen, but costs will probably climb slowly but steadily to permit salary increases and to keep up with the rising cost of living as it affects utilities and supplies. Replacement of GERENDE's Q1 vehicle (which was not foreseen in the previous Project outline, as this was originally written by the Station to cover the period ending 30 November 1970) became necessary late in FY 1970. The current project is being written on the assumption that the vehicle was in fact replaced in FY 1970 and that no further replacement will be necessary in the foreseeable future.

## 7. COSTS

A. FY 1970 - Project LIEMTY was approved for FY 1970 in the amount of 43,500 dollars. Station records project spending for FY 1970 at almost exactly that figure. Semi-monthly accountings with pertinent receipts and/or certifications were submitted by Raymond E. GERENDE to the Station finance officer via the Project case officer for all LIEMTY Project expenditures made in the field. It is estimated that approximately three hours of case officer and eight hours of analyst time is required each week to fulfill the operational, administrative, and analytical requirements of this project. (This figure does not include the 40 hour-week put in regularly by Raymond E. GERENDE.)

B. FY 1971 - It is requested that Project LIEMTY be approved in the amount of 38,970 dollars for FY 1971 (this figure represents roughly a 10 percent decrease from the amount programmed for the previous Project year). While no large expenditures are anticipated for the replacement of photographic equipment during the forthcoming period, inflation may result in rising cost of utilities and supplies, and salary increases may be granted as indicated above. A detailed breakdown of Project expenditures for FY 1970, 1971 and 1972 follows.

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	<u>FY 1969</u>	<u>FY 1970</u>	<u>FY 1971</u>
<u>SALARIES</u>			
Raymond H. GERENDE (P/A)	\$ 3,500	\$ 3,500	\$ 3,500
LIEMPTY-4 (photo processor)	2,400	2,400	2,400
LIEMPTY-9 (LICALLA)	4,320	4,320	4,320
LIEMPTY-10 (LIENTRAP)	4,224	4,224	4,224
LIEMPTY-11 (LIENTRAP)	2,616	2,736	2,736
LIEMPTY-13 (LILYRIC)	1,536	1,536	1,536
LIEMPTY-14 (LILYRIC)	1,824	1,824	1,824
LIEMPTY-26 (LILYRIC)	672	672	672
LIEMPTY-27 (LILYRIC)	1,728	1,728	1,728
LIEMPTY-8 (LIMITED; Termination payment)	2,750	-0-	-0-
Christmas bonuses	2,140	2,140	2,140
Contingency for possible salary increase	500	2,000	4,000
SUB-TOTAL	\$31,210	\$30,080	\$32,080
<u>REAL ESTATE</u>			
GERENDE Dark Room Rent (MEXI 137)	\$ 960	\$ 960	\$ 960
LICALLA (MEXI 03)	1,248	1,248	1,248
LILYRIC (MEXI 132)	2,880	2,880	2,880
S/H Utilities	1,000	1,100	1,200
SUB-TOTAL	\$ 6,088	\$ 6,188	\$ 6,288
<u>VEHICLES</u>			
MV-2 Oil maintenance	\$ 400	\$ -0-	\$ -0-
MV-2823 maintenance	600	800	1,000
Purchase of new MV and maintenance	4,000	400	500
SUB-TOTAL	\$ 5,000	\$ 1,200	\$ 1,500
<u>EQUIPMENT</u>			
Maintenance and replacement of photographic equipment	\$ 200	\$ 500	\$ 500
<u>OPERATIONAL EXPENSES</u>			
Purchase of film; rental of post office accommodation boxes; rental of vehicles; contingency fund	\$ 1,000	\$ 1,000	\$ 1,000
TOTAL	\$43,298	\$38,970	\$41,370

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C. As in the past, Raymond H. GERENDE will submit semi-monthly accountings for all Project expenditures with appropriate receipts or certifications. There will be no requirements for foreign currency beyond the Station's capability to provide.

8. EMERGENCY CONDITIONS

A. In the event of civil disorders or the evolution of complete enforced neutrality on the part of the host government, it is believed that regular operational contact could be maintained with the majority of the active LIMUPTY agents via Raymond H. GERENDE or in his absence, Oliver G. SCANTLING.

B. In the most unlikely event of the establishment of a regime openly hostile to LNSOFT, limited contact could probably be maintained with the majority of the active Project agents. However, under these circumstances, it is highly probable that the activities of this Project would be somewhat curtailed.

C. Revised and up-dated emergency contact plans for use with Raymond H. GERENDE and Oliver G. SCANTLING are on file in the Station and at Headquarters (see HMM-28533, dated 21 February 1966 and HMM-28252, dated 9 February 1966).

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12 March 69  
Date

NOTIFICATION OF PROJECT APPROVAL ACTION

TO FIELD FINANCE OFFICER

TO: Chief of Station (Base) Mexico City

INFO: Attention: Finance Officer

PROJECT: EMPTY

FAN: 9135-1009

TYPE OF ACTION:

OTHER *Redistribution of funds \$4000 transferred*  
NEW *to funds available for HQ use*  
RENEWAL *for car purchase.*  
EXTENSION  
AMENDMENT  
TERMINATION AND DATE

PERIOD OF ACTION: \_\_\_\_\_ AMOUNT \_\_\_\_\_

FISCAL YEAR PROJECT APPROVAL: FY 69 FY \_\_\_\_\_

THIS ACTION: - \_\_\_\_\_

PREVIOUS ACTION: 43520 \_\_\_\_\_

TOTAL FISCAL YEAR PROJECT APPROVAL: 43520 \_\_\_\_\_

FUNDS AVAILABLE FOR HQS USE: 4200 \_\_\_\_\_

FUNDS AVAILABLE FOR FIELD USE: \* 39320 \_\_\_\_\_

\*TO BE USED AS A GUIDE FOR DISTRIBUTION OF OBLIGATION AUTHORITY.

SECRET  
(When Filled In)

*file*  
*50-6-74*

SECRETARIAT DISSEMINATION NOT NOTIFIED		SERIALIZED MESSAGE		TOTAL COPIES 17		SIGNATURE AND/OR INITIALS SEE BY	
RE COPY <input type="checkbox"/> ISSUED <input type="checkbox"/> SLOTTED AT _____ DISSEM BY 76 PER _____ ACTION NH 8 <input type="checkbox"/> RID COPY		<b>SECRET</b> (When Filled In) REPRODUCTION OF THIS COPY PROHIBITED INDEX <input type="checkbox"/> YES <input type="checkbox"/> NO CLASSIFY TO FILE NO _____ REF TO FILE NO _____ FILE RID <input type="checkbox"/> RET TO _____ BRANCH <input type="checkbox"/> DESTROY <input type="checkbox"/> SIG		GROUP 1 EXCLUDED FROM AUTOMATIC DOWNGRADING AND DECLASSIFICATION		1 _____ 2 _____ 3 _____ 4 _____ 5 _____	
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10 _____							
FILE NO. 11/AN, HPS/BG		INFO					

SECRET 112211Z MAR 69 CITE MEXICO CITY 9439

DIRECTOR

LIEMPTY

1. PREPARATION LIEMPTY PROJECT RENEWAL REQUEST DELAYED DUE  
RIZZUTO'S RECENT TDY HQS. WILL POUCH 18 MARCH,.

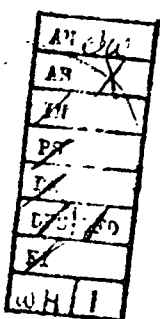
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AN	✓
AP	✓
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IA	✓
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KA	✓
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OA	✓
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QA	✓
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TA	✓
UA	✓
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WA	✓
XA	✓
YA	✓
ZA	✓

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11 Mar 69  
50-6-74/1

<b>DISPATCH</b>		CLASSIFICATION <b>SECRET</b>		PROCESSING ACTION	
TO <b>Chief of Station, Mexico City,</b>		<b>X</b>		MARKED FOR INDEXING	
INFO.				NO INDEXING REQUIRED	
FROM <b>Chief, Western Hemisphere Division</b>				ONLY QUALIFIED DESK CAN JUDGE INDEXING	
SUBJECT <b>LIEBTPY Project Renewal</b>				MICROFILM	
ACTION REQUIRED - REFERENCES					
<p>Reference: Book Dispatch No. 6769, 23 November 1968</p> <p>This is a routine reminder that the LIEBTPY Project Renewal for FY 1970 will be due at Headquarters 14 March 1969.</p> <p style="text-align: right;">HWD Morris W. DAMICONE</p> <p>Distribution:</p> <p>Orig. &amp; 1 - COS/Mexico City</p>					
CROSS REFERENCE TO		DISPATCH SYMBOL AND NUMBER		DATE	
		<b>FM-16984</b>		<b>18 JAN 1969</b> <b>9 January 1969</b>	
<b>CS COPY</b>		CLASSIFICATION <b>SECRET</b>		MOS FILE NUMBER <b>✓ 50-6-74/1</b>	
RI-1 CR-1 		ORIGINATING			
		OFFICE <b>WH/1</b>	OFFICER <b>Al Malone</b>	TYPIST <b>nrj</b>	EXT. <b>4167</b>
		COORDINATING			
		OFFICE SYMBOL	DATE	OFFICER'S NAME	
		RELEASING			
		OFFICE SYMBOL <b>WH/1</b>	DATE <b>9 Jan. '69</b>	OFFICER'S SIGNATURE <b>W. J. Kaufman</b>	

<b>DISPATCH</b>		CLASSIFICATION <b>SECRET</b>		PROCESSING ACTION	
TO <b>Chief of Station, Mexico City</b>		<b>X</b>		MARKED FOR INDEXING	
INFO.				NO INDEXING REQUIRED	
FROM <b>Chief, Western Hemisphere Division</b>				ONLY QUALIFIED DESK CAN JUDGE INDEXING	
SUBJECT <b>Approval of Project LIEMPTY</b>				MICROFILM	
ACTION REQUIRED - REFERENCES					
<p>Project LIEMPTY has been approved for the period 1 December 1967 through 30 June 1969 in the amount of \$69,725. Of the total, \$26,205 would be disbursed in FY 1968, and \$43,520 in FY 1969, representing no change in the funding you requested. \$550 is retained for Headquarters use during FY 1968, and \$200 (for photographic equipment) in FY 1969.</p> <p style="text-align: right;"><i>THB</i> Theresa H. RACHARDY</p>					
<p>Distribution: Orig. &amp; 1 - COS, Mexico City</p>					
<p style="text-align: center;"><b>CS COPY</b> <span style="float: right;">50-6-74/1</span></p>					
CROSS REFERENCE TO <b>CS COPY</b>		DISPATCH SYMBOL AND NUMBER <b>HMMW-16419</b>		DATE <b>23 MAY 1968</b>	
		CLASSIFICATION <b>SECRET</b>		HQS FILE NUMBER <b>21 May 1968</b>	
				<b>50-6-74/1</b>	
<b>RI</b>  <b>CHRONO</b>  <div style="border: 1px solid black; padding: 2px;">             ANFW <input checked="" type="checkbox"/>              E <input checked="" type="checkbox"/> <b>WH/1</b>              ABSTRACT <input checked="" type="checkbox"/> <b>1968</b> </div>		<b>ORIGINATING</b> OFFICE <b>WH/1</b> OFFICER <b>Perkins</b> TYPIST <i>cc Perkins</i> EQ. <b>6954</b>			
		<b>COORDINATING</b>			
		OFFICE SYMBOL	DATE	OFFICER'S NAME	
<b>RELEASING</b> OFFICE SYMBOL <b>C/WH/1</b> DATE <b>21 May 68</b> OFFICER'S SIGNATURE <i>W. J. Kaufman</i>		<b>DISPATCH</b>			

S E C R E T  
(When Filled In)

Date \_\_\_\_\_

NOTIFICATION OF PROJECT APPROVAL ACTION  
TO FIELD FINANCE OFFICER

TO: Chief of Station (Base) \_\_\_\_\_

INFO: \_\_\_\_\_

PROJECT: LEADERS \_\_\_\_\_

FAN: \_\_\_\_\_

TYPE OF ACTION:

\_\_\_\_\_ NEW  
\_\_\_\_\_/\_\_\_\_ RENEWAL  
\_\_\_\_\_ EXTENSION  
\_\_\_\_\_ AMENDMENT  
\_\_\_\_\_ TERMINATION AND DATE \_\_\_\_\_

PERIOD OF ACTION: \_\_\_\_\_ AMOUNT 1 \_\_\_\_\_

FISCAL YEAR PROJECT APPROVAL: FY \_\_\_\_\_ FY \_\_\_\_\_

THIS ACTION: \_\_\_\_\_

PREVIOUS ACTION: \_\_\_\_\_

TOTAL FISCAL YEAR PROJECT  
APPROVAL: \_\_\_\_\_

FUNDS AVAILABLE FOR HQS USE: \_\_\_\_\_

FUNDS AVAILABLE FOR FIELD USE: \* \_\_\_\_\_

\*TO BE USED AS A GUIDE FOR DISTRIBUTION OF OBLIGATION AUTHORITY.

S E C R E T  
(When Filled In)

DISPATCH		PROCESSING ACTION
TO:	Chief, WH Division	MARKED FOR INDEXING
INFO:	Chief, SB Division	NO INDEXING REQUIRED
FROM:	Chief of Station, Mexico City <i>W.C.C.</i>	ONLY QUALIFIED DESK CAN JUDGE INDEXING
SUBJECT:	LIEMPTY Project Renewal Request	
ACTION REQUIRED - REFERENCES		
<p>Forwarded herewith and under separate cover by split transmission is a request for the renewal of Project LIEMPTY for the period 1 December 1967 through 30 November 1968. Funds in the amount of \$43,520 are requested for the project year; \$26,205 to be allotted in FY 1968 and \$17,315 in FY 1969.</p> <p>RECORDS OFFICER STAMP</p> <p>The following action is authorized: <i>de - Kago</i> <i>Vincent P. Rizzuto</i> for Willard C. CURTIS</p> <p>Signed: <i>Glenn F. Jones</i></p> <p>R.O. #030 - Unit: <i>W.C.C./K</i></p> <p>Note: If destruction, cite reasons and coordinate if appropriate.</p> <p>Attachment:</p> <p>A - Project Renewal Request, right side (herewith)</p> <p>B - Project Renewal Request, left side (under separate cover)</p> <p>Distribution:</p> <p>2 - C/WH, w/atts. A &amp; B</p> <p>2 - C/SB, w/atts. A &amp; B</p> <p><i>SO 16 NOV 67</i></p> <p><i>1 ATT</i></p> <p><i>50-6-74/1</i></p>		
CROSS REFERENCE TO	DISPATCH SYMBOL AND NUMBER	DATE
	HMAA-33455	8 November 1967
	CLASSIFICATION	HQS FILE NUMBER
	<del>SECRET</del>	50-6-74/1



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30 JAN 1968

MEMORANDUM FOR: Assistant Deputy Director Plans

SUBJECT: Supplementary Appropriation for LIEMPTY

It is requested that the figures in the attached field project renewal be amended and that an additional \$26,205 be approved to cover the period 1 December 1968 through 30 June 1969 in order to carry the LIEMPTY Project to the end of a fiscal year. This sum is identical to that requested for a similar period in 1968 as there is no present justification for projecting any change in the financial requirements. The supplement would bring the cost of LIEMPTY to a total of \$69,725 for 19 months.

by *James S. Estabrook*  
William V. Broe  
Chief,

Western Hemisphere Division

RECORDS OFFICER STAMP

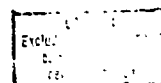
The following action is  
authorized: *as Request*

Signed: *Cecilia P. ...*

R.O. 5050 - Unit *WH/1/R*

Note: If distribution, cite  
reasons and coordinate  
if appropriate.

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MEMORANDUM FOR: Deputy Director for Plans  
SUBJECT : LIEMPTY Project Renewal

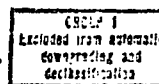
1. Renewal of Project LIEMPTY for the period 1 December 1967 through 30 November 1968 in the amount of \$43,520 is hereby requested. \$26,205 would be spent in FY 1968 and \$17,315 in FY 1969. The project was budgeted for \$45,000 for FY 1968; funds are available within the Division. Estimated costs for the coming project year are a little less than the amount programmed for the previous year and a little more than what was actually disbursed.

2. LIEMPTY is designed to provide physical surveillance of the Soviet Embassy in Mexico City. It covers three nearby properties (two in front of the Embassy's sole entrance and one behind the garden) from which visual and photographic surveillance are carried out by experienced personnel. The project also covers a darkroom where a technician processes the photographs. In addition to collecting this basic information on a primary target, certain of the LIEMPTY personnel are also available for miscellaneous support tasks, such as servicing postal boxes, and running fixed and moving surveillances. The photo truck which comes under the project is used on other targets as well, such as CP members, satellite embassies, and Latin American exiles. One of the basehouses is also used as a radio dispatch point for the LIEMBRACE surveillance team, but this function has been minimized during the past year in an effort to prevent Soviet interception of the signal.

3. a. The Mexican desk asked the appropriate operational component of SB Division for specific comment on the value of LIEMPTY, and received the following:

"This rather unique operation has unquestionably made a major contribution to the increasingly effective Soviet Operations program of the Mexico Station. On the positive side its principal value lies in the identification of the Mexican and

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third national contacts of the Soviets, from which we must select and develop the access agents so vital to our operations against the Soviet human target. LIEMPTY also provides us with a much clearer picture of the inner relationships and activity patterns within the Soviet mission itself, which in turn facilitates effective targeting. The CE value of a LIEMPTY type project as a monitor of real and potential agent contacts is of course obvious. It is important to note that LIEMPTY is not, as might be the case in stations of lesser overall capability, a simple case of photography (or observation) for the record. Rather it is an important facet of a concerted high priority effort to get at and recruit individual Soviets."

b. Station reporting has been in a similar vein. Information produced is largely for operational purposes and we often lack detail as to specific utility in a given situation, although we can produce statistics on numbers of photographs produced and numbers of pages of surveillance notes. It is clear that the FBI is an interested customer and they have received from LIEMPTY a great many reports on American callers at the Soviet Embassy, and valuable support to double agent operations.

c. During a conversation on 8 December 1967, the officer who heads the station's SB section told the branch that LIEMPTY is basic and essential to all of his branch's operational planning, that he "grabs the LIEMPTY material first thing in the morning" and studies it for leads, evidence of which Soviet officers have been in the Embassy and which ones have been away, who has used which car, who has been talking to whom or going out of the building with whom, etc. etc. New additions to the Embassy staff can be tabbed as KGB or GRU by their associates, their activity patterns and the cars they drive. (The I.S. men are often away from the Embassy, while the legitimate FSO's tend to spend more time in their offices. The KGB, GRU and regular diplomatic groups seldom cross lines but stay within their own tight groups.) When

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double agents are turned over from one case officer to a new one, known to them only in alias, we are often able, through surveillance and photographs, to establish the true identity of the new case officer, as was done in the case of AEGIMMICK in the spring of 1967.

4. In assessing the security of the operation, the station assumes that the Soviets realize that they are being watched, as was evidenced by a Soviet officer's trying to shield an FBI-directed walk-in from observation. There have been rumors that anyone entering the Soviet Embassy is photographed, but no allegations that the Americans are doing it have come to our attention; the probable assumption is that the Mexicans are doing this. A former source who lives in the neighborhood was asked on several occasions what he knew about LIEMPTY/6, one of the safehousekeepers, and the Soviets have said they think he is watching them. On the security of the LICALLA safehouse there is a difference of opinion. GERENDE, the outside case officer, thinks the Soviets are aware that they are being observed from this post, but station disagrees and produces good justification for its views, citing the fact that the above-mentioned FBI walk-in was not shielded when led into the back garden which LICALLA overlooks. We have no evidence that Soviet interest is any threat to the operation; rather it may be assumed that they accept the surveillance as a fact of life.

*by Janet V. Esterline*  
William V. Broe

Chief,

Western Hemisphere Division

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## REQUEST FOR PROJECT RENEWAL

PROJECT LIEMPT

CASE OFFICER

Vincent P. Rizzuto  
Vincent P. RIZZUTOSTATION MEXICO CITY

CHIEF OF STATION

Willard C. Curtis  
Willard C. CURTISEXCLUDED FROM AUTOMATIC DOWNGRADING AND DECLASSIFICATION  
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- SIC ATT. #2 & HMMA-33455 - R.S.D. H/W ATT. #1 & HMMA-33455

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PROJECT LIEMPTY

REQUEST FOR RENEWAL

1. CURRENT OBJECTIVES

A. The overall objective of Project LIEMPTY, now in its tenth year of existence, is to collect operational information on the FJSTEAL installation, its personnel and visitors, as well as related targets of opportunity through stationary/mobile photographic and physical surveillance mechanisms. Corollary objectives which are to be fulfilled through use of the LIEMPTY installations, mechanisms and personnel are as follow:

1. To provide detailed operational information pertaining to the daily movements and activities of the FJSTEAL personnel, particularly those individuals of intelligence interest, as well as information on the FJSTEAL physical plant and visitors to the premises.
2. To collect operational information on persons associated with FJSTEAL personnel and on individuals known or suspected to have connections with the FJSTEAL intelligence services or other hostile groups which are inimical to the interests of LNFORT.
3. To provide operational support, counter surveillance and/or other protective services to WOFIRM personnel and operations, as may be levied upon the Station or as may be deemed necessary.

B. The above objectives are to be fulfilled through continued maintenance and exploitation of the LIMITED, LILYRIC and LICALLA basehouses, the LIENTRAP mobile unit, and the services of long-time contract agent, Raymond H. GERENDE. These objectives are in consonance with operational directives and Headquarters requirements as received by Station Mexico City.

C. Throughout the Project year under review, Project LIEMPTY continued to contribute directly and significantly to the fulfillment of Station and Headquarters' requests and requirements for coverage of various targets falling within the above cited framework. During the project year Project LIEMPTY provided nearly all of the operational photographs and physical surveillance reports used in Mexico City Station's operations targeted against the FJSTEAL installation and personnel. Specific examples of the LIEMPTY Project's progress and contributions will be found in Section 3 below (EFFECTIVENESS).

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## 2. CHANGES

A. Operational - Since the institution of the changes described in the previous renewal request, it has not been found necessary or desirable to make further major changes. The following minor changes in operational technique have been made in an effort to obtain continued improvement in the finished product:

1. LIEMPTY-9's proven effectiveness as an observer (see paragraph 3 A (3) below) has enabled us to institute a system of special coverage on specific FJSTEAL personnel of interest, or special coverage of specific time periods of interest. The purpose is to permit the Station to gain greater insights into the activities and personal associations of certain individuals, or in overall activities during a certain time period. No change in LIEMPTY-9's overall working hours has been made; rather, flexibility has been introduced.

2. Flexibility has also been introduced into the handling of LIENTRAP, which is now working more closely with the LIEMBRACE team in order to take greater advantage of targets of opportunity. To this end, LIEMBRACE-1 has been placed in direct contact with LIENTRAP, relieving Raymond H. GERENDE of this responsibility and permitting GERENDE to devote time to MHRVEL activity (see sub-paragraph (3) below).

3. In September and October 1967 GERENDE was employed by the Mexican MHRVEL committee. This position gave him direct access to FJSTEAL and other delegations of interest, and supplemented the Station's MHRVEL program. It is expected that GERENDE will obtain MHRVEL employment again in 1968.

B. Financial - LIEMPTY-4 and -11 were granted salary increases effective 1 July 1967. Memoranda of Oral Commitment were forwarded to Headquarters in HMMA-32584 and HMMA-32585, 20 July 1967. There was no change in the salaries of the remaining LIEMPTY agents.

C. Personnel - None.

## 3. EFFECTIVENESS

Throughout the period under review, each operational component of Project LIEMPTY contributed actively and concretely to the fulfillment of the operational tasks levied on Station Mexico City. High-lights of the accomplishments and the achievements of each component are cited below:

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#### A. Fixed Basehouses

##### 1. LIMITED

Throughout the past project year the LIMITED installations provided daily photographic coverage and physical surveillance of the main gate of the FJSTEAL installation. In addition, the LIMITED base provided for a fixed radio dispatching station which was used to support the LIEMBRACE surveillance team. Due to the stringent security measures instituted in the immediate vicinity of the FJSTEAL installation by local security forces, normal stake-outs by this unilateral team are precluded. However, with the radio dispatching support from the LIMITED radio base, which allows the LIEMBRACE team to work from adjacent safe areas, secure surveillance coverage of this target can be provided. During the 12-month period from 1 November 1966 through 31 October 1967, the LIMITED base provided 1,834 frames of operational photographs. In addition, the LIMITED base provided over 2,500 pages of physical surveillance reports.

##### 2. LILYRIC

During the project year under review, the LILYRIC installation provided extensive photographic and fixed visual surveillance of the front of the FJSTEAL installation. The LILYRIC base provided the majority of the operational photographs produced by the LIEMPT project. During the 12-month period cited in the LIMITED section above, the LILYRIC base provided 12,137 operational photographs and several thousand pages of physical surveillance reports covering the daily movements of all FJSTEAL officers.

##### 3. LICALLA

During the above cited 12-month period, the LICALLA installation provided photographic and physical surveillance coverage of the back of the FJSTEAL installation and its garden and patio area. This coverage provided 4,917 individual photographs as well as numerous surveillance and observation reports. It should be noted that the LICALLA base allows Station Mexico City to observe the FJSTEAL personnel during their off-duty and recreational hours. The LICALLA installation has become the most valuable of the three, not only because of its unique vantage point but also because of the perceptiveness of LIEMPT-9. His surveillance reports have frequently given us valuable insight into personal associations among the FJSTEAL personnel and have enabled us to introduce greater flexibility and effectiveness into the entire LIEMPT operation.

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#### B. Summary of Fixed Basehouse Effectiveness

The fixed LIEMPTY basehouses (LIMITED, LICALLA and LILYRIC) provided approximately 18,888 individual frames of operational photographs during the 12-month period of the past project year. This photographic coverage, linked with the physical surveillance reports prepared by each basehouse, has proven to be a most reliable and viable tool for:

1. Following the daily comings and goings of FJSTEAL personnel and indigenous employees.
2. Confirming the identities of FJSTEAL staffers and their visitors (some of whom are WOLADY citizens).
3. Ascertaining and verifying the relative rank and position as well as indicating the specific intelligence service connection of various FJSTEAL officers.
4. Providing detailed reporting on the movement and habit patterns of selected targets of special interest.
5. Providing physical facilities for the support of various operational, technical and surveillance operations.

#### C. The Mobile Photographic Unit

1. Throughout the period under review, the LIENTRAP mobile photographic support unit was regularly exploited and used by Station Mexico City, not only on the FJSTEAL target, but also for PBRUMEN and Communist Party operations as well as the JMTIGER program. Over 2,000 operational photographs were provided. In addition, the LIENTRAP personnel and unit was used regularly to service and obtain various postal accommodation boxes used by Mexico City, Headquarters and other field stations.

#### D. Raymond H. GERENDE - LIEMPTY Principal Agent

During the period under review, with the exception of short vacation periods, Raymond H. GERENDE, continued in his role as the Project LIEMPTY principal agent. GERENDE operated as the full-time cut-out to the LIEMPTY, LILYRIC and LICALLA basehouses and bore the first echelon agent handling responsibility for the related personnel. In addition, GERENDE

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continued to bear the contact and handling responsibilities of the LIENTRAP unit (until mid-August 1967 - see paragraph 2 A (2) above) and for the operator of the LIEMPTY photographic developing/processing laboratory, LIEMPTY-4. GERENDE's overall operational assignment involved at least 12 clandestine meetings per week, in addition to his meetings with the LIEMPTY Project case officer. It should also be noted that GERENDE made numerous and essential contributions to the sensitive AMROD operation and assisted the Station greatly with his detailed area knowledge in many instances. He is frequently used to make independent investigations and neighborhood checks. As noted above, he contributed significantly to the Station's MHRAVEL program. Finally, he approached, developed and eventually attempted to recruit an agent for use in PBRUMEN operations.

#### E. Overall Effectiveness

As outlined above, each individual operational component of the LIEMPTY Project contributed regularly and significantly to the fulfillment of Station Mexico City's operational program. Based on the continued excellent performance and overall contributions of this project, the Station strongly recommends that this project be continued during the forthcoming project year as an essential element of the Station's operational support apparatus.

#### 4. PROBLEMS AND SECURITY

During the project year under review there were no known incidents which adversely affected the security of Project LIEMPTY or the related personnel.

#### 5. LIAISON AND INTER-AGENCY COORDINATION

Not applicable to Project LIEMPTY.

#### 6. PLANS

A. As noted above, the technical and operational changes made in the past year have been effective and have resulted in a product which is as closely geared to operational requirements as possible. While no major changes are contemplated, every effort will be made to continue to improve the product, including greater use of GERENDE as an independent investigative asset, and as a spotter and assessor of selected agent candidates. Such utilization of GERENDE will be kept compartmented from other personnel of the LIEMPTY project and will normally be handled by GERENDE in operational alias.

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B. The LIENTRAP vehicle has been replaced, and no major changes in personnel or material are contemplated. Salaries of LIEMPTY personnel will be reviewed, and it is foreseen that the rising cost of living will compel us to recommend salary increases for certain of the agents who have not received raises in some time.

## 7. COSTS

A. Past Project Year - Project LIEMPTY was previously approved for the period 1 December 1966 through 30 November 1967 for the amount of 45,000 U.S. currency. Station records indicate that through 31 October 1967, Project LIEMPTY has expended 37,040 in the field. It is estimated that a total of 40,130 will be expended in the entire project year. Bi-weekly accountings with pertinent receipts and/or certifications were submitted by Raymond H. GERENDE to the Station finance officer via the project case officer for all LIEMPTY Project expenditures made in the field. It is estimated that approximately 5 hours of case officer and 10 hours of analyst time is required each week to fulfill the operational, administrative and analytical requirements of this project. (This figure does not include the 40 hour-week put in regularly by Raymond H. GERENDE).

B. During Project Year - It is requested that Project LIEMPTY be approved in the amount of 43,520 U.S. currency for the period 1 December 1967 through 30 November 1968 (this figure represents a slight decrease from the amount programmed for the previous project year). While no large expenditures are anticipated for the replacement of photographic equipment during the forthcoming period, an increase in the rental of the various basehouses may be encountered as well as the above-cited expectation of salary increases. Of the amount requested above, 26,205 dollars should be allowed for fiscal year 1968 and 17,315 dollars for fiscal year 1969. A detailed breakdown of the project expenditure by category and by fiscal year follows:

<u>SALARIES (INCLUDING CHRISTMAS BONUS)</u>	<u>FY 68</u>	<u>FY 69</u>
Raymond H. GERENDE (P/A).....	\$ 7,036	
LIEMPTY-4 (photo lab).....	2,600	
LIEMPTY-6 (LIMITED basehouse keeper).....	3,848	
LIEMPTY-9 (LICALLA basehouse keeper).....	4,160	
LIEMPTY-10 (LIENTRAP operator)..<	4,576	
LIEMPTY-11 (LIENTRAP operator)..<	2,704	
LIEMPTY-13 (Cut-out to LILYRIC)..<	1,664	
LIEMPTY-14 (LILYRIC basehouse keeper).....	1,872	
LIEMPTY-27 (LILYRIC operator)...	1,560	
	<u>\$30,020</u>	
Contingency for possible salary increases.....	2,000	
TOTALS.....	<u>\$32,020</u>	
	\$18,475	\$11,545
	1,000	1,000
	<u>\$19,475</u>	<u>\$12,545</u>

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	<u>FY 68</u>	<u>FY 69</u>
<b>VEHICLE MAINTENANCE</b>		
MV 2606 (GERENDE).....	\$1,000	
MV-2889 (LIENTRAP).....	1,000	
<del>2523</del>	<u>\$2,000</u>	\$ 835
<b>REAL ESTATE (RENT, UTILITIES)</b>		
LILYRIC.....	\$3,200	
LIMITED.....	2,000	
LICALLA.....	1,800	
Photo Lab.....	<u>1,000</u>	
	<u>\$8,000</u>	\$3,335
<b>EQUIPMENT</b>		
Maintenance and replacement of photographic equipment.....	\$ 500	\$ 200
<b>OPERATIONAL EXPENSES</b>		
Purchase of film; rental of post office accomodation boxes; rental of vehicles; contingency fund.....	<u>\$1,000</u>	<u>\$ 400</u>
<b>TOTALS.....</b>	<u><b>\$43,520</b></u>	<u><b>\$17,315</b></u>

C. As in the past, Raymond H. GERENDE will submit bi-weekly accountings for all project expenditures with appropriate receipts or certifications. There will be no requirements for foreign currency beyond the Station's capability to provide.

**8. EMERGENCY CONDITIONS**

A. In the event of civil disorders or the evolution of complete enforced neutrality on the part of the host government, it is now believed that regular operational contact could be maintained with the majority of the active LIEMPTY agents via Raymond H. GERENDE or in his absence, Oliver G. SCANTLING.

B. In the most unlikely event of the establishment of a regime openly hostile to LNFORT, limited contact could probably be maintained with the majority of the active project agents. However, under the circumstances described above, it is highly probable that the activities of this project would be somewhat curtailed.

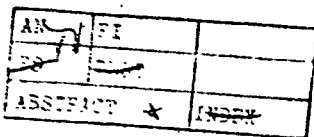
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C. Revised and up-dated emergency contact plans for use with Raymond H. GERENDE and Oliver G. SCANTLING are on file in the Station and at Headquarters (see HMMA-28333, dated 21 February 1966 and HMMA-28252, dated 9 February 1966).

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DISPATCH		CLASSIFICATION	PROCESSING ACTION	
		<b>S E C R E T</b>		
TO	Chief of Station, Mexico City		X	MARKED FOR INDEXING
INFO.				NO INDEXING REQUIRED
FROM	Chief, WH Division			ONLY QUALIFIED DESK CAN JUDGE INDEXING
SUBJECT	<b>Renewal of LIEMPTY</b>			MICROFILM
ACTION REQUIRED - REFERENCES				
<p>This is a reminder that LIEMPTY will be up for renewal on 1 December. Please try to let us have your draft at least a month before that time.</p> <p style="text-align: right;">T.H.B. Theresa H. BACHARDY</p>				
<p>Distribution:</p> <p>2 - COS, Mexico City</p> <p style="text-align: right;">50-6-74/1</p>				
CROSS REFERENCE TO	DISPATCH SYMBOL AND NUMBER	DATE		
	HMMW-15759	1 September 1967		
	CLASSIFICATION	HQS FILE NUMBER		
	<b>S E C R E T</b>	50-6-74/1		
RI Chrono  	ORIGINATING OFFICE: WH 1    OFFICER: N. Perkins    TYPIST: sas    EXT. 6954 COORDINATING			
	OFFICE SYMBOL	DATE	OFFICER'S NAME	
RELEASING OFFICE SYMBOL: AC/WH/1    DATE: 9/1    OFFICER'S SIGNATURE: J. Fisher				
FORM 53 USE PREVIOUS EDITION. MFG 1-66		DISPATCH		

<b>DISPATCH</b>		CLASSIFICATION <b>SECRET</b>		PROCESSING ACTION	
TO Chief of Station, Mexico City		<b>X</b>		MARKED FOR INDEXING	
INFO				NO INDEXING REQUIRED	
FROM Chief, WH Division				ONLY QUALIFIED DESK CAN JUDGE INDEXING	
SUBJECT LIEMPTY Project Renewal				MICROFILM	
ACTION REQUIRED REFERENCES					
Reference: IDMA-30403					
<p>1. The LIEMPTY Project was renewed on 13 January 1967 for the period 1 December 1966 through 30 November 1967 for a total of \$45,000. Of this, \$29,020 is for FY 1967 and \$15,980 is for FY 1968.</p> <p>2. At the Station's convenience, Headquarters would appreciate receiving a sketch showing the exact position of the LILYRIC and LIMITED Basehouses in relation to the target building. We would also like to have a description of LIMOUSINE's new building-- how many floors, how many apartments on each floor, who occupies the other apartments (or stores), and exactly where the LILYRIC base is in the building.</p> <p>3. You are requested to continue reporting any unusual interest displayed by the target in the LIEMPTY Basehouses.</p> <p style="text-align: right;">Elsie I. SCALETTI</p> <p>Distribution: Orig &amp; 1 - COS, Mexico City</p> <p style="text-align: right;">50-6-74/1 23 JAN 1967</p>					
CROSS REFERENCE TO		DISPATCH SYMBOL AND NUMBER HMMW-15157		DATE 18 January 1967	
CLASSIFICATION <b>SECRET</b>		CLASSIFICATION <b>SECRET</b>		NOS FILE NUMBER 50-6-74/1	
RI Chrono		ORIGINATING			
		OFFICE WH/1	OFFICER C. Bustos-Videla	TYPYST nao	EXT. 6954
		COORDINATING			
		OFFICE SYMBOL	DATE	OFFICER'S NAME	
ABSTRACT		RELEASING			
		OFFICE SYMBOL C/WH/1	DATE 1/18	OFFICER'S SIGNATURE W. J. Kaufman	

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STAFF REVIEW OF FI/CI PROJECT				RETURN TO:	
PROJECT		FUNDS		DDP/PG FI-CI Projects	
LIEMPTY		\$45,000		3 C 43	
CASE OFFICER		EXTENSION	ROOM	RECEIVED DDP PG 12 Dec 66	
C. Bustos-Videla		3654	332 Area	FORWARDED 13 Dec 66	
DIVISION	STATION	TARGET AREA		DEADLINE 27 Dec 66	
WH	Mexico City	Mexico		RETURNED	
ACTION		APPROVAL LEVEL		REVIEWING COMPONENTS	
APPROVAL	DIVISION OR STAFF	X FI/OPS	X CI/OPS	CCS	OTHER
GENERAL	CCP				
AMENDMENT	SCI				
EXTENSION					
TERMINATION					
ROUTING OFFICE COMMENTS					
COMMENT FOR INTERNAL STAFF USE (Not to go forward to the Division)					
COMMENTS AND RECOMMENDATIONS (To go forward to the Division)					
<p>The CI Staff concurs in the renewal of this very valuable Project. The Staff strongly urges the Station to continue its close monitoring of Soviet interest in the installation buildings and attempts to obtain information on sensitive project personalities. The Station should devise necessary contingency plans of action to eliminate any security hazards if it is determined that the Soviets are intensifying such efforts and could be getting "too close" to the Project installations, personalities and activities.</p> <p>CC SENT DIV.</p> <p>DATE 16 Dec 66</p>					
DATE		REVIEWING OFFICER			
16 Dec 1966		[Signature]			

FORM 526 USE PREVIOUS EDITION  
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## REQUEST FOR PROJECT RENEWAL

PROJECT: LIEMPTV

CASE OFFICER:

Cornelius L. Peuvion  
Cornelius L. PEUVIONSTATION: MEXICO CITY

CHIEF OF STATION:

Willard C. Curtis  
Willard C. CURTIS

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50-6-74/1

REQUEST FOR RENEWAL

PROJECT LIEMTY

1. CURRENT OBJECTIVES

A. The overall objective of Project LIEMTY, now in its ninth year of existence, is to collect operational information on the LIDERICK installation, its personnel and visitors, as well as related targets of opportunity through stationary/mobile photographic and physical surveillance mechanisms. Corollary objectives which are to be fulfilled through use of the LIEMTY installations, mechanisms and personnel are as follow:

1. To provide detailed operational information pertaining to the daily movements and activities of the LIDERICK personnel, particularly those individuals of intelligence interest, as well as information on the LIDERICK physical plant and visitors to the premises.

2. To collect operational information on persons associated with LIDERICK personnel and on individuals known or suspected to have connections with the LIDERICK intelligence services or other hostile groups which are inimical to the interests of LINTERT.

3. To provide operational support, counter surveillance and/or other protective services to WOFAC personnel and operations, as may be levied upon the Station or as may be deemed necessary.

B. The above objectives are to be fulfilled through continued maintenance and exploitation of the LIMITED, LILYRIC and LICALLA basehouses, the LINTRAP mobile unit, and the services of long-time contract agent, Raymond H. GRENDE. These objectives are in consonance with and represent partial fulfillment of the following sections of the current Related Mission Directive (RMD) as approved for Station Mexico City:

PRIORITY A

Section 1, subsection f

Section 2, subsections b & c

PRIORITY B

Section 1, subsection a

Section 2, subsection a

C. Throughout the Project year under review, Project LIEMTY continued to contribute directly and significantly to the fulfillment of Station and Headquarters' requests and requirements for coverage of various targets falling within the framework of the above cited sections of the RMD. During the last 10 months Project LIEMTY provided the vast majority of the operational photographs (approximately 18,000) and physical surveillance reports (4,000) used in Mexico City Station's operations targetted against

the LIMERICK installation and personnel. Specific examples of the LIMPTY Project's progress and contributions to the RND will be found in Section 3 below (EFFECTIVENESS).

2. CHANGES.

A. Operational - As noted in the previous Request for Project Renewal, the former LIMITED property was sold to LIMOUSINE, who as per formal agreement with the Station, demolished the old structure and constructed a new edifice. While it was initially contemplated to place the LIMITED (LIMPTYs -6 and -7) personnel in the new building and to retain the same, equal division of workload between LILYRIC and LIMITED, it was later decided to move the present LILYRIC basehouse personnel (LIMPTYs-13, -14, -26 and -27) into the new base instead, along with the following ancillary modifications:

An increase in the hours of both the photographic and physical surveillance coverage provided from the new base by the LILYRIC operators (0800-1600 hours) during the weekdays and to have the LIMITED base provide photographic and physical surveillance coverage from 1600-1830 hours on weekdays and from 0900-1300 hours on weekends. These changes were dictated by the following considerations:

1. The new LIMOUSINE building offers a much better vantage point for both photographic and physical surveillance than does the present complex which houses the LILYRIC and LIMITED bases. Therefore, the Station felt that the personnel occupying this new base should be those possessing the highest technical skills and also those able to provide the most thorough and complete coverage. Since the LIMITED base now has only one trained operator while the LILYRIC basehouse has three, the LILYRIC group and a revision of working hours was indicated.

2. Because it was apparent that the coverage of the LIMERICK installation would be a long-range and continuing requirement, the Station desired to staff the new base with personnel of long-range potential. LIMPTY-6, now almost 60 years old, does not possess this potential; however, the LILYRIC agent complex happily combines experienced personnel with youthful agents.

3. Finally, the social and financial status of the LILYRIC personnel is much more compatible and consistent with the environment of the new building than is that of the LIMITED family.

The above-cited revised work schedule was initiated in July 1966 and the actual movement of the LILYRICs into the new base began in late September 1966.

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B. Financial - After a detailed review of the then-existing LIEMPTY agent salary structure, selected agents (LIEMPTYS -6, -9, -10, and -11) were granted salary increases effective 1 January 1966. Formal notification and revised memoranda of oral commitment were forwarded to Headquarters with HQA-26,136, dated 25 January 1966. There was no change in the salaries of the 6 remaining LIEMPTY agents.

#### C. Personnel

1. During the Project year under review, LIEMPTY-6, -9, -13, -14, -26 and -27 were afforded their initial JCSWRL examinations, all with satisfactory results.

2. LIEMPTY-26 was granted an OA effective 29 November 1965 for use as a cut-out to the LIMERICK basehouse (H24N-14177, dated 9 December 1965). LIEMPTY-26 has been actively used during the past Project year for the above-stated purpose.

3. LIEMPTY-27 was granted an OA on 27 July 1966 for use as a part-time LIMERICK basehouse operator (H24N-14757, dated 1 August 1966). While LIEMPTY-27's heavy university schedule has thus far precluded his regular use by the Station, it is anticipated that subject will be regularly employed after the end of the present school term.

#### 3. EFFECTIVENESS.

Throughout the period under review, each operational component of Project LIEMPTY contributed actively and concretely to the fulfillment of the operational tasks levied on Station Mexico City by the RMD and other directives. High-lights of the accomplishments and the achievements of each component are cited below:

##### A. Fixed Basehouses

##### 1. LIMITED

Throughout the past Project year (with the change in working hours noted in paragraph 2 above), the LIMITED installation provided daily photographic coverage and physical surveillance of the main gate of the LIMERICK installation. In addition, the LIMITED base provided for a fixed radio dispatching station which was used continually to support the LIMERICK surveillance team. Due to the stringent security measures instituted in the immediate vicinity of the LIMERICK installation by local security forces, normal stake-outs by this unilateral team are precluded. However, with the radio dispatching support from the LIMITED radio base, which allows the LIMERICK team to work from adjacent safe areas, secure surveillance coverage of this

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target can be provided. During the 9-month period from 1 November 1965 through 30 July 1966, the LIMITED base provided 3,775 frames of operational photographs. In addition, the LIMITED base provided over 1,000 pages of physical surveillance reports.

## 2. LILYRIC

During the Project year under review, the LILYRIC installation provided extensive photographic and fixed visual surveillance of the front of the LIMERICK installation. The LILYRIC base not only provided the majority of the operational photographs produced by the LIMPTY project, but also provided the most detailed physical surveillance reports. During the 9-month period cited in the LIMITED section above, the LILYRIC base provided over 6,500 operational photographs and 3,000 pages of physical surveillance reports covering the daily movements of all LIMERICK officers.

## 3. LICALLA

During the above cited 9-month period, the LICALLA installation provided photographic and physical surveillance coverage of the back of the LIMERICK installation and its garden and patio area. This coverage provided over 3,600 individual photographs as well as numerous surveillance and observation reports. It should be noted that the LICALLA base allows Station Mexico City to observe the LIMERICK personnel during their off-duty and recreational hours.

## B. Summary of Fixed Basehouse Effectiveness

The fixed LIMPTY basehouses (LIMITED, LICALLA and LILYRIC) provided approximately 17,000 individual frames of operational photographs during the first 9-month period of the past project year. Within the last year, this photographic coverage linked with the physical surveillance reports prepared by each basehouse, has proven to be a most reliable and viable tool for:

1. Following the daily comings and goings of LIMERICK personnel and indigenous employees.
2. Confirming the identities of LIMERICK staffers and their visitors (some of whom are WOLADY citizens).
3. Ascertaining and verifying the relative rank and position as well as indicating the specific intelligence service connection of various LIMERICK officers.
4. Providing detailed reporting on the movement and habit patterns of selected targets of special interest.
5. Providing physical facilities for the support of various operational, technical and surveillance operations.

C. The Mobile Photographic Unit.

1. Throughout the period under review, the LIENTRAP Mobile photographic/support unit was regularly exploited and used by Station Mexico City. This unit provided over 1,000 individual photographs and was used in support of Station operations and activities. Of particular value to Station Mexico City and the JETTER program were numerous photographs of local and exile Communist leaders provided by LIENTRAP. In addition, the LIENTRAP personnel and unit was used regularly to service and obtain various postal accommodation boxes used by Mexico City, Headquarters and other field stations.

D. Raymond M. GERENDE - LIENPTY Principal Agent.

During the period under review, with the exception of short vacation periods, Raymond M. GERENDE, continued in his role as the Project LIENPTY principal agent. GERENDE operated as the full-time cut-out to the LIENPTY, LILYRIC and LICALLA basehouses and bore the first echelon agent handling responsibility for the related personnel. In addition, GERENDE continued to bear the contact and handling responsibilities of the LIENTRAP unit and for the operator of the LIENPTY photographic developing/processing laboratory, LIENPTY-4. GERENDE's overall operational assignment involved at least 12 clandestine meetings per week, in addition to his meetings with the LIENPTY Project case officer. It should also be noted that GERENDE made numerous and essential contributions to the sensitive AMIOD operation and assisted the Station greatly with his detailed area knowledge in many instances.

E. Overall Effectiveness

As outlined above, each individual operational component of the LIENPTY Project contributed regularly and significantly to the fulfillment of Station Mexico City's operational program. Based on the continued excellent performance and overall contributions of this project, the Station strongly recommends that this project be continued during the forthcoming project year as an essential element of the Station's operational support apparatus.

4. PROBLEMS AND SECURITY.

During the Project year under review there were no known incidents which adversely affected the security of Project LIENPTY or the related personnel. The only significant problem encountered in the operation and administration of this project stemmed from the physical move of the LILYRIC personnel to the new base in the LIMOUSINE building. Numerous delays arising from the faulty performance of the local contractors and construction crews hampered a timely relocation of this base. However, it is anticipated that the new LILYRIC base will be in full operation by the end of October 1966.

5. LIAISON AND INTER-AGENCY COORDINATION.

Not applicable to Project LIEMPTT.

6. PLANS.

A. As outlined in paragraph 6 of the Station's previous request for the renewal of Project LIEMPTT, a program was undertaken to reequip and modernize the LIEMPTT photographic processing base. During the past year, a significant portion of the equipment used in the developing and processing laboratory was replaced. As a result of this program, negatives and photographic prints of much higher quality are now being produced. Consequently, only minor changes in the operation of the photographic laboratory and its equipment are contemplated for the ensuing period.

B. The present physical condition, mileage and frequent use of the LIEMPTT unit dictates the immediate replacement of this unit. Station Mexico City has received Headquarters approval for the replacement of this vehicle.

C. Other than noted above, Mexico City plans no significant operational, administrative or personnel changes, since it is generally felt that this Project is now operating at its optimum size and in a highly satisfactory manner. After 1 January 1967, the Station will review the existing LIEMPTT personnel salary schedule and consider possible raises, again on a selective basis or specifically keyed to the rising cost of living.

7. COSTS.

A. Past Project Year - Project LIEMPTT was previously approved for the period 1 December 1965 through 30 November 1966 for the amount of \$1,500 U.S. currency. Station records indicate that thus far, Project LIEMPTT has expended \$6,508.13 in the field. It is estimated that approximately 1,500 dollars has been expended by Headquarters, principally in the acquisition of new equipment for the LIEMPTT photographic laboratory. Bi-weekly accountings with pertinent receipts and/or certifications were submitted by Raymond H. GEREDE to the Station finance officer via the Project case officer for all LIEMPTT Project expenditures made in the field. It is estimated that approximately 12 hours of case officer and 5 hours of analyst time is required each week to fulfill the operational, administrative and analytical requirements of this Project. (This figure does not include the 40 hour-week put in regularly by Raymond H. GEREDE).

B. Ensuing Project Year - It is requested that Project LIEMPTT be approved in the amount of 45,000 U.S. currency for the period 1 December 1966 through 30 November 1967 (this figure represents only a slight increase over the amount programmed for the previous Project year). While no large expenditures are anticipated for the replacement of photographic equipment during the forthcoming period, an increase in the rental of the various base-houses will be encountered as well as the above-cited replacement of the

LIENTRAP unit. Of the amount requested above, 29,520 dollars should be allowed for fiscal year 1967 and 15,960 dollars for fiscal year 1968. A detailed breakdown of the Project expenditure by category and by fiscal year follows:

**SALARIES (INCLUDING CHRISTMAS BONUS)**

		<u>FY 67</u>	<u>FY 68</u>
Raymond M. GERENDE (P/A)	\$ 7,000		
LIEMPT-4 (photo lab)	2,600		
LIEMPT-6 (LIMITED basehouse-keeper)	3,900		
LIEMPT-9 (LICALLA basehouse-keeper)	4,000		
LIEMPT-10 (LIENTRAP operator)	4,400		
LIEMPT-11 (LIENTRAP operator)	2,600		
LIEMPT-12 (Cut-out to LILYRIC)	2,200		
LIEMPT-13 (LILYRIC basehouse-keeper)	2,200		
LIEMPT-27 (LILYRIC operator)	2,000		
	<u>\$30,900</u>	<u>\$19,150</u>	<u>\$11,750</u>

**VEHICLE MAINTENANCE**

MV 2606 (GERENDE)			
MV 2279 (LIENTRAP unit replace)		(3,500)	
	<u>\$ 5,000</u>	<u>\$ 4,315</u>	<u>\$ 685</u>

**REAL ESTATE (RENT, UTILITIES)**

LIMITED	3,000		
LILYRIC	1,200		
LICALLA	1,600		
Photo Lab	1,600		
	<u>\$ 7,600</u>	<u>\$ 4,430</u>	<u>\$ 3,170</u>

**EQUIPMENT**

Maintenance and replacement of photographic equipment	<u>\$ 500</u>	<u>\$ 375</u>	<u>\$ 125</u>
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**OPERATIONAL EXPENSES**

Purchase of film; rental of PO accommodation boxes; rental of vehicles; contingency fund	<u>\$ 1,000</u>	<u>\$ 750</u>	<u>\$ 250</u>
<b>TOTAL</b>	<u><u>\$15,000</u></u>	<u><u>\$29,020</u></u>	<u><u>\$15,960</u></u>



C. As in the past, Raymond H. GIERENDE will submit bi-weekly accountings for all Project expenditures with appropriate receipts or certifications. There will be no requirements for foreign currency beyond the Station's capability to provide.

2. EMERGENCY CONDITIONS.

A. In the event of civil disorders or the evolution of complete or enforced neutrality on the part of the host government, it is now believed that regular operational contact could be maintained with the majority of the active LIEMPT agents via Raymond H. GIERENDE or in his absence, Oliver G. SCANTLING.

B. In the most unlikely event of the establishment of a regime openly hostile to LNFORT, limited contact could probably be maintained with the majority of the active Project agents. However, under the circumstances described above, it is highly probable that the activities of this Project would be somewhat curtailed.

C. Revised and up-dated emergency contact plans for use with Raymond H. GIERENDE and Oliver G. SCANTLING are on file in the Station and at Headquarters (see HAMA-28355, dated 21 February 1966 and HAMA-28252, dated 9 February 1966).

Att #1 HAMA-30403

50-6-74/1



ATCH

CLASSIFICATION  
SECRET

PROCESSING ACTION

MARKET FOR PRODUCE

NIR

NO INDEXING REQUIRED  
ONLY QUALITY DESK  
CAN MAKE DECISION

REPROFILES

of Station, Mexico City

Chief, WH Division

SUBJECT  
LIEMPTY Project Renewal

ACTION REQUIRED - REFERENCES

REF: HMMA 27569, 2 November 1965

1. The LIEMPTY Project was approved on 11 February 1966 for the period 1 December 1965 through 30 November 1966 for a total of \$41,500; \$23,520 for FY 1966 and \$15,980 for FY 1967.

2. There were no changes made in the Station's request for renewal, and no recommendations were made by the coordinating and approving authorities.

Elsie I. SCALETTI

Distribution:  
O & 1 - COS, Mexico City

17 February 1966

*Bustos*  
*LIEMPTY*  
*50-6-74/1*

CROSS REFERENCE TO	DISPATCH SYMBOL AND NUMBER HMMW 14343 CS COPY	DATE 21 Feb. 1966
	CLASSIFICATION SECRET	HQS FILE NUMBER 50-6-74/1
RI Chrono  <i>WH/1</i>	ORIGINATING OFFICE WH/1/Bustos-Videla:mep	
	COORDINATING OFFICE SYMBOL DATE OFFICER'S NAME	
	RELEASING OFFICE SYMBOL DATE OFFICER'S SIGNATURE J.H.V. Fisher	
	EXT 4506	

DISPATCH

DISPATCH

CLASSIFICATION

SECRET

PROCESSING ACTION

TO Chief, VII Division

INFO

FROM

Chief of Station, Mexico City

SUBJECT

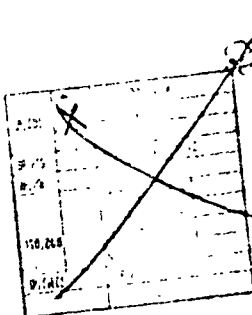
LIBERTY Project Renewal Request

ACTION REQUIRED - REFERENCES

Action Required: See paragraph 2.

1. Station Mexico City's Project LIBERTY expires on 30 November 1965. Forwarded herewith and under separate cover in split transmission is the Request for Renewal of Project LIBERTY.

2. It is requested that Project LIBERTY be renewed for the period 1 December 1965 through 30 November 1966 in the amount of \$41,500. Of this total, \$25,520 should be allotted for FY 1966 and \$15,980 for FY 1967.



for *Cornelius P. Pearson*  
Willard C. JUSTIS

RECORDS OFFICER STAMP

The following action is authorized: *ac - Kayak*

Signed: *Olivia P. Jones*

R.O. (100) - Date: *10/11/65*

Note: If necessary, cite reasons and coordinate if appropriate.

Attachment:  
Left hand side h/w  
Right hand side u. s. c.

Distribution:  
③ C/WHD w/att h/w & u. s. c.

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50-6-74/1

CROSS REFERENCE TO

DISPATCH SYMBOL AND NUMBER

121A-27569

DATE

2 November 1965

SECRET

CLASSIFICATION

FILE NUMBER

50-6-74/3