

Historian's Note

This paper covers activities of the CIA station in Mexico City and bases in Monterrey, Nogales, and Merida from 1947 to 30 June 1969. While research on this paper was being done from late 1969 to mid-1970, some projects of long duration were terminated for security or economic reasons. In those instances, the descriptions of these activities [ 27, 07 ]

Because the paper is not indexed, the table of contents contains a detailed synopsis of each chapter. The reader will note some repetition of operational events in the text. There is a reason for this. Chapters I and II were an effort on the part of the writer to reduce to a reading minimum a chronological summary of the origins of CIA operations in Mexico from 1947 to 1969 for persons who do not have the time or the need to read several hundred pages of station history. Subsequent chapters treat the projects in more detail.

For the convenience of the reader, the writer has grouped together those projects which pertain to

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In August 1958, Ambassador Robert C. Hill brought Winston M. Scott, COS, into contact with a confidant of former President Miguel Aleman in order to discuss Communist activities.

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This led to a productive and effective relationship between CIA and select top officials in Mexico which proved to be of substantive value to both.\* The relationship between Scott and top

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Mexican Government officials was in essence, a political one. It became an unofficial channel for the exchange of selected, sensitive political information which each government wanted the other to receive but not through public protocol exchanges. Ambassador Hill and his successor, Thomas C. Mann, gave their blessing to this relationship but Fulton Freeman, who replaced Mann in 1964, felt that he should be the one to confer [ 24 ]

] on sensitive political matters.\*

The [ 24, 01 ] was successful as a producer of positive intelligence and was considered by Headquarters as a "model" for imitation by other stations, particularly in the area of efficient processing and exploitation of [24] take. The reason for this success was the presence of staff agent Arnold F. AREHART, [ 24 ] . This assignment was vital to the [ 24 ] ] in this operation which cost [ 24 ] for the installation. Even with AREHART's presence, there was petty theft of equipment and periodic laxity in processing the [ 24 ]

\* See VI. Relations with the US Embassy.

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[ ] This project initially evolved around a senior [27] agent (Jeremy K. BENADUM) who resigned from that organization in Mexico and was recruited by CIA in November [09] BENADUM had been in the [ 24 ] in Mexico since [07] and was the assistant [ 08 ] During that time he was responsible for [ 24 ] He knew [ 06, 08 ] but he knew his nephew, [ 06 ] even better. BENADUM and [06] were godparents to each other's children. BENADUM had hired [06] when he was a messenger

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in his uncle's [ 06, 08 ]  
 BENADUM proposed to bring his sources with him  
 when he was hired by the station. It was expected  
 that through BENADUM and [ 06 ] (LI[ 01]-1), the  
 station could develop an effective penetration of  
 the [ 24 ] As it developed, both  
 BENADUM and LI[ 01]-1 were so self-seeking that  
 the project floundered for lack of management and  
 initiative. It became a network of 11 fairly un-  
 productive and expensive agents until October 1963  
 when \$10,000 of fat was cut from the budget. It  
 did provide the station chief covert access to [ 06, 06, 08 ]

Through the LI[ 01 ] Project, the station sub-  
 sidized the [ 24 ] by  
 providing [ 24 ]  
 and a monthly payment of \$400 for salaries of two  
 additional bodyguards. The LI[ 01 ] Project also  
 operated a concealed [ 08 ] camera at the inter-  
 national airport which was used to cover travelers  
 from Cuba. In 1965 at the request of [ 06 ]

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