

CIA HISTORICAL REVIEW PROGRAM
RELEASE AS SANITIZED

2003

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EYES ONLY~~

4 May 1954

MEMORANDUM FOR: Mr. []

SUBJECT : Progress Report - PBSUCCESS For the Period 27 April -
3 May 1954

- I. Operational - The following events of operational significance occurred during the reporting period:
- A. Mrs. Catherine TAAFFE, an American arms dealer, appeared in Guatemala and talked with President ARBENZ and Lt. Col. MEDINA. She subsequently wrote a letter to her husband in New York instructing him to purchase aircraft from Sweden for a dissident group of Guatemalan Army leaders, headed by Col. SANCHEZ, Guatemalan Minister of Defense, and MEDINA, both of whom are reportedly planning to overthrow the Guatemalan Government and eliminate the Communists. The FBI has been alerted to note all contacts made by Col. TAAFFE in the U.S.
 - B. In regard to the HEGARTY cover matter, cover company officials informed [] that they would take prompt action to relieve the present situation which was so confining to HEGARTY's activities. The new directive by the cover company will allow HEGARTY to have more freedom of movement and permit him to make more outside contacts. However, the cover company officials warned that HEGARTY may possibly be kept under surveillance at the request of his local chief.
 - C. [] USAF, returned to Washington on 30 April 1954, from Guatemala where he is unofficially persona non grata. CHAVEZ's debriefing is currently in process.
 - D. Lincoln has requested that [] make arrangements to travel to Lincoln for a period of approximately 45 days in connection with paramilitary planning for El Salvador and Honduras.
 - E. It has been suggested by Lincoln to [] that President SOMOZA may be using the PBSUCCESS operation as a cloak for a move by his country against Costa Rica.
 - F. During the reporting period, nine black flights were completed without incident, 8 of which carried gear for [] and 1 carrying communications gear for Sherwood.
 - G. Information has been received to the effect that [] will continue to co-operate with PBSUCCESS.

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- H. A staff agent has finalized plans for a trip to [] where he will attempt to obtain information and/or the co-operation of an individual who is related by marriage to President ARBENZ.
- I. The Costa Rican Minister of Public Security told [] [] on 28 April of reports concerning a military training site near [] [] He further indicated that there were rumors of possible Nicaraguan attacks on both Guatemala and Costa Rica. [] [] assured the Minister that the U.S. would not stand by and see Costa Rica attacked; he concluded by stating that an investigation of the matter would be made. It is believed that the training site in question is Saranac which is now closed.
- J. A report from Guatemala indicated that the Guatemalan Government plans to round up allopposition leaders during the first two weeks of May. General uneasiness continues in Guatemala, and threats have been made that Government censorship will be imposed on all radio programs.

II. Administrative Support

A. Logistics

1. Arrangements were completed by Chief, Administration, DD/P and AMD for the assignment of one C-47 aircraft to PBSUCCESS for use in connection with air operations from FJHOPEFUL, chief
2. One additional crew/is being cleared for assignment with present sterile crews now conducting air operations from FJHOPEFUL. Subject was recruited by AMD from the West Coast. A contract covering services has been prepared, the terms of which are substantially the same as for the Cat crew chief.
3. The matter of reimbursement to [] [] for support of Station Lincoln was resolved. A sum of [] [] was transferred to [] [] to cover current charges of \$1700 and future requests made by Lincoln.

B. Personnel

1. []

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2. Chief, WHD, has approved all promotions recommended by Lincoln, with the exception of two. The comments of CWH have been forwarded to Chief, Administration, DD/P for review.

JACOB D. ESTERLINE

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