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Memorandum

TO: DIRECTOR, FBI (105-89392)  DATE: 4/19/68

FROM: SAC, MIAMI (134-1498)(P)

SUBJECT: BALTASAR AMELIO RUFO ARROYO de LLANO, aka-

IS - CUBA (OO: Miami)

 Classified by: QADR

Declassify on: QADR

Re Miami airtel 2/21/68; Phoenix letter 3/29/68.

It is noted that information furnished by CESAR

DIOSDADO, U. S. Customs, San Luis, Arizona, on March 26, 1968,
regarding his association and relationship with BALTA-

SAR ARROYO is completely at variance with that furnished by Miami
Agents, and also at variance with that information furnished
in signed statement by BALTASAR ARROYO.

It is known to the Miami Office that CESAR DIOSDADO
was transferred several years ago to Key West, Florida, from
Laredo, Texas, as a disciplinary measure after DIOSDADO per-
jured himself in U. S. District Court at Laredo. Because of
this, and his generally bad reputation among all law enforce-
ment officers in the Key West area, it is not felt that credence
should be given to statements made by DIOSDADO.

The Miami Office does not recommend Bureau's making
protest to U. S. Customs regarding DIOSDADO's failure to
furnish the complete facts of this matter to the Miami Office.
Customs appears also to have had problems in the past with
DIOSDADO, and it is believed that his transfer to San Luis
was for the purpose of rectifying an embarrassing situation
for Customs. Because of this, it is not felt that a protest
at this time would serve any useful purpose.

One copy of this communication is being furnished
to the Phoenix Office for their guidance in future contacts
with DIOSDADO.
Memorandum

DIRECTOR, FBI (105-89392)  

DATE: 3/29/68

FROM: SAC, PHOENIX (134-467) (RUC)

SUBJECT: BALTASAR AMELIO RUFO ARROYO DE LLANO, aka PSI IS - CUBA OO: Miami

Re: Miami airtel to the Bureau, 2/21/68, and Bureau airtel to Miami and Phoenix, 3/5/68.

On March 26, 1968 CESAR DIOSDADO, U. S. Customs, San Luis, Arizona, furnished the following information concerning BALTASAR ARROYO:

DIOSDADO denied that ARROYO was a long-time source of his, but stated that he has known about ARROYO since 1957; that in the normal course of his business to detect illegal smuggling of arms to Cuba he picked out ARROYO as a prime suspect and endeavored to make friends with him over a period of several years.

DIOSDADO stated that one MARIO MATO (now deceased) and BALTASAR ARROYO were meeting all the boats and planes between Cuba and the United States. It was DIOSDADO’s opinion that they were the link between Cuban and U. S. sources in the smuggling business from the U. S. to Cuba.

DIOSDADO stated that he does not believe that ARROYO can be trusted; that the opportunity for a working relationship with ARROYO did not present itself until the latter came to him in September, 1967 as he remembers; ARROYO stated that HORACIO VELIZ PEREZ had contacted him as an agent for the Cuban Government. When asked why ARROYO came to him, DIOSDADO, in this matter instead of to the FBI, DIOSDADO stated that he doesn’t know, except that ARROYO would have known that he, DIOSDADO, was an officer of the Government of the United States and had been checking on Cuban smuggling activities for a number of years in the

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Key West area. When ARROYO was suggested to DIOSDADO that ARROYO may have suspected him as being connected with CIA, DIOSDADO became obviously coy about this thought and changed the subject immediately.

DIOSDADO stated that when ARROYO first told him about his contacts with VELIZ PEREZ he felt that ARROYO was "playing both sides of the fence," trying to determine for himself whether the United States or Cuba had him under surveillance. DIOSDADO advised that he immediately brought ARROYO and VELIZ PEREZ to the attention of Special Agents of the FBI in view of the Cuban Intelligence aspect of the presence of VELIZ PEREZ and ARROYO in Key West. DIOSDADO premised this statement on the assertion that ARROYO was a prime suspect in the smuggling of arms to Cuba, and at the same time ARROYO was endeavoring to stay in good graces with United States authorities.

Concerning the background of the ARROYO and VELIZ PEREZ relationship, DIOSDADO stated that he knew very little; that according to ARROYO, VELIZ PEREZ, a printer by trade, came to the United States in about August, 1967 and immediately made contact with ARROYO under the instructions of the Cuban Government. VELIZ PEREZ has some blood relationship with a young woman by the name of GLORIA HACES, or HASES, or ACES, who came to the United States in 1965, and operates a beauty parlor in the Du Pont Plaza Hotel in Miami. Reportedly a contact of VELIZ PEREZ is a Mrs. HERRERA, the owner of a small corner grocery at 1st Street and the water front in Key West, Florida.

DIOSDADO was asked if he could furnish any identification of GILBERTO BLANCO and RAFAEL GONZALES DUANY. He answered in the negative and said they were not known to him. DIOSDADO was adamant in his assertion that all the information he had about ARROYO was furnished to Special Agents of the Miami Office of the FBI prior to his transfer from that area.