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PROJECT OUTLINE

CRYPTONYM AEACRE

HEADQUARTERS CASE OFFICER:

AREA DIVISION SR

[]
Deputy Chief, SR/7/DOB

STATION Domestic Operations Base

Room No. 2061 J Building

Extension: 8701

Date: 1 July 1956

The attached project outline is presented for renewal/amendment.

[]
Chief, SR/7

[]
Chief, SR Division, FI Staff

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3828
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2007

[]
Chief, SR Division

11 September 1956
DATE

CONCUR: []
Chief, FI/OPS

1 November 1956
Date

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MEMORANDUM FOR: Chief FI, DDP

FROM : FI Staff, SR Division

SUBJECT : Request for Renewal of Project AEACRE
for the Fiscal Year of 1957

REFERENCES : A. Renewal Request, Project AEACRE for FY 1956.
(Contains project background information, plans,
Administrative Plan and budget.)

B. Memorandum from C/FI Plans to C/FI, dated
12 January 1956. Subject: AEACRE Renewal.

C. Memorandum for the Record by William F. Donnelly,
FI/Plans/Projects Branch, dated 12 January 1956.

D. Memorandum from C/FI Plans to C/FI, dated
19 January 1956. Subject: Project AEACRE
Renewal. Additional Functions performed by
subject project.

E. Memorandum from C/FI to DDCI, dated
20 January 1956. Subject: Project AEACRE
Renewal. This memorandum bears DDCI approval
of the renewal of Project AEACRE for FY 1956.

I. Introduction

A. This memorandum represents the renewal request for Project AEACRE for the fiscal year period of 1 July 1956 to 30 June 1957.

B. There are no significant changes contemplated in the REDSOX operational concepts, scale of activity or plans as set forth in the attached, previously approved project. (See Reference "A") The basic purpose remains the same, namely:

1. The establishment of an agent spotting network, both in the United States and abroad.

2. The establishment of facilities for the operational assessment of agents, both in the U.S. and abroad.

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3. The establishment and maintenance of a small, specialized organization and minimum facilities for the planning and execution of approximately four to six REDSOX operations yearly.

4. The establishment, maintenance, and training of a limited cadre of action agents for "Hot War" use.

5. The provision of operational support for other SR Division activities as directed by C/SR.

C. The major difference between the AEACRE Project as approved for FY '56 and this request for renewal for FY '57 is chiefly budgetary. The new SR Division Table of Organization approved effective 1 July 1956, provides for the payment of SR Division staff personnel assigned to the Domestic Operations Base (DOB). These staff personnel had previously been paid out of AEACRE Project funds. All contract personnel assigned to DOB will, however, continue to be paid out of AEACRE funds.

D. The previously approved administrative plan is presently undergoing revision to incorporate both those changes recommended by the I&R Staff and those required as a result of the changes in the nature of DOB operations which have taken place since the plan was originally approved in 1952.

II. Present Status of Project

A. General

1. As a result of a recent SR Division reorganization, SR/7/DOB was converted into a functional organization charged with the responsibility for all SR REDSOX operations against the Soviet target area. This represents a radical departure from the pattern of activity which characterized DOB before FY '56. In the past, DOB merely provided operational and training support of REDSOX operations which were originated and planned by the five SR Division geographical branches.

2. Re-establishment of the REDSOX activity after three years of relative inactivity has not been without its problems. Working as such a relatively unique functional organization, with both staff and service/operational responsibilities, SR/7/DOB has experienced many growing pains. REDSOX personnel still daily contend with past prejudices against REDSOX operations both at Headquarters and abroad. Cooperation [] [] was not always been expeditious or enthusiastic. However, despite the difficulties encountered, SR/7/DOB has progressed far in the assessment

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of its problems and in the implementation of REDSOX operations both at Headquarters and in the field. The goal of Chief, SR/7/DOB has been to build and maintain compact modest specialized organization, whose trained cadre could be readily expandable in a national emergency, while accomplishing necessarily limited FI, service/support and "Hot War" functions. Though now more difficult and expensive, REDSOX operations are still possible and remain a necessary part of the SR Division's clandestine program.

3. DOB now possesses the following assets:

(a) PERSONNEL The personnel now assigned to DOB total 38 staff personnel (assigned against a ceiling of 42 staff employees) and 17 contract personnel broken down as follows:

(1) Staff Personnel

Chief * (Military) Not charged to the DOB T/O - Occupies an SR/7 slot.	
DC/COP/DOB (Who also functions as a case officer)	1
Admin/Assistant	1
Security Officer	1
Finance Officer	1
Logistics	4
Spotting, Assessment and Recruiting	3
Training/Ops Support * (2 military)	9
Case Officers * (1 military)	8
Secretaries	4
Guards (enlisted military)	65
Total	<u>38</u> 37

(2) Contract Personnel

Contract Agents	8
Contract Secretary/Typist	1
Contract Agent Spotters	1
Contract Agent Safehousekeepers	<u>7</u>
Total	17

(b) REAL ESTATE DOB now occupies its new offices which are more conveniently accessible to Headquarters. The real estate presently held consists of:

Covert DOB Hqs. Building	1
Covert Contract Agent Cover Office	1

Safehouses (Against five safehouses previously authorized)	3
Safe apartments (two safe apartments previously authorized)	1

(c) TRANSPORTATION DOB presently has the following transportation:

Station Wagons	12
Sedans	4
Truck five ton	1
GMC Carryall 3/4 ton	1
Total vehicles	<u>18</u>

4. In addition, DOB maintains duplicate message centers at the DOB Covert Headquarters building and at "J" Building. It also must preserve the physical security of all its own installations; render the same financial accountings and maintain an equivalent logistics set-up, and furnish all its installations and provide expendable and non-expendable support/equipment for all its activities.

5. Every effort has been made not to duplicate existent CIA support facilities. Because of the complexity and security aspects of REDSOX agent procurement and training, DOB has been unable to utilize many overt CIA facilities. Security and the necessary compartmentation have precluded the use of most CIA covert training installations. Each REDSOX operation is different due to the area of operation, and the mission and training required. Indeed, experience has shown, and a recent management survey has confirmed, that the peculiarities of each REDSOX operation require an organization possessing flexible facilities and specialized training support.

B. Training

1. SR/7/DOB, since its establishment in 1951, has been responsible for agent training for all SR Division components. Whenever it was operationally feasible, expeditious, security allowed, or when support elements have had the capability, SR/7/DOB has utilized the training support of OTR, TSS, and the clandestine Medical Services for agent training. In many cases the actual training was done by the above mentioned Agency components and only scheduled, coordinated, and supervised by the SR/7/DOB training section.

2. During FY '56, the above was the case in the following SR Division agents which were, for the most part, trained by OTR and TSS.

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<u>PROJECT</u>	<u>AGENT PSEUDO OR CRYPTO</u>	<u>TYPE OF AGENT</u>	<u>TRAINING REQUESTED BY</u>	<u>RESULTS</u>
AETEDDYBEAR	Theodore D. Mousso	P. A.	SR/4	SATISFACTORILY COMPLETED
AESTELLA	Harold L. Garinger	P. A.	SR/5	TRAINING DISCONTINUED
AETEDDYBEAR	Hobart W. Sedran	P. A.	SR/4	SATISFACTORILY COMPLETED

3. During FY'56, DOB trained the following agents for various components of the SR/Division and DD/P with only incidental support from OTR and TSS:

<u>PROJECT</u>	<u>AGENT PSEUDO OR CRYPTO</u>	<u>TYPE OF AGENT</u>	<u>TRAINING REQUESTED BY</u>	<u>RESULTS</u>
AEROOT	Rudolf D. Smullord Perry N. Jungwirth	Long term REDSOX Residents	SR/2	OPERATION CANCELLED
AESAURUS	SHUBA 250 SHUBA 206	P. A. P. A.	SR/3	SATISFACTORILY COMPLETED
AEPATERSON	Walter Fischer	P. A.	SR/3	SATISFACTORILY COMPLETED
THUNFOLD	Norris K. Umphlet	P. A. Action SE Div. Agent		SATISFACTORILY COMPLETED

C. DOB PROJECTS

Under the new REDSOX functional concept which became effective only after 1 September 1955, SR/7/DOB undertook the initiation of its own REDSOX projects. Though hindered by the prevailing shortage of competent staff and support personnel, the following projects were undertaken:

1. Project AESCOUTER: This operation is a joint Norwegian Intelligence Service/CIA effort entailing a maritime penetration of the Northwestern USSR for the purpose of gathering photographic intelligence on a high priority Soviet airfield. The training of two Norwegian citizens recruited by the NIS and of one NIS case officer has been completed successfully. In/exfiltration will be by maritime means with an alternate overland exfiltration possibility. The operation will be mounted in the late summer of 1956, as soon as darkness conditions permit.

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2. Project AECANARY: This was a double-agent operation which was mounted by SR/CE for the purposes of build up, and the acquisition of CE information and incidental FI information. For the purpose of REDSOX verisimilitude, SR/7/DOB assessed, trained, and dispatched the agent as a normal REDSOX border crossing agent. This agent's preparation presented many unique handling, training, and security problems. He was dispatched across the Turkish/USSR border early this summer. AECANARY successfully infiltrated and this operation is now being handled by another SR Division component.

3. Project AENICKLE: In concept, this operation represented a shift in approach in REDSOX operations. It was an attempt to use a recent young Soviet Army defector for the purpose of recruiting a Soviet citizen in place. The Soviet to be recruited was an engineer in a Moscow jet-aircraft engine plant, and a friend of the agent's father. The agent, AENICKLE, was declared a bona fide defector by DRC on 8 September. He was favorably reassessed and repolygraphed by field case officers prior to his movement to the U.S., by HBELECTOR flight. As is standard DOB practice, he was reinterrogated and assessed on his arrival at DOB. The interrogation revealed hitherto undiscovered discrepancies in this agent's story. This agent is presently being further interrogated by SR/7/DOB and SR/CE personnel. The Office of Security, the CI Staff and the FBI have been advised.

4. Project AEDRIFTER: This is an approved project developed by DOB to provide balloon equipment and facilities in IRAN for the purpose of infiltrating agents into the Soviet Union from IRAN. The project is being implemented in IRAN by one SR staff officer with the knowledge and consent of the Shah of IRAN.

5. Project AEPISTOL: This is a joint IRANIAN IS/CIA low level border crossing project being run in IRAN. This project was developed with AEACRE funds and supported from Headquarters by DOB case officers. The purpose of the project is to gather operational intelligence and establish a clandestine apparatus in the Soviet Turkmen area East of the Caspian Sea. Two agents have already been recruited, trained and dispatched. They have successfully exfiltrated and are presently being debriefed in the field.

6. Project Turkish REDSOX: At the request of the Turkish Intelligence Service and the [redacted], DOB is supporting five REDSOX operations now being mounted or run by the Turkish Intelligence Service. Support consists mainly of documentation, legends, operational and area briefing, clothing, and limited finances. DOB case officers worked on this project both at Headquarters and on TDY in the field. The operations should be instrumental in producing some vitally necessary recent documents from the Georgian SSR, together with some operational and positive intelligence. (Recent Soviet internal document exemplars are

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greatly needed as the currently available documentation for the Caucasus Republics will become invalid at the end of 1957). One two-man team has recently successfully exfiltrated. Full reports of results have not been received at headquarters.

7. Project AERODYNAMIC: DOB has recently submitted a revised FI version of this project which formerly also incorporated PP and CE functions. AERODYNAMIC has been an active SR project for the past seven years and supported the dispatch of all REDSOX agents into the Soviet UKRAINE. It provided financial support for the mechanism by which pouched material was brought out by underground couriers, and provided the intelligence community with information of Ukrainian underground activities; the structure, aims and personalities of the UKRAINIAN INSURGENT ARMY (UPA); and the underground government, the UKRAINIAN SUPREME LIBERATION COUNCIL (UHVR). DOB has taken the initiative to resuscitate the REDSOX portions of this project. Recent conferences between DOB personnel and foreign representatives of the UHVR have provided the basis for the establishment of a spotter network among this emigre organization's membership. The UHVR keenly feels the need for reactivating some of their internal contacts in the Ukrainian underground.

8. Project AEPRIMER: This project is an outgrowth of the combined AEQUOR/FI and PP program directed at the Byelorussian SSR. To separate the FI and PP ventures and to conform realistically to the new SR/7/DOB REDSOX mission directive, the FI function of the AEQUOR project was isolated and renamed AEPRIMER. The purpose of Project AEPRIMER is to develop and maintain a system of covert contacts within the Byelorussian emigration whose sole mission would be to spot and obtain information on potential REDSOX action-type candidates; to recruit and assess the reported candidates for missions against priority targets; and later, through appropriate amendments to the basic project, to conduct, expand and support clandestine intelligence operations within the Byelorussian SSR. The earlier version of AEPRIMER, AEQUOR/FI, was responsible for the dispatch of five action agents into Byelorussia and established a working relationship with the leading Byelorussian emigre organization for the continuation of clandestine activities.

9. Project ALOPECIA: This cryptonym has been given to a singleton contact in Brazil operating among the Ukrainian emigres. It is anticipated that his activities for FY '57, will be expanded to include all of South America, making him the focal point for the spotting and preliminary assessment of any action-type candidates which could be used in the Ukrainian REDSOX operations. It is further anticipated that this man will be brought to the United States during this fiscal period for assessment and training to prepare him better for his job.

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10. Project AECUPBOARD: This is a pilot project for which FI approval was recently requested. It is an attempt to set up an overt package mail channel with persons in the Soviet Union. By tapping going correspondence with persons who were active in the old Ukrainian underground movement, it is hoped that eventually material, funds, and instructions can be sent in to persons in the Ukrainian SSR. Eventually safehouse and reception facilities might be established through this channel for the support of REDSOX and other SR Division operations in the area.

D. Agent Spotting, Assessment and Recruitment:

1. Though DOB presently has only three staff personnel assigned exclusively to its spotting and assessment activities, plans are underway to employ a few additional contract personnel both here and abroad for this purpose. It would be a mistake to leave the impression that only two staff officers work in spotting and assessment and recruitment activities as all DOB case officers actively participate in finding suitable agents for their operations. And in fact, DOB spotting and assessment activities have not been devoted to REDSOX activities alone. Many likely candidates for other SR Division activities have been spotted and assessed as the figures below will indicate. During FY '56, the following activity was accomplished in this connection:

TOTAL NUMBER OF SPOTTING TRIPS (U. S.)	29
TOTAL NUMBER OF INTERVIEWS (U. S.)	41
TOTAL NUMBER OF REDSOX ASSESSMENTS	7
TOTAL NUMBER OF ASSESSMENTS FOR OTHER SR DIVISION USE	9
TOTAL NUMBER OF REDSOX CANDIDATES INTERVIEWED (GERMANY)	10
TOTAL NUMBER OF REDSOX AGENTS RECRUITED	4

2. In the past, the vast majority of REDSOX agent candidates were recruited from that variegated mass of World War II displaced persons of Slavic origin located in Europe. Various authorities have estimated the number of World War II, DP's of Slavic origin at approximately 2,000,000. As a result of post-war migrations the majority of such DP's now reside in Germany, Belgium, France, Canada, the U.S., South America and Australia, with lesser numbers located in Sweden, Switzerland, Italy, and Iran. Thus, the search for suitable candidates has of necessity become world-wide and expensive. Tapping these pools of potential agent candidates presents unique problems in each area. It must also be recognized that because of World conditions particularly, the "Geneva Spirit," and

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with the passage of time, the ideological motivation to personally and actively participate in the anti-communistic struggle is definitely on the wane. Many of the potential agent candidates have been absent from their mother countries from 12 to 14 years. Many of those who are still qualified or willing to take on a rigorous REDSOX operation are no longer physically qualified. Family responsibilities hamper others. The Soviet "RETURN to the HOMELAND" Propaganda campaign has induced many others to return. Thus, DOB has been forced to offer greater inducements, financial and otherwise, in order to get the better agent candidates.

3. Spotting in the U.S.

(a) Of the approximate 366,000 DP's residing in the U.S., the majority have integrated very well, both socially and economically. Thus, the pool of potential candidates are reduced to those who could not integrate for some reason; those adventurously inclined; those few still strongly motivated to do something personally in the anti-communist struggle; or that mercenary lot who are merely financially motivated.

(b) To tap this pool of U.S. potential candidates, DOB utilizes the contacts of other CIA organizations, notably the facilities of the OO Division. Through the [] regional offices of OO, DOB has been very successful in locating many likely candidates. However, it was early apparent that due to its charter and overt nature, OO was necessarily limited in its spotting activities. Plans are now underway to station DOB agent spotters in the three population centers of the U.S., N. Y., Chicago and San Francisco to work out of these OO offices and to make for a more coordinated, economical and efficient effort.

(c) Many other leads have been forthcoming through various other government agencies such as the Immigration and Naturalization Service (I and NS). I and NS now furnishes DOB with ships manifests of all new DP's arriving in the United States. This body of new arrivals is especially attractive as the lists can be quickly reviewed and the potential agents contacted before integration in their new milieu.

(d) There are many church organizations and voluntary organizations engaged in the resettlement of DP's. No fewer than ten such large organizations maintain offices both here and abroad. DOB recently microfilmed the files of the New York office of the Tolstoy Foundation, adding 15,000 names and biographical summaries of people to be screened for agent material. An analysis of the Tolstoy Foundation indicates that its offices may possibly provide cover for spotting activities in South America, Europe and the Middle East.

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(e) Where possible, part-time spotters are used in the U.S. for short periods of time. These part-time spotters are either paid or unpaid, and often have church or emigre organization affiliations.

(f) Emigre organizations such as the Ukrainian AECASSOWARY organization and the Byelo-Russian AECAMBISTA organization have branch offices in many of the DP centers in the U.S. and abroad. As a result of recent discussions with both these organizations, we are optimistic that we may again tap a source of highly motivated idealistic agents, who are dedicated to the anti-communist struggle.

4. Spotting Abroad

(a) In Germany, the spotting of likely agent candidates should be greatly facilitated due to the size of the CIA Station complement and the recent occupation. The great task in Germany is not finding enough candidates as extensive lists exist in emigre organizations, U.S. Consulates and resettlement organization files. Rather, the task will be one of quickly filtering the desirables from the impossibles and eliminating the Soviet RIS/KGB provocateurs from the bona fide candidates.

(1) A recent perusal of the U.S. Consulate files in Munich by a DOB case officer, indicated approximately 5,000 applicants for U.S. citizenship were rejected in the past four years for various reasons. These rejectees offer a fruitful field for REDSOX recruitment because successful fulfillment of a REDSOX operation could result in their gaining entrance to the U.S. under Public Law 110 and provide sufficient funds for resettlement. These DP's realistically understand that U.S. citizenship can now come only on a quid pro quo basis.

(2) Despite communications to the field, supplemented by personal visits by DOB staff personnel, the CIA German mission has been notably unenthusiastic and uncooperative in their support of REDSOX spotting, assessment and recruitment efforts in Germany. Our problems there are chiefly a shortage of REDSOX manpower available to do the job. True, a great deal can be done by contract agents. However, slots for at least two (2) REDSOX staff officers in Germany is necessary and desirable.

(b) In Belgium, Paris and other European centers, the spotting and assessment could be done in three ways:

(1) Through contract agents stationed in Tolstoy Foundation offices.

(2) Through extension of the efforts of REDSOX staff officers and contract agents stationed in the above countries or by TDY trips from Germany.

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(3) By emigre organization liaison to branches of their organizations located in those countries.

(DOB has already instituted a spotting network through the foreign offices of the AECASSOWARY (UKRAINIAN) and the AECAMBISTA (BYELO-RUSSIAN) emigre organizations. The AECASSOWARY organization has spotters established under this program in Chicago, Detroit, Cleveland and Buffalo. It is anticipated that some of our best agent candidates will be produced through this means from Germany, Belgium and France.)

(c) DOB is prevented from operating in Canada and Great Britain as a result of agreement with each of these countries which prohibits unilateral CIA activities. Canada offers tremendous opportunities of recruitment as their 55,000 new DP citizens of Slavic origin have not all had the excellent opportunities available to similar DP's in the U.S. Discussions with appropriate CIA elements are underway to establish a limited spotting/assessment/recruitment network with the cognizance and cooperation of the Canadian Service.

(d) In South America the centers of DP population presently are Argentina, Brazil and Uruguay. No fewer than 100,000 Ukrainians alone have settled in Argentina since 1900. DOB presently has but one spotter in South America; he is ALOPECIA located in Brazil. Plans are underway to change his cover job to allow him to travel to other areas. Dispatches outlining DOB problems have been prepared for the appropriate desks and will be supplemented by personal visits of DOB staff officers in the near future.

(e) In Australia indications are that our spotting and recruitment activities will be greatly facilitated by good liaison relations with both the internal and external service. DOB is presently in the process of assessing an Australian DP resident who is studying in the U.S. On her return to Australia next year it is anticipated that she will be able to engage in spotting activities and report her "take" to the CIA representative there.

5. The above discussion has concerned itself with merely the potential agent candidates of Slavic origin and DP World War II vintage. For those "black" REDSOX agent operations which do not require the area language we have used agents of other nationalities. A case in point is the AESCOUTER operation which is using Norwegian nationals. One promising field are those returning prisoners of war who were repatriated by the Soviets as late as last year, both in Germany and Japan. While their motivation might be chiefly financial, they have some compensating attractions. Many of these POW's were imprisoned in or near many of the priority target areas on the periphery of the Soviet Union. This is especially true of the Japanese POW's, who were located in the Soviet Far East. The Army

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Technical and Interrogation Service interviewed approximately 40,000 such returnees in Japan during 1946, '47, '48, and '49. [

] also has an agent in its employ who has ready access to the Japanese files of these returnees. Plans are still not developed sufficiently to say whether such spotting, assessment and recruiting will be done with or without the cognizance of the local services. The same is true in Germany where up to March 1956, more than 9,000 POWS were returned by the Soviets.

6. A more recent and in many ways more attractive agent candidate pool includes that suspect body of recent defectors normally processed in Germany at the FRANKFURT, Defector Reception Center (DRC). Unfortunately, DRC processing of these defectors reveals that approximately seven out of ten are Soviet agents. Experience gained on the abortive AENICKLE operation has indicated the need for a searching reappraisal of the handling and interrogation of these defectors. Closer attention to this source of agent candidates should produce a limited number of candidates more suitable for deeper penetrations of the Soviet because of their recent familiarity with the Soviet scene.

7. The Georgian National Democrats are a small emigre organization with an active nucleus in New York City. One of their members, AEHUNTER 7, was assessed for REDSOX in 1952 and has been recommended highly. Because he is nationalistically inclined and is loyal to the National Democrats he was recruited as a REDSOX spotter for the Georgian agent candidates. Subject was not taken on as an agent because he prefers to think of himself as a leader type. While not adverse to going on a mission to the Georgian SSR, he would like to go only when assets are established there. It is hoped that worthwhile Georgian agents will be obtained through this spotter. Coincidentally another SR project, AEPARADE, has informal contact with the Georgian National Democrats. AEPARADE has recommended another of their number as a good project for a contract agent to train and handle Georgian agents. Either this man or AEHUNTER 7 will be considered as full time contract agents should a Georgian operation materialize.

III. Future DOB Plans

A. General

1. From 1953, until late 1955, relatively few REDSOX operations were conducted. However, in October 1955, Chief, FI-DD/P re-affirmed the need for a balanced clandestine collection program which included an illegal REDSOX capability. It was indicated that in many areas collection of intelligence was seldom within the capabilities of legal or quasi-legal agents, and that legal and illegal efforts should logically compliment each other and make for a balanced clandestine program.

2. Until recently medium and deep penetrations of the Soviet Orbit were recognized by the intelligence community as the responsibility of CIA.

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DOB early recognized that illegal penetration operations should not be purely peripheral observation missions. Thus, the DOB mission includes the recruitment of resident agents; the introduction and servicing of automatic intelligence collection devices; the support of other SR Division operations inside the target area; and peripheral photographic/ELINT/observation missions.

B. Estimate of Situation

1. Thus, when the entire responsibility for planning and implementing REDSOX operations was given to DOB in September 1955, a thorough estimate of the situation was properly in order. Such an estimate included the following aspects of the problem:

- (a) The IPC list of Priority Intelligence Targets in the Soviet Union.
- (b) Geographical factors and Soviet defense capabilities on the appropriate borders and in the target areas, including O. B.
- (c) Operational and political considerations in the countries peripheral to the Soviet Union, including capabilities to support REDSOX operations from these countries with or without the help of the local service.
- (d) Agent candidates available.
- (e) SR and DOB capabilities for planning, training and support, including supplies of Soviet internal documents authenticating material, clothing and operational support intelligence.
- (f) The equipment and technical capabilities for the support of such operations, including the in/exfiltration and communications equipment.
- (g) Capabilities of the CIA and the Department of Defense supporting services.

2. After an approximate three year moratorium on REDSOX operations the results of such an estimate of the situation were a bit discouraging. Though continuing and by no means complete as of this writing, the study has indicated the following:

- (a) Of the 375 intelligence targets contained in the last IPC Intelligence Priority Target Listing, 225 targets of all categories are considered TOP PRIORITY. Limited DOB resources and facilities

naturally indicated a limited effort against relatively few of these top priority targets.

(b) Soviet defense capabilities in the border and target areas excluded many targets from consideration.

(c) Lack of information on the operating and political conditions in the countries peripheral to the target delayed matters considerably. This was remedied in part by TDY visits of DOB personnel to the field.

(d) The type and calibre of agent candidates available would rule out other targets.

(e) Available internal Soviet Documentation is limited. Many documents have already become invalid or are about to expire. Much of the operational support intelligence was dated and of little use.

(f) Though TSS and the Office of Communications had made considerable progress in research and development, the techniques and equipment for in/exfiltration and commo have little improved in the past five years. Communications equipment is still heavy and cumbersome with relatively slow transmission speeds.

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~~(g) It was difficult to ascertain CIA and Department of Defense capabilities to support our operations as queries to these support elements required for the most part answers to concrete operational proposals which we were not prepared to furnish.~~

C. Projects Planned for FY '57

1. While assessing the problem and formulating future plans, DOB was obligated to take over and develop the AESCOUTER, AECHAMP and AECANARY operations which were originally at least partially conceived by other SR components. Thus, DOB plans for the FY 1957, have taken form in the following projects:

(a) Project AECHAMP: This is a project, initially begun by SR/2, for which two agents have already been recruited. Both have already arrived in the U.S. and are being interrogated and assessed at DOB. The mission of this project will be the recruitment in place of the agents' relatives and friends who are legally resident in the Lithuanian SSR. Infiltration will probably be by balloon from a vessel in the Baltic Sea. Exfiltration will be by light aircraft or maritime means.

(b) Project AESCOUTER: This operation is due to be mounted late in 1956. Mission and other details are furnished in paragraph II "C" 1. above. Other operations using the same agents and in/exfiltration medium

may become desirable if this one succeeds.

(c) Project KAPUSTIN YAR: (Project as yet has no cryptonym)

(1) Exhaustive efforts are being expended in planning a realistic operation against the all important Soviet guided missile range located southeast of Stalingrad. It was selected because of its priority nature; because it appeared more potentially approachable; and because it is a target on which the SR Division and OSI have been preparing exploratory studies for over a year.

(2) During a general study of the target area by DOB case officers it became apparent that very little operational intelligence support information is available to mount a mission. Simultaneously, discussions with OSI revealed that there was some confusion as to the exact nature of the intelligence it was possible to collect by REDSOX means. OSI had previously oriented its thinking in the direction of collecting information from overt sources. DOB introduced the possibility that the collection by REDSOX means, of "by-product" intelligence on the level of activity and transportation of such things as missile fuel, propulsion, air frame, etc. might warrant development. OSI now believes that a "by-product" collection mission and a mission which could introduce an ELINT device on or near the range would more than justify the overall effort and risk.

(3) DOB, therefore, proposes to run this operation in two stages, starting in early 1957. The first stage will be an operational intelligence mission run into the area for the purposes of reconnoitering the route from IRAN: reconnoitering site for the ELINT device; and gathering such by-product positive intelligence as may be collected by a well briefed agent. The second stage of the operation will be an operation later in 1957 for the purpose of introducing the ELINT device which is presently under construction.

(4) During the period of activity described above, a continuing search is being made for appropriate agents for both phases of the operation. Seventy-three former Soviet prisoners, returned German POWS, have been spotted and will be interrogated and assessed as possible candidates for this mission. All were prisoners employed in this area as late as January 1956.

(d) REDSOX Project for Soviet Far East: (No cryptonym assigned)

(1) During the past six months a staff study of 14 priority targets in the Soviet Far East indicates the feasibility for penetration of two of the highest priority targets - PETROPAVLOVSK and SOVETSKAYA GAVAN. This operation is tentatively scheduled for the late summer of 1957, subject to availability of agents and other factors.

(2) Present plans include the recruitment of Japanese nationals as agents. It is anticipated that these operations will be supported by the U.S. Navy. The mission will be initially one of photography, observation and simple ELINT collection. Provision will be made for the introduction of an automatic collection device at a later date.

(e) UKRAINIAN-BYELORUSSIAN PROJECTS: Plans for operations into these areas are less firm due not to the dearth, but to the multitude of possibilities and our limited capability to exploit them.

(1) In the fixed intelligence targets 22 priority targets within the Ukrainian SSR and 12 priority targets within the BYELORUSSIAN SSR were considered. Three targets have been selected in the vicinity of LVOV, KIEV and CHODORIV.

(2) Continuing conferences with the leaders of the AECASSOWARY (UKRAINIAN) and the AECAMBISTA (BYELO-RUSSIAN) emigre organizations have produced a multitude of leads on recruitable persons resident in place. Many of these human targets are known to these leaders from their activities in the underground. Many correspond with relatives outside the Soviet Union. More firm planning on such operations must await further study and development of these leads.

(3) Recent Soviet removal of vast segments of the populations of these two republics to the "New Lands" in the Northeast and Far East provide an excellent means for penetration of these deep and distant areas by the recruitment of Soviet citizens who might be sent to those areas. It is firmly anticipated that late 1956 should see a further development of these fruitful lines offered for the penetration of these areas.

(f) Project "V" MAN: (No cryptonym assigned)

(1) This is a project patterned after the wartime German "V" MAN program wherein action agents were given their basic clandestine training in a group. On completion of their basic training they were then separated and trained individually for their specific missions.

(2) A study of past REDSOX operations will indicate that a great many were cancelled after a great deal of time and money was expended in their preparation. This was especially true in team operations where team-member compatibility was a major problem. Other operations were cancelled for security, health or "political" considerations. Because of these considerations and the human factors involved a certain amount of cancelled projects must be expected. True, closer supervision and better

agent selection and assessment can do much to prevent cancellations, but it will not automatically guarantee to eliminate cancellations.

(3) Thus, the planned scale of four REDSOX operations for FY'57 could be drastically affected by the cancellation of only one operation this year. Study of past records show that at least ten months are required for the spotting, recruitment, assessment and training of an agent or team of agents. Only a small portion of this time, four to six weeks, is required for specific mission or area briefing. Thus, a ready pool of basically trained agents would be highly desirable in the event of a cancellation.

(4) Initially it is planned to have only four or five agents in this program. They will be selected from agents already spotted and on whom in some cases assessments have already been completed. This training program will have sufficient flexibility to accommodate new agent candidates as they become available. It will also serve to ameliorate a major field agent holding problem. In recent years many excellent agent candidates were lost to us due to our inability to pick them up when they were available and ready for training.

(5) A maximum of two DOB case officers will be assigned to the project. The majority of the training will be handled by experienced DOB contract agents. Training will be military and disciplined. It is anticipated that training should commence on or about 1 January 1957, and last approximately five months. In the event that there are no cancellations, the agents will be dispatched on operations equal to their capabilities and probably utilizing the in/exfiltration apparatus of the scheduled operations.

D. OTHER OPERATIONAL POSSIBILITIES

1. It is true that the countries which present the greatest potential for mounting REDSOX operations are those which border directly on the USSR - Turkey, IRAN, AFGHANISTAN and to a lesser degree PAKISTAN which is separated from the USSR proper only by the narrow WAKHAN corridor. In Nov/Dec 1955, a DOB case officer traveled TDY to the Middle East area in an effort to learn something of the area and to stimulate REDSOX activity. As a result, four successful border crossing operations in this area were conducted - three in Turkey and one in Iran.

2. However, aside from the conventional REDSOX activity there are other means for in/exfiltration of agents into the Soviet Union. DOB will be further pursuing two such methods during fiscal year 1957.

(a) Greek shipping travelling to Soviet Black Sea ports encounters very lax security measures. Greek sailors going ashore

encounter only a cursory inspection and their only means of identification necessary to reboard their vessel is an ordinary card which is torn in half when the sailor leaves the ship and is compared when the sailor wishes to reboard. Such a system might very well offer an easy means of infiltration if properly developed.

(b) The possibility exists that the PARFAIT - type operations might provide different means for the infiltration of agents. It is not unreasonable to assume that an agent could be infiltrated in a camel caravan going into the atomic testing areas North and East of TASHKENT.

(c) Taking the long view DOB sees the necessity for learning the names and addresses of Soviet citizens having relatives/friends living outside the IRON curtain. Given enough such information on Soviet residents it should make development of their vulnerabilities for future operational use easier. In the course of spotting activities, through emigre organizations and through existent mail intercept channels, DOB will collect and card such information.

IV. HOT WAR PLANS:

A. GENERAL

1. DOB Hot War Planning has not proceeded very far during fiscal year 1956. However, study has indicated that by the end of fiscal year 1957, DOB should have a varied, flexible, though modest, Hot War program. In preface it should be quickly stated that very few DOB resources will be devoted to this program. Rather, the program will be an offshoot of our regular "COLD WAR" REDSOX spotting, assessment and recruiting program. In the course of agent-spotting interviews, many persons interviewed have expressed the feeling that they would not undertake a mission except during a Hot War situation. Our FY '57 program initially will be only one of spotting and recruiting of such a cadre. These prospective Hot War agents will be briefly assessed, time allowing, and carded and filed. They will not be requested to do anything operational during FY '57 save notify a DOB letter drop when they have a change in their address, occupation, health or family status.

2. Under this system it is anticipated that various nationalities may also be organized either independently or through emigre organizations.

3. As this program progresses, and world conditions merit enlargement, these candidates could be brought together once a year for a short indoctrination and training course at one of the military centers such as Ft. Bragg. If the situation warrants the effort, their assembly could be coordinated with a Strategic Air Command practice alert to bring them all to a central point for training.

B. FUTURE "HOT WAR" POSSIBILITIES

1. It is not inconceivable that such a program might be valuable in the future for providing a trained cadre of action agents available to exploit such minor disturbances behind the "IRON CURTAIN" such as the GEORGIAN SSR riots and the POZNAN uprising. At best the part-time activity should be instrumental in providing a ready pool of agent candidates available for any Hot War emergency.

2. DOB presently plans the assignment of the part-time efforts of only one (1) contract agent to this activity. He will be adequately assisted by the principal agents in the AECASSOWARY, AECAMBISTA, the NTS, the BAL TIC, and the Georgian emigre organizations with whom DOB presently has contact.

3. It is also conceivable that as the nature of the "Cold War" changes that some of this cadre, especially those recruited from the emigre organizations, could be infiltrated on purely propaganda missions.

V. CONCLUSION

A. The REDSOX structure financed by this AEACRE project entails considerably more than the operations and activities outlined above. For the extensive automatic intelligence collection devices research and development program and the expensive P2V aircraft program eventually require the utilization of some type of REDSOX operation. In an intelligence organization as prone to sudden changes in accent on a particular type of activity, AEACRE/DOB provides a necessary continuity for the maintenance of a cadre of skills patently needed in mounting "Hot War" illegal operations. Recently, Chief, SR Division summarized the problems inherent in future REDSOX operations in a memorandum to the DCI, who authorized continuing development of this capability to conduct REDSOX operations.

B. Obviously the best means for further development of this capability are REDSOX operations actually and successfully conducted against the territories of the Soviet Union proper. Yet it is difficult to evaluate the training value of those operations which have been cancelled for "political" or other considerations. Frankly speaking, REDSOX operations have not "paid-off" in positive FI intelligence take. Short of testing the mechanism in a "Hot War" situation we might never be able to determine the value of continuing the capability. And in any monetary sense it would be difficult to evaluate the PP value of any unsuccessful operations. It has been said that every REDSOX agent whose capture is revealed by the Soviets has positive PP value as it indicates positively to any dissident elements within the Soviet Union that we in the "West" are still actively interested in their cause. Such advertisement also shows anti Communist elements outside the "IRON CURTAIN" that the West is still actively opposing the Communist regimes.

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C. Since the resuscitation of the REDSOX activity in September 1955, DOB has had some minor successes and some major set-backs. The major set-backs were in most part not due to the lack of professional handling but to factors beyond our control. Recent successes of short border crossing operations indicate that with proper agents, adequate training and documentation we are capable of short range successful penetrations of the Soviet Union. And with adequate communication equipment and dependable in/exfiltration support, deeper penetrations of the Soviet Union will be possible.

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ANNEX I

CONTRACT PERSONNEL (Now on duty)

<u>Pseudonym</u>	<u>Citizenship</u>	<u>Duties</u>	<u>Salary Per Year</u>
1. John H. REINGEWIRTZ	Russian U.S. citizen	Agent trainer, translator, and language instructor.	\$5,000
2. John T. GOADUNSTON	Lithuanian U.S. citizen	General consultant, agent trainer, research analyst, translator, and language instructor.	\$5,600
3. Robert J. FLUDE	Lithuanian U.S. citizen	General consultant, agent trainer, and translator.	\$6,000
4. Mario K. GIORDANO	Estonian Eligible for citizenship 1963	General consultant, agent trainer, and language instructor.	\$5,600
5. Patrick B. NEWENS	Estonian Eligible for citizenship 1956	General consultant and agent trainer.	\$5,400
6. Alexander ROUZITSKI	Russian Eligible for citizenship 1962	Agent trainer, research analyst, and interrogator.	\$6,390
7. Gerald H. BESDINS	Russian Eligible for citizenship 1957	Agent trainer, field assistant, and translator.	\$5,250
8. Martin L. HANSROTE	Latvian/ Russian U.S. citizen	Agent trainer, field assistant, and translator.	\$4,800
9. Mary Z. SCARVILLE	Lithuanian/ Russian, wife of GOADUNSTON U.S. citizen	Typist/translator	\$3,700
10. ALOPECIA (Cryptonym)	Ukrainian Stateless	Spotter in Brazil	\$1,020

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<u>True Names</u>	<u>Citizenship</u>	<u>Duties</u>	<u>Salary Per Year</u>
11. [REDACTED]	U.S. citizens	Safehouse keepers	\$3,900
12. [REDACTED]	U.S. citizen	Safehouse keeper	\$1,800
13. [REDACTED]	U.S. citizen	Safehouse keepers	\$4,200
14. [REDACTED]	U.S. citizen	Safehouse keepers	\$3,900

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ANNEX II

AEACRE BUDGET FOR FISCAL YEAR 1957

The budgetary figures listed below are based on realistic estimates of the scale of anticipated activity for Fiscal Year 1957. Where necessary, explanatory notes or comparative expenditures for Fiscal Year 1956, by financial category, are included.

- .01 CATEGORY - SALARIES FOR STAFF AND MILITARY PERSONNEL - (Will not be paid out of AEACRE funds)
- .02 CATEGORY - TRAVEL - \$20,000.00
(During Fiscal Year 1956, approximately \$14,000 was expended in this category)
- .03 CATEGORY - TRANSPORTATION OF THINGS - \$ 4,000.00
(Though only \$1,000.00 was expended for this activity in Fiscal Year 1956, the planned scale of activity for Fiscal Year 1957 warrants the requested increase)
- .04 CATEGORY - COMMUNICATIONS/TELEPHONES \$ 4,752.00
this includes:
- \$ 960.00 for five safehouses @ \$16.00 per month (no increase over previously authorized houses)
 - \$ 3,600.00 for one DOB Headquarters @ \$300.00 per month.
 - \$ 192.00 for two safe apartments @ \$8.00 per month. (No increase)
- .05 CATEGORY - RENTALS ETC. \$47,100.00
this includes:
- \$24,000.00 for five safehouses @ \$400.00 per month
 - \$ 3,600.00 for two safe apartments @ \$150.00 per month.
 - \$19,500.00 for one DOB Headquarters @ \$19,500.00 per year.
 - \$ 2,592.00 For electricity for DOB installations listed above, per year.

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.05 CATEGORY - RENTALS ETC. (continued)

\$ 7,800.00 for heating fuel for above installations,
per year.
\$ 1,000.00 for water for above installations

.07 CATEGORY - REAL ESTATE REPAIRS AND MAINTENANCE \$ 7,000.00

(Much of this requested sum will be spent for further repairs and alterations of the DOB Headquarters. A contingency fund is also necessary for the emergency repair and maintenance of agent training safehouses)

.08 CATEGORY - EXPENDABLE SUPPLIES AND EQUIPMENT - \$35,450.00
this includes:

\$10,000.00 for expendable training and administrative support equipment and supplies. (Logistical annex to be submitted at a later date)

\$ 3,000.00 for gasoline for 18 vehicles.

\$ 150.00 for oil for 18 vehicles.

\$ 3,000.00 for auto maintenance and repairs. (Most DOB vehicles are at least four years old)

\$ 2,500.00 for medical services for agents.

\$16,800.00 for messing costs in five safehouses and one safe apartment.

.09 CATEGORY - NON EXPENDABLE EQUIPMENT - \$18,000.00

(This category includes cost of replacing three DOB vehicles, furnishing one additional safehouse and purchasing five, one-ton, air conditioning units for the agent training classrooms in the five safehouses maintained by DOB. The detailed logistical annex will be submitted at a later date.)

17.1 CATEGORY - SALARIES OF CONTRACT AGENTS - (this total includes:)

for seven consultant/trainers at approximately per year. (Now on duty)

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17.1 CATEGORY - SALARIES OF CONTRACT AGENTS - (continued)

\$ 3,850.00 for one typist at \$3,850.00 per year.
(Now on duty)
\$10,000.00 for two consultants/trainers at \$5,000.00
per year. (Now on duty)
\$ 4,200.00 for housekeeping couple @ \$4,200.00 per year.
(Now on duty)
\$ 7,800.00 for two housekeeping couples at \$3,900.00
per year. (Now on duty)
\$ 1,800.00 for one housekeeper at \$1,800.00 per year.
(Now on duty)
\$ 7,000.00 for two GSA cleaner/boiler men. (Now on
duty)
\$ 1,020.00 for one part time spotter ALOPECIA now in
Brazil at approximately \$85.00 per month.
(Now on duty)

TO BE ADDED

[] for four additional consultant/trainers to be
added at [] per year, for nine months.
\$13,500.00 for three full-time spotters in U.S. at \$6,000.00
per year, for nine months.
\$ 9,900.00 for four full-time spotters in field at \$3,500.00
per year, for nine months.
\$ 900.00 for four part-time spotters in U.S. at \$300.00
per year, for nine months.
\$ 900.00 for four part-time spotters in field at \$300.00
per year, for nine months.
\$ 5,400.00 for three housekeepers at \$1,800.00 per year,
to be added.

17.9 CATEGORY - MISCELLANEOUS

\$13,000.00

this includes:

\$2,000.00 for recreation and entertainment of agents.
\$4,000.00 for special functions, holding, dispatch,
disposal, processing.
\$3,000.00 for purchase of information.
\$4,000.00 REDSOX DEVELOPMENTAL

TOTAL []

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SECRET SUMMARY

.01	\$
.02	\$20,000.00
.03	\$ 4,000.00
.04	\$ 4,752.00
.05	\$47,100.00
.07	\$ 7,000.00
.08	\$35,450.00
.09	\$18,000.00
17.1	[
17.9	\$13,000.00]

**TOTAL BUDGET REQUESTED FOR
FY '57** []