

OPERATIONAL AUTHORIZATION

TO : FINANCE DIVISION

THROUGH: PROJECTS BRANCH, FI/OPS; BUDGET AND FISCAL BRANCH, FI/SG

SUBJECT: AMBALCON ; 0134-0000-5902 ; 3E ; Hdq.
APPROVAL OF PROJECT ; ACCOUNT NO. ; OPERATING DIVISION AND COUNTRY

SECTION 1. BREAKDOWN OF REQUESTED FUNDS (To be completed from data in project outline)

THE TOTAL FUNDS BEING REQUESTED FOR ABOVE PROJECT, AMOUNTING TO \$ 29,870, ARE BROKEN DOWN AS FOLLOWS:

BREAKDOWN AND TOTAL	FISCAL YEAR		
	1961		
COMPENSATION	\$	\$	\$
ALLOWANCES			
TRAVEL	<u>25,620</u>		
OPERATIONAL EXPENSES	<u>3,250</u>		
EQUIPMENT AND SUPPLIES			
OTHER:			
TOTALS	\$ <u>29,870</u>	\$	\$

SECTION 2. ADMINISTRATIVE (To be completed by project officer)

INDICATE ANY DETAILS THAT WILL ASSIST FINANCE DIVISION IN MAKING ADVANCES, DISBURSEMENTS AND ACCOUNTINGS

A. TYPE OF PROJECT (Check one)

REGULAR SUBSIDY PROPRIETARY

B. METHOD BY WHICH PAYMENTS ARE TO BE MADE

Hdq. advances

C. FUNDS WILL BE ACCOUNTED FOR BY (Check one)

1 REGULAR FINANCIAL ACCOUNTINGS (FHB 30-1500-1 or FHB 30-1500-4)
 2 RECEIPTS ONLY (R 230-200)
 3 OTHER (Explain):

SECTION 3. AVAILABILITY OF FUNDS (To be completed by operating division budget officer)

I CERTIFY THAT, TO MEET THE ESTIMATED OBLIGATIONS OUTLINED IN SECTION 1:

A. -- FUNDS ARE AVAILABLE IN THE DIVISION'S BUDGET FOR THE FY 1961
 B. -- FUNDS HAVE BEEN PROGRAMMED FOR THE FY 1961

SIGNATURE OF OPERATING DIVISION BUDGET OFFICER

mpf

DATE

20 May 1960

SECTION 4. AUTHORIZATION (To be completed by Projects Branch, FI/OPS)

THE ABOVE PROJECT HAS BEEN APPROVED FROM 1 July 1960 TO 30 June 1961 IN THE TOTAL AMOUNT OF \$ 29,870 AS BROKEN DOWN IN SECTION 1.

SIGNATURE FOR PROJECTS BRANCH, FI/OPS

E.M.A.

DATE

12 July 1960

SECTION 5. ADDITIONAL CRYPTONYMS, PSEUDONYMS, ETC.

SIGNATURE OF CASE OFFICER

[Signature] BR/2

EXTENSION

8545

SIGNATURE OF DIVISION CHIEF OR DESIGNATE

DECLASSIFIED AND RELEASED BY
 CENTRAL INTELLIGENCE AGENCY
 SOURCE METHOD EXEMPTION 2828
 NAZI WAR CRIMES DISCLOSURE ACT
 DATE 2007

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DD/P 0-3621

MEMORANDUM FOR: Chief of Operations, DD/P
SUBJECT : Project AEBALCONY (Approval)
SR - Headquarters

1. The attached project, originating in SR Division, is presented for approval for the period 1 July 1960 through 30 June 1961. The project is intended to support legal travel operations utilizing U.S. citizens and targetted at the Estonian, Latvian, and Lithuanian USSR.

2. Authority is requested to obligate \$[] from the DD/P-SR Division operating budget, all in fiscal year 1961, subject to the availability of funds. The amount requested represents expenses attendant upon a maximum of ten legal travel agents during the approval period.

3. The attached project outline sets forth the Division's concept of the project and presents a breakdown of anticipated costs. This is an umbrella project, no agents being on hand as yet. As agents are recruited, they will be processed for approval by DD/P-COP in accordance with the provisions of CSN 10-27. It is stated that, since activities under this project will be targetted exclusively at the Baltic USSR, there will be no duplication of effort with Project []. However, Baltic operations under this project will be co-ordinated with SR/10.

4. Appropriate Special Staff components concur in recommending approval. FI/OPS remarks that, when activated, operations under this project should accelerate our efforts into the Baltic USSR. CCD notes that the project states that while in most cases there is sufficient legitimate reason for the agents to travel to the USSR, they would "usually be unable to do so because of lack of financial needs." CCD recommends that in considering the adequacies of the natural cover available to each agent, his financial cover story vis-a-vis family, friends, and the Baltic expatriate community generally should be given specific attention.

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5. I recommend approval of Project AEBALCONY as presented.

Chief
Foreign Intelligence

Approved:
COP-DD/P

 8 JUL 1960
Date

Attachment:
Project Outline AEBALCONY

Staff Coordination:
For C/FI/OPS -s/
For CI Staff -s/
For C/CCD -s/
For C/RQM/RE -s/

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CRYPTONYM: AEBALCONY

OPERATING DIVISION: SR

FIELD STATION: None, Headquarters Project

TARGET AREA: The Baltic States (Estonia, Latvia, Lithuania)

Headquarters Case Officer [Signature]

Room No. : 2611 J

Extension: 8545

Date: 16 May 1960

1. The attached project outline is presented for approval for the period 1 July 1960 to 30 June 1961.

2. Authority is requested to obligate \$29,870.00 from the DDP/SR Division operating budget during the fiscal year 1961, subject to the availability of funds.

COORDINATION:

[Signature]
Chief, SR/10

[Signature]
Chief, SR/2

[Signature]
SR Project Officer

APPROVED: DDP/PG

[Signature]
Chief, SR Division

9 JUN 1960

Date

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PROJECT AEBALCONY

1. It is requested that Project AEBALCONY be approved for the period 1 July 1960 through 30 June 1961. Project AEBALCONY is a Headquarters REDSKIN roof project designed to utilize United States citizens, primarily either native-born or naturalized persons of Baltic background, in "mounted" legal traveler operations into the Estonian SSR, Latvian SSR and Lithuanian SSR. In addition, consideration will be given to specific opportunities for "piggy-back" legal traveler operations into this area. The provisions of CSN 10-27 will be complied with in each instance and any renewal action request for this project will indicate the individuals so approved and the results of their respective missions.

2. AREA OF OPERATIONS

United States/Estonian SSR, Latvian SSR and Lithuanian SSR.

3. OBJECTIVES

To conduct "mounted," and in specifically selected instances, "piggy-back," legal traveler operations into the three Baltic republics in furtherance of CIA intelligence collection efforts. In order to carry out this objective, Project AEBALCONY will support a domestic spotting mechanism which will be enlarged and utilized in the first stage of the operation on a continuing basis. This domestic spotting mechanism will be comprised chiefly but not exclusively of United States residents of Baltic background.

4. BACKGROUND

This project is being submitted for the first time. The Baltic States represent a legitimate and important PI target and additionally they represent a fallow field for internal recruitment of an agent pool for the purpose of early warning. Because of the strong nationalistic traits of the peoples of the three Baltic republics and because of their spirit of kinship toward the West and their hate of Communism and the Soviets, the populations of these republics represent an intelligence potential unique and distinct from that of the other areas of the Soviet Union. This potential can, of course, be best exploited through the use of individuals of the same ethnic background as those of the area being visited. There will be no duplication of effort between this Project and the SR/10 Project [] Baltic domestic REDSKIN operations are being and will be coordinated with SR/10.

5. TASKS

To spot, assess and recruit individuals in the United States for legal traveler missions in the USSR, specifically in the three Baltic republics, and mount such missions for the following purposes:

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- a. To spot and assess, including the elicitation of biographic and personality information, Soviet Baltic individuals who indicate dissatisfaction with present regime.
- b. To select and develop, in non-compromising fashion, including the establishment of bona fides, specific Soviet Baltic individuals for ultimate recruitment-in-place by other SR assets. No attempt will be made at this time to recruit such Soviet Baltic individuals by the legal travelers included in this project. Neither will the assets of this project accept any voluntary offers of cooperation or assist in any manner in the defection of disaffected personalities.
- c. To procure, through observation, photography when possible, and non-compromising elicitation, positive intelligence information on specific high priority targets in the Baltic republics.
- d. To collect operational intelligence concerning Soviet realities in the three Baltic republics such as travel opportunities and restrictions, border and internal controls, communications possibilities, etc.
- e. To carry on those CA activities which are in line with the over-all United States Intelligence Mission but which would not impinge negatively upon the security of the given agent. Specifically, each agent will be properly prepared to counteract Soviet propaganda action; to present a positive picture of life in the West; and to carry on any political discussion which might arise. Secondly, given agents may be briefed to push current propaganda themes. Thirdly, given agents may be supplied with non-compromising literature to pass to the local inhabitants. And lastly, specific agents may be briefed--subject to appropriate approvals--to spread non-compromising rumors designed to further U.S. aims in undermining the Soviet regime and tactic particularly in the Baltic States.

6. PERSONNEL

- a. It is contemplated that all recruited American agents sponsored under this project will be assigned a Project AEBALCONY numerical designation, e.g., AEBALCONY/1, AEBALCONY/2, etc. The agents will be contracted orally to travel to the Soviet Baltic Republics under the auspices of CIA. In each instance, the DDP approval granted in accordance with the provisions of CSN 10-27 will be cited as authorization for any payment.

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- b. Training: The agents selected for legal traveler missions will receive extensive training and briefings by SR/2/Baltic Case Officers who will seek such other assistance from the various components of the Division and/or Agency as may be required. Each agent will receive a final security briefing prior to his departure.

7. COVER

Natural cover, that of a tourist of Baltic birth or background, visiting the land of his birth or that of his parents, and in some cases, visiting with relatives in the area, will be adequate for travel in most instances. No other cover appears necessary at this time. However, should developments warrant the use of cover other than that of natural, close coordination will be effected with the Central Cover Division and the Office of Security as the need arises.

8. APPROVAL PERIOD AND ESTIMATED COST

- a. Approval of Project AEBALCONY is requested for the period 1 July 1960 through 30 June 1961.
- b. Estimated Cost

It is anticipated that SR/2/Baltic may be successful in recruiting up to ten individuals to participate in these legal traveler operations during the present operational season. Based upon analysis of various available figures, the estimated cost of Project AEBALCONY will be approximately \$29,870.00. A breakdown of these costs is presented below:

Agent travel, United States to Soviet Union and return to United States: \$1,500.00 for each agent Ten agents	\$15,000.00
Agent subsistence in Soviet Union: \$280.00 for each agent (\$20.00 per day for 14 days) Ten agents	2,800.00
Incidental travel while in Soviet Union \$300.00 for each agent Ten agents	3,000.00

Travel by Case Officers: Two trips per agent for assessment and firming up recruitment; ap- proximately \$175.00 per trip or \$350.00 per agent Ten agents	\$ 3,500.00
Agent travel to Washington for training average - \$100.00 each agent Ten agents	1,000.00
Agent per diem in Washington for training \$84.00 - each agent (7 days at \$12.00 per day) Ten agents	840.00
Agent per diem in Washington for debriefing subsequent to return from target area \$48.00 - each agent (4 days at \$12.00 per day) Ten agents	480.00
Operational Entertainment	750.00
Operational Housing	1,000.00
Approximate expenses in support of domestic spotting apparatus	1,500.00
TOTAL	\$29,870.00

9. OPERATIONAL CLEARANCES

Appropriate clearances have been granted or are being processed. Also, in each case, individual requests have been, or will be submitted to DDP/COP in accordance with the provisions of CSN 10-27.

10. CONTACTS AND COMMUNICATIONS

SR/2/Baltic Case Officers in contact with individuals for assessment and recruitment are identified as Agency employees. The Case Officers have been documented with Agency credentials in alias and the appropriate collateral documents. All personal contacts between the agents selected and the Case Officers during the training periods will be in Safe Houses or other secure areas. No communications will be maintained during the time the agents are in the target area. Each agent, however, will be provided with an accommodation address in the Washington area and a sterile telephone number to be used for contacting the appropriate Case Officer upon the agent's return to the United States. In addition, provisions for contact with field stations for emergency purposes may be established, if such contact is deemed operationally necessary or desirable.

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11. CONTROL AND MOTIVATION

The dominant feature of the proposed agents' motivation, and thereby also psychological control, is ideological-emotional: on the one hand they deeply resent the Soviet occupation of their homelands and therefore desire to do something positive against Russian-Soviet Communism; and on the other hand, many of them--as is the case with the majority of non-American born citizens of the United States--are highly patriotic toward their adopted country and thereby desire to help the U.S. in its battle against International Communism knowing that any stroke against Communism is a stroke for freedom of mankind and freedom of their former homelands.

The prospective agents being, of course, U.S. citizens, are also subject to all the controls which could be exerted normally by this Government.

Another important form of control is financial: In most cases the agents here discussed would--aside from Romanticism and ideology--very much like to visit their former homelands from mere curiosity but would usually be unable to do so because of lack of financial means. Our offer to underwrite such trips, then, leaves these individuals under our control and amenable to our direction.

12. COORDINATION

While this is a Headquarters project, field support may, in given instances, be desirable as has been stated in the closing portion of paragraph 10 above, so that coordination with the field will be effected if required. Headquarters coordination will be effected with the appropriate elements of SR Division, and SR/10, in particular. Close coordination will be carried on with CI Staff, Office of Security, Central Cover Division as may be required, FI Staff and DDP/COP.

13. TIMETABLE

Assuming that the present break-down of the Summit Conference does not affect the operation unduly, it is anticipated that the legal travelers under this project will depart from the United States for the target area via third countries, e.g., Finland, Sweden, Germany, during the summer and early fall of 1960 and possibly the spring of 1961. After exiting the target area, they will in most cases return to the United States as soon as possible. Subsequent to their return to the United States, they will be debriefed by SR/2/Baltic Case Officers. In those instances where the agents are expected to acquire information that warrants expeditious handling, the agents will utilize the emergency contacts with field installations which will have been given to them prior to their departure from the United States.

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