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SECURITY INFORMATION

MEMORANDUM FOR THE CHIEF, FOREIGN INTELLIGENCE

19 January 1953

SUBJECT: Project CAPSTAN (Renewal)

1. Basic Plan CAPSTAN (originally AEGEAN), a joint OSO/OPC operation into the Lithuanian SSR, expired 31 October 1951. An amendment to the basic plan known as CAPSTAN-AEONIAN, the purpose of which was to provide instructors and facilities for CAPSTAN agents, expired 31 July 1952. Approval was granted 10 December 1952 for an interim extension of Project CAPSTAN expiring 31 December 1952 with an authorization of [] to include salaries of agent personnel, maintenance of training sites, and travel of agents and instructors in the United States and abroad. SR is requesting authorization for the continuation of CAPSTAN, a joint FI/PP/PM project, and the former CAPSTAN-AEONIAN amendment, all to be included in one project, CAPSTAN.

2. The FI purpose of this project is the collection of intelligence from within the Lithuanian SSR through the development of agent nets and the establishment of support points to assist penetration agents.

3. The first mission into the target area was dispatched in the fall of 1950, the second in the spring of 1951, and the third (to be conducted jointly with the BIS) is planned for the spring of 1953. Contact with one agent from the second mission is currently maintained.

4. It is estimated that this joint operation will require \$157,110 for the new period. The FI expenses are as follows:

Training Program

Salaries
Maintenance of training site
Miscellaneous (travel, entertain-
ment, etc.)

\$31,310
[]
[]
[]

Operational Missions

Equipment
Exchange items and currency
Miscellaneous

[]
[]
[]
[]

TOTAL

[]

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5. SR is requesting that benefits with the following limitations be approved: a) death and disability benefits based on the criteria established in the Federal Employees Compensation Act with a normal maximum of \$5,000 for aliens and U.S. citizens; b) in addition, United States citizens or aliens with first papers will be authorized to procure WAEPA insurance at their own expense.

6. SR is further requesting that [] a contract agent employed under this project, be provided \$10,000 death and disability benefits, as an exception to the above. [] is a resident alien of Canada who will be assigned on a mission into a denied area.

RECOMMENDATION: Approval for the allotment and expenditure of [] to be used in the furtherance of FI objectives is recommended for the period ending 30 June 1953.

* [] for Chief, STC
[] for Chief, Operations
[] Chief, Plans xx

Approved: [] Chief, FI 4 Feb 53 Date

ATTACHMENT: Project Outline CAPSTAN

cc: STC/SPB
RI for Vital Records

OK
* Contingent upon [] withdrawal from project, or approval of CFI for him to stay in.

xx approval recommended as to FI portion in accordance with DD/P mems to AC/FI of 24 Dec 1952
Subject: Approval of Projects designed to serve FN, DP, and PM missions.

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