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11 March 1958

MEMORANDUM FOR: Chief, Foreign Intelligence
VIA : Projects Branch
SUBJECT : Request for Project AECOB Renewal

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2007

1. Purpose: This project is a vehicle for FI operations directed into and within Soviet Latvia. In the past the principal activities carried on under this project were concerned with infiltration and exfiltration of black agents and the recruitment by those of legally resident agents within the USSR, in general, and Latvia, in particular. In the coming year we expect to continue servicing our legal resident agents, but do not plan introducing new black agents into the area. Concurrently we contemplate re-examining all aspects of our past operations in which the recently RIS-surfaced AECOB agents played a role: AECAMUSO/1, 2 and 3, AEBIAS/2 and AECAMBARO/2.

2. The main tasks contemplated under this project are these:

a. Maintaining contact with three legally resident agents. Our records show no indications that two of these agents have had any contact inside the USSR with the surfaced agents; the third was recruited by AECAMBARO/2, one of the surfaced agents, inside the USSR. It is possible, however, that AECAMBARO/2 is withholding from the RIS information of this agent, as his communications have shown no indicators so far of RIS control.

b. Arranging exfiltration of selected resident agents from Latvian SSR, and the possibility of instituting CE operations if it is determined any of such agents have been doubled by the RIS.

c. Arranging for infiltration of funds and, possibly, equipment for the support of our assets in the Latvian SSR.

d. Examining the security aspects in the Soviet surfacing of some AECOB agents involved.

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e. Maintaining salary payments in the escrow accounts of AECAMBARO/2, AECAMUSO/2 and AECAMUSO/3 until our contracts and obligations have been fulfilled. These will be attained in December 1958 if no complications arise in the meanwhile.

f. Arranging for financial settlements with the heirs of AECAMBARO/2, AECAMUSO/2 and AECAMUSO/3 in accordance with the terms of their contracts.

3. Personnel: The following changes in personnel have taken place in Project AECOB since 3 October 1956:

a. AEBIAS/2 (OA # 4367, 3 November 1952) was dispatched on a mission to Latvia in May 1953. He was not heard of since his dispatch, and was presumed dead, until the announcement on 25 September 1957 of his apprehension in 1956 by Soviet Security forces. His contract was terminated in May 1954 and his estate disposed of in accordance with the provisions of his will on file in SR/2. Although dropped from Project AECOB in 1954, AEBIAS/2 is listed herein because his recent surfacing has a bearing upon the current and contemplated activities under the AECOB Project renewal.

b. AECAMBARO/2 (CSA # 7281, 4 November 1952; OA # 7704, 14 January 1954) was dispatched on a mission to Latvia 6/7 May 1954 and maintained contact with us until December 1956. Since that time he did not reply to our messages. On 25 September 1957, the Soviet press announced that the apprehension of AECAMBARO/2 took place in July 1957.

c. AECAMUSO/2 (unnumbered OA, 13 November 1951) was dispatched 26 August 1952. He had been in contact with us until December 1956. Since then he has not replied to our messages. In his S/W message, dated 23 March 1956, he said he had settled down in a quiet spot and discontinued contact with his "helpers". His S/W message of 15 October 1956 stated that, while he was fed up with the whole "matter", he had no choice but to wait another three months for money from us. His last S/W message, dated 7 December 1956, contained text too illegible to be understood.

d. AECAMUSO/3 (unnumbered OA, 28 February 1952) was dispatched 26 August 1952. He maintained regular W/T contact with us until December 1956. However the indicators in all of his messages signalled that he was under RIS control.

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e. AECOB/3 (Waiver of clearance for operational utilization approved by Chief, FI, October 1954) was recruited in place. Because of the apprehension of AECAMBARO/2, who recruited and trained him in clandestine operations, all communications from him since December 1956 are being minutely scrutinized for signs of RIS control. Six S/W messages written in December 1956, February, March, June and October 1957 have been reviewed. The last message stated that because of news of AECAMBARO's apprehension, he had quit his school-teaching job, buried his W/T equipment and was now living in an "illegal" status. He said he needed money desperately and gave an accommodation address to which it should be sent. An S/W and a W/T message have been transmitted to him requesting clarification of his "illegal" status and reason for quitting his job. A Christmas box of clothing material, especially useful for barter on the black market, has also been sent.

f. AECOB/4 (Waiver of clearance for operational utilization approved by Chief, FI, October 1954) was recruited in place by AECAMBARO/2 in 1954. He mailed us one S/W message in October 1955 and a second letter, overt text only, in December 1957 stating that, due to a job change not to communicate with him until he informed us of a new address.

g. AECOB/7 is a legal resident of the Latvian SSR. Subsequent to his recruitment, S/W materials, ciphers and a briefing were dispatched to him via AECOB/10. He has maintained communications with us; his last S/W message having been received at Headquarters on 22 January 1958. His messages are and will continue to be closely examined for evidence of possible RIS control because his identity and activities in Latvia were ~~probably~~ known to AECAMBARO/2. JZ

h. AECOB/10 (OA # C-54903, 25 February 1957) was recruited by a Headquarters case officer while on a visit to Sweden from Latvia. He has maintained S/W communications with us, his last message having been received at Headquarters on 29 January 1958. Because his identity and activities in Latvia were known to AECAMBARO/2 and AECAMUSO/2, ~~as well as the circumstances of his recruitment~~, his messages are and will continue to be closely examined for evidence of possible RIS control. JZ

i. AECOB/17 (OA # C-51486, 3 October 1956) was recruited in Sweden for utilization as a support agent for our S/W letters to AECOB/10. MOTHER OF AECOB/10.

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I. 1) The following personnel are no longer carried by the project:

AECOB/1	AECOB/9
AECOB/2	AECOB/11
AECOB/5	AECOB/12
AECOB/6	AECOB/13
AECOB/8	AECOB/14
	AECOB/15

2) All of the above except AECOB/1 and 2 were support assets inside the USSR, primarily safe house operators, letter drops and cut-outs who were contacted and recruited by either AECAMBARO/2 or AECAMUSO/2 to support their own activities. Therefore, since the Soviet surfacing of AECAMBARO/2 and AECAMUSO/2, there is little reason to maintain these agents, who have, most probably, been so compromised as to obviate their further utilization as support assets in Project AECOB.

3) AECOB/1 and AECOB/2 were recruited and trained by AECAMUSO/2 in 1954 as action agents. AECOB/2 was to turn over any positive intelligence he collected to AECOB/1 for transmission of such data to us by S/W. However no communication has ever been received from AECOB/1 or AECOB/2, therefore it is concluded that both have been so compromised as to preclude any expectation of such communications being activated and there exists little reason for maintaining them in Project AECOB.

4. Operational Review, 1 October 1956 to December 1957: During the period under review the following took place under Project AECOB:

a. Communication channels into Latvia with the following CIA-dispatched agents were maintained through December 1956:

- 1) AECAMUSO/2: W/T in; S/W out.
- 2) AECAMUSO/3: W/T in and out; indicators denoted Soviet control.
- 3) AECAMBARO/2: W/T in; W/T and S/W out.

b. Communication channels into Latvia are being maintained

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on a current basis with the following agents who were recruited in place:

- 1) AECOB/3: W/T and S/W in; S/W out.
- 2) AECOB/4: S/W in; S/W out.
- 3) AECOB/7: W/T in; S/W out.
- 4) AECOB/10: S/W in; S/W out.

5. We maintain contact with the agents in 4b above for the following reasons:

a. To acquire intelligence information. (We feel that even assuming their control by the RIS, such contact should be continued to exploit these sources for valid information in instances when we believe that it would be unprofitable for the RIS to practice deception).

b. To ascertain, more definitely, evidence of RIS control by checking information received against known data available from Agency sources and/or by analysis of agents' handwriting.

c. To continue our inquiry into RIS methodology.

6. Past Production: Since the beginning of the previous project year, 1 August 1956 to the present, twenty-four positive intelligence reports have been received sixteen of which have been disseminated and six are being processed by SR/Reports for dissemination. Two reports contained information of no intelligence value.

7. Operational Plans for the Period 1 August 1957 to 31 December 1958

a. General Objectives are:

1) To provide a vehicle for continuing action to acquire information of an FI nature; to determine RIS control of the aforementioned agents; to maintain our capability for instituting CE action in the Latvian field by exploiting defectors and RIS agents from the Latvian SSR and other parts of the USSR. Such exploitation should produce positive and operational intelligence on Soviet Latvia, other parts of the USSR and information on the RIS;

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to make available funds for settling the estates of agents who, upon fulfillment of the terms of contract, will be declared missing and presumed dead during this project period if no further communications are received from them or concerning positive evidence of demise.

b. Specific Proposed Tasks:

- 1) To Maintain:
 - a) W/T and S/W contact with AECOB/3;
 - b) S/W contact with AECOB/4;
 - c) W/T and S/W contact with AECOB/7;
 - d) S/W contact with AECOB/10.

The objective is to ascertain RIS control if any and, if possible and appropriate, to induce the RIS to let one or more of them come West as double agents which would enable us to initiate CE operations. In the meanwhile we might receive intelligence information of some value in instances when it would be unprofitable for the RIS to practice deceptions even if these agents are being controlled.

2) In the event of absence of RIS control, requirements of military, scientific and technical nature may be fulfilled. Such specific targets are:

a) Suspected missile testing installations in the Riga area. Riga is the headquarters of the Baltic Military District. Also, in this area there is a naval training center and, it is believed, some local industries manufacture radar equipment.

b) Several other priority military targets which include naval staging bases, army installations and air fields.

c) Other more specific targets will be included according to requirements commensurate with the capabilities of the action agents available.

3) To interrogate escapees and defectors from the Latvian SSR. If, as a result of interrogation, any of

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these are determined to be RIS agents, they will be assessed for a double agent role.

4) To settle the estates of:

a) AECAMUSO/2 who can be declared legally "dead", in accordance with the terms of his contract, if no further word is received from him or of him in respect to his demise by 7 December 1958.

b) AECAMUSO/3 (same situation as AECAMUSO/2 except date which is 21 December 1958).

c) AECAMBARO/2 (similar situation as AECAMUSO/2's except date: 11 December 1958).

8. Finances

a. A total of \$16,456.73 was disbursed on Project AECOB between 1 August 1956 and 31 July 1957.

b. Breakdown:

1) Case officer travel	\$ 1,614.19
2) Equipment	141.29
3) Agent compensation and operational entertainment	<u>14,701.25</u>

*\$16,456.73

*Of the above figure approximately \$14,450.00 was disbursed by Headquarters and \$2,000.00 by the field.

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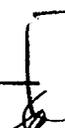
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c. The funding requirements for the renewal period, 1 August 1957 to 31 December 1958, is broken down by category and project periods as follows:

	Project Period 1 August 1957 31 July 1958	Project Period 1 August 1958 31 December 1958
Salary for AECAMUSO/2	\$ 2,400.00	\$ 1,000.00
Salary for AECAMUSO/3	2,400.00	1,000.00
Salary for AECAMBARO/2	6,000.00	2,500.00
Death benefit for AECAMBARO/2		10,000.00
Death benefit for AECAMUSO/2		3,000.00
Death benefit for AECAMUSO/3		3,000.00
Payments to AECOB/17	720.00	300.00
Travel	1,500.00	1,000.00
Operational support for internal assets (cur- rency and barter items)	1,500.00	500.00
Operational entertainment	250.00	150.00
Development of assets, debriefing and handl- ing costs	<u>1,000.00</u>	<u>500.00</u>
TOTAL	\$15,770.00	\$22,950.00
GRAND TOTAL		<u>\$38,720.00</u>

CONCUR:

 Chief, SR/2

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