

DISPATCH		CLASSIFICATION SECRET	DISPATCH SYMBOL AND NO BSMW 6356
TO INFO	Chief of Base, Munich COS, Germany	DECLASSIFIED AND RELEASED BY CENTRAL INTELLIGENCE AGENCY SOURCES METHOD EXEMPTION 3B2B NAZI WAR CRIMES DISCLOSURE ACT DATE 2007	HEADQUARTERS FILE NO. 74-124-29/3
FROM	Chief, SR		8 JUL 1958
SUBJECT	REDWOOD AERODYNAMIC AECASSOWARY-2 and AERODYNAMIC Activities		RE: "43-3" - (CHECK "X" ONE) <input type="checkbox"/> MARKED FOR INDEXING <input checked="" type="checkbox"/> NO INDEXING REQUIRED <input type="checkbox"/> INDEXING CAN BE JUDGED BY QUALIFIED HQ. DESK ONLY
ACTION REQUIRED	See para 3.		
REFERENCE(S)	<p>1. AECASSOWARY-2 was given no specific instructions by Headquarters regarding his movements and activities while in Europe. His trip was approved because it was agreed it was desirable for him personally to visit his representatives in Munich and other European areas. He was allowed a specific amount for travel and necessary trip expenses. It was impressed upon him that there have been budget cuts and that there would be no additional money available for this trip. No commitments were made for any additional operational expenses in connection with the Brussels Fair. However, it was decided that should something interesting develop, particularly in the way of promising contact operations, each case would have to be considered on its individual merits. AECASSOWARY-2 is not committed to return at any specified time, so long as he can get along on whatever finances he has left.</p> <p>2. On approximately 23 June, AECASSOWARY-17 (Identity-1) received a letter from AECASSOWARY-2 from Madrid in which he requested that AECASSOWARY-27 (Identity-2) come to Europe to handle developments at the Fair. AECASSOWARY-2 stated he would remain in Madrid to await a reply to his letter. He suggested that AECASSOWARY-27 meet with him in Paris for discussions before AECASSOWARY-2 departs for the United States. It is felt that AECASSOWARY-27 would be capable of handling any new developments at the Fair after AECASSOWARY-2's departure. AECASSOWARY-17 was instructed to write AECASSOWARY-2 and suggest that unless he has a specific reason for wanting to meet with AECASSOWARY-27 in Europe, he return to the United States for the discussions with him. AECASSOWARY-27 will be introduced to [redacted] who presently is at Headquarters. AECASSOWARY-27 is scheduled to attend conferences at Colgate University during the week of 1-5 July. To obtain his visas and make other preparations for departure will delay him until approximately 14 July. You will be notified as soon as a specific date of departure is known.</p> <p>3. AECASSOWARY-2 is expecting 3 Ukrainians from Poland to come to the Fair. This information was received by the AECASSOWARIES in correspondence from their Ukrainian contacts in Poland. One of them has studied at the University of Kiev and plans to return to the University after his return from the fair. It is expected that AECASSOWARY-27 will be able to handle the contacts with these people. In the event that these individuals do appear at the fair and they develop to be of operational interest, it may then be desirable to have a case officer with Ukrainian operations experience to be present during discussions with these individuals. Providing they can be made available for such FBI assignments to Brussels on short notice, Headquarters may then ask for [redacted] from Munich or [redacted] from Frankfurt to make contact with the individuals through [redacted] and the AECASSOWARY representative at the Fair.</p> <p>4. The following will bring you up-to-date on the status of Projects AERODYNAMIC and AECARTHAGE.</p> <p>a. Project AECARTHAGE is being terminated as of 30 October 1958. For purposes of finance, AECASSOWARY-6 has been transferred from AECARTHAGE to Project AEPACAN. AECASSOWARY-28 will be terminated or transferred to another project by 30 October 1958. AECASSOWARY-4 and 15 have been transferred to Project AERODYNAMIC.</p> <p>b. Project AERODYNAMIC has been redocumented and the new Project Outline, presently being retyped in final form, renames the Project through fiscal year 1959. The budget has been reduced and completely revamped. Approval is being requested for [redacted] This amount includes approximately \$33,000.00 for the field operations. This amount will not be allotted through the Station but will be paid directly to the AERDIVE account. AECASSOWARY-2 is free to either increase or decrease this amount for the field as he determines necessary. The budget on paper</p>		
FORM 10-57 53 (40)	USE PREVIOUS EDITION. REPLACES FORMS 51-28, 51-28A AND 51-29 WHICH ARE OBSOLETE.	CLASSIFICATION SECRET	<input type="checkbox"/> CONTINUED

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is broken down into salaries, travel, operational expenses, special projects and the newspaper and journal categories merely as a basis for determining the minimum under which Project AERODYNAMIC could operate. However, AECASSOWARY-2 is free to increase expenditures under one category at the expense of another if he deems it appropriate.

c. [] as been established for AERENHIVE and tax exempt status was granted by the Department of Internal Revenue in June. Funding of the Project is being accomplished through the official cover set-up on a quarterly basis.

d. The new budget will be discussed with AECASSOWARY-2 on his return.

e. [] has been added to the AERODYNAMIC case officer staff and will continue her operational contacts with the AECASSOWARIES.

5. Project AECUPBOARD was transferred from AEACRE, along with [] AECUPBOARD is being handled exclusively through AECASSOWARY-2 and does not involve any field operations.

6. For Identities 1 and 2 see separate cover attachment.

ATTACHMENT: UNDER SEPARATE COVER
Identities 1 and 2.

Distribution:

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(27 June 1958)

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SEPARATE COVER ATTACHMENT TO HQM 6356

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IDENTITIES

IDENTITY 1-----HYROSLAV BECKOP

IDENTITY 2-----LUBOMIR ORTOSKY

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