

DISPATCH

CLASSIFICATION
SECRET

DISPATCH SYMBOL AND NO.
EGFA 33630

TO Chief, SR
Chief, EE CCS, Germany

HEADQUARTERS FILE NO.
74-124-29/3

FROM Chief of Base, Frankfurt

DATE
24 March 1961

SUBJECT: REDWOOD AERODYNAMIC Operational
Progress Report - 1 December 1960 - 15 March 1961

RE: "AS-T" (CHECK "X" ONE)
 MARKED FOR INDEXING
 NO INDEXING REQUIRED
 INDEXING CAN BE JUDGED BY QUALIFIED HQ. DESK ONLY

ACTION REQUIRED

DEFERRE (S)

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

1. SUMMARY

During the period covered by this report, we have completed the setting up of AECASSOWARY 29 under unofficial cover in Europe with the exception of his visa extension and have established a small group of AECASSOWARY 29's contacts as spotters. We have made some progress in contacting potential leads, but have at present only one firm REDSKIN potential agent in Germany. We have had to discard three potential REDSKIN travellers for reasons beyond our control. The [] has located five possible leads. AECASSOWARY 29 has begun a debriefing of a Soviet emigre in Sweden. We have had no further information on the plans of SHPORLIUK in London. AECASSOWARY 29 has performed at the anticipated level and we believe there have been no security incidences which might jeopardize our future activities. Our administrative support of AECASSOWARY 29 has been reduced to a minimum and our other operational support functions such as processing AEJAMMER take and search for leads from other sources have been undertaken only to the extent that this is in support of our REDSKIN mission. We intend to intensify the use of spotters and to have AECASSOWARY 29, in alias, participate directly in the search for potential leads and REDSKIN agents. We will engage in REDSKIN contact operations against Soviet Ukrainian personality targets in the West when sufficient opportunity arises to warrant the effort.

2. ACTION REQUIRED

a. AECASSOWARY 29 has been informed that Headquarters does not maintain a separate target file on Ukrainian personalities as explained in EGFW 11684, 7 December 1960. He requests that AECASSOWARY 2 be asked to forward, through KUBARK channels, a copy of the personality target file maintained by AECASSOWARY 2 in New York.

done b. AECASSOWARY 29 has requested that the letter forwarded to Headquarters in EGFA 33308, 13 February 1961, be made available to AECASSOWARY 2 as a matter of historical interest if he does not already have it from other sources. We had asked AECASSOWARY 29 to verify the bona fides of this letter.

done c. We request that cryptonyms be assigned to CHORNIY, Ivan, WOLOSZYN, Wolodymyr and DEVINCENZ, Andre inasmuch as we will be contacting and using them as spotters.

3. PRODUCTION IN TERMS OF PROJECT OR INTELLIGENCE OPERATIONS

a. AECASSOWARY 29 has been fully settled in Germany under his unofficial cover of ABEREETHIVE, with the exception of the extension of his visa. Within this cover he has contacted and is in the process of developing AECASSOWARY 6, AECASSOWARY 36, CHORNIY, Ivan and WOLOSZYN, Wolodymyr as spotters in Germany. We have begun to withdraw from

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AECASSOWARY 37, as reported in EGPA 33214, 9 March 1961, because of the adverse information elicited from AECASSOWARY 37. AECASSOWARY 29 has contacted Prof. Dr. Dmytro TSCHYZEWSKIY of Heidelberg University through AECASSOWARY 36 in order to make contact with DeVINCENZ, Andre, but found the latter had returned to France for spring vacation. AECASSOWARY 29 has developed AECASSOWARY 31 and AECASSOWARY 34 as spotters in Sweden, but has had only minimal contact with them.

b. Our spotters have been searching for REDSKIN leads among the Ukrainian emigres in various locations in Germany. To date, some twenty individuals have been contacted under the general cover of AEBEEHIVE to discover through elicitation the citizenship of the contact and to determine whether or not the contact is sufficiently interested in vital Ukrainian problems in the Soviet Union to assist in the AEBEEHIVE effort. We have discovered that most of these contacts are still stateless or have expressed such concern on the basis of letters from the Ukraine at the deteriorating situation of the Ukrainians in general in the USSR that we believe they cannot be used for REDSKIN operations. Three contacts with German citizenship have expressed sufficient interest to be considered, but two individuals were suggested by AECASSOWARY 37 and therefore cannot be used. We have requested a POA to contact and recruit the third, ZUBENKO, Igor. During this period we have had to drop three potential REDSKIN agents. AECASSOWARY 34 will not make a trip to the USSR since his mother has immigrated to Sweden. Ivan SALO has decided not to travel since he has not heard from his relatives in several months, and fears something may be wrong. AECASSOWARY 37 has decided not to make the trip, although we had already determined to withdraw from this contact as reported in EGPA 33214. We have discovered two or three interesting leads from our AEBEEHIVE screening. We have received a POA on one and will make the initial contact as soon as alias documentation is ready. We are still gathering information for POA requests on the others. Finally, we have been informed by OPFA 57145, 17 February 1961, that the Paris Station has five possible leads for AECASSOWARY 29 to develop and recruit for the We agreed to assist in this matter in EGPA 33343, 13 March 1961.

c. AECASSOWARY 29 spent several hours in debriefing the mother of AECASSOWARY 34 in on potential internal assets and positive intelligence and we will continue this effort when the requirements mentioned in DIR 27595 are prepared. AECASSOWARY 36 informed AECASSOWARY 29 that SHPORLIUK, Roman had completed his thesis and had submitted it to the Oxford authorities. SHPORLIUK, in his letter to AECASSOWARY 36, did not answer the questions of his future AECASSOWARY 36 had asked and did not offer any information on Prof. SIEDLER. AECASSOWARY 35 wrote AECASSOWARY 29 that SHPORLIUK had moved to London, but did not give a date, address or reason for the move. We doubt that we will have further action on this case without a personal meeting between AECASSOWARY 29 and SHPORLIUK.

4. AGENT PERFORMANCE

AECASSOWARY 29 has continued to maintain the same cooperative attitude and high level of performance as commented on previously. He has sustained his unofficial cover satisfactorily in terms of both status and action, and has been continuously alert to possible security weaknesses. In administrative and financial matters AECASSOWARY 29 has made it possible for us to reduce our support time and effort to a minimum. In operational matters AECASSOWARY 29 has continuously shown that he has a good grasp of the principles and practices of operational tradecraft in the planning and

execution of our activities to date. He is developing his spotters into an efficient group and his direction and supervision will make them as effective and productive as the situation will permit. His appreciation for the difficulties of searching for REDSKIN leads among the Ukrainian emigres through his spotters in Germany has stimulated him into planning and preparing for further spotting on his own among students and professors of universities and institutes and by means of cold approaches to Ukrainian emigres based on leads from other sources. He is determined to try as many approaches to develop and recruit REDSKIN leads as practicable and his enthusiasm is diminished only by the fact that so many emigres in Germany have remained stateless. He has shown a clear understanding of the fact that it is necessary to locate, assess and recruit REDSKIN agents before the main task of recruiting an internal asset or collect positive intelligence can be carried out. His desire to be productive has been the source of his inner drive for additional activity.

5. FINANCE AND ADMINISTRATION

a. The following table presents our operational and overhead expenditures for this period (in DMs):

	<u>Travel</u>	<u>Per Diem</u>	<u>Operations</u>	<u>Overhead</u>
December	341.00	358.05	157.25	680.70
January	744.80	674.10	456.82	--
February	<u>116.10</u>	<u>219.45</u>	<u>474.17</u>	<u>---</u>
	1,201.90	1,251.60	1,088.24	680.70

During this period we have expended approximately 28% for travel, 30% for per diem, 26% for operational expenses, including expenses and travel of the spotters, and 16% for overhead, the safe and Ukrainian typewriter. Our total expenditure for the project to date is DM 11,437.13 of which 3,185.77 is for travel, 3,010.07 is for per diem, 2,560.59 is for operational expenses and 2,680.70 is for overhead. At present we are expending funds at a rate within our budget, but have not had ^{to} fund an operation. We believe we may not have to request additional funds for FY 1961.

b. AECASSOWARY 29 has not been informed by the Frankfurt Ausländeramt whether or not his visa, which expired on 7 November 1960, has been extended. In December 1960 we requested that the representative of MKTOPAZ who has normal dealings with a senior official of the Frankfurt Ausländeramt under cover of ODIBEX to inquire casually about the case. The MKTOPAZ representative intimated that ODIBEX was mildly interested in the research project AECASSOWARY 29 was engaged in, but did not imply that AECASSOWARY 29 was employed by ODIBEX or ODYOKE. The Frankfurt Ausländeramt official explained that no action could be taken until further information was received from the German Consul in New York, but in the meanwhile, AECASSOWARY 29 could remain in Germany. We are of the opinion that this inquiry on the part of the MKTOPAZ representative is the reason for the lack of action on the visa, and for the unofficial permission for AECASSOWARY 29 to remain. This situation will probably remain the same for sometime. If AECASSOWARY 29 is required to leave Germany, we plan to have him travel to Brussels on the German Reisepass, utilize the Belgian Titre de Voyage to apply for a German visa to a different city in Germany and return. He will then register in this different city and again return to Frankfurt without registering in Frankfurt. We believe through this

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mechanism we can avoid a return to PBPRIME and a long wait for a second visa from New York.

6. COMMITMENTS

None.

7. SECURITY

a. We have received no indications that our security in this operation has not been effective during this period. AECASSOWARY 29 has been most circumspect in his activities with his contacts and spotters and we are of the opinion that the AEBEEHIVE cover has proven adequate. Our association with AECASSOWARY 37 has presented our only potential security risk and we believe that our slow withdrawal from this situation will prevent any significant exposure of our intelligence activities. We have not received any information from normal emigre circles or through UPHILL or CAVATA channels that AECASSOWARY 29's presence or activities in Germany have caused any undue suspicion or comment.

b. We have been informed by AECASSOWARY 29 that Identity of DIR 10124 has returned to PBPRIME on 19 January 1961. AECASSOWARY 29 stated that the primary reason for the return was that her leave of absence had expired, that AECASSOWARY 29 did not know how much longer the German authorities would allow him to remain in Germany, and the costs involved in her being here were quite heavy. We have expressed to AECASSOWARY 29 our feeling that this solution was a fortuitous one, considering our operational activity here, and that we hoped that the whole situation would be resolved favorably to all concerned in the future. AECASSOWARY 29 had nothing new to add about his total family situation.

8. PROSPECTIVE DEVELOPMENTS AND PLANNING

a. We consider that we have been developing our operational activities in project AERODYNAMIC for a little over six months. We have established AECASSOWARY 29 in Germany, made a preliminary survey of the Ukrainian REDSKIN emigre potential in Germany and have activated a small group of spotters. Our spotters have searched for potential REDSKIN leads and have made contacts with the more promising. AECASSOWARY 29 will begin searching for leads himself and making cold approaches under alias to leads from other sources. In looking back on this activity we are beginning to appreciate that the potential in Germany among the Ukrainian emigres is something less than we had originally thought. We find two major blocks which had not previously been anticipated and which definitely diminish the potential. Many Ukrainians in Germany have for one reason or another remained stateless and therefore cannot be used. Many Ukrainians have felt that the Soviet attitude towards travellers to the Ukraine has hardened, thereby increasing the risks to the traveller. We are somewhat disturbed by this growing conviction, but intend to press forward until the evidence is clear. We will search out all possible mechanisms which will lead us to Ukrainians who have acquired German citizenship. Concomitantly, we are also aware that there are apparently good operational potentials outside Germany. We could not agree to continue to support AECASSOWARY 29 in Germany if by so doing better opportunities remained unexploited

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in these other areas. Therefore we cannot escape the premonition that despite our increasing efforts we will be forced to conclude on the basis of nine months experience that the industry and competence of AECASSOWARY 29 should be directed at operational targets other than in Germany. A corollary of such a conclusion would be our recommendation that AECASSOWARY 29 be based at some other outside Germany in order to capitalize on these leads which seem at the present time to be more prevalent than in Germany. We intend to consider this problem seriously during the next reporting period and will forward our conclusions and recommendations in a separate dispatch.

b. With the advent of spring we will begin to engage in REDSKIN contact operations against Soviet personality targets who may attend the various trade fairs and conferences in the West. We have expressed our operational thinking to Headquarters in EGFA 33009, 24 January 1961. We do not intend to expend a great deal of manpower or effort in those cases where we have found through experience there is a potential for exploitation or a specific known personality will be in attendance. Our effort here will be secondary in importance to our basic REDSKIN traveller and exchange program.

APPROVED _____

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