

developing new LLDs:

(a) Forward staff and Principal Agent manpower commitment to LLD procurement and handling:

1. Within the SO Branch proper, [] is assigned exclusively to this function, and [] is occupied approximately 90% of his time at it. [] is a [] officer and current Acting Chief, [] is occupied roughly 20% of his time with LLDs, and [] is also responsible for CASUL/CANOIR and surveillance/investigation development, roughly 30%. The manpower of the Branch is now fully extended on LLD support, [] and stay-behind tasks.

2. Outside the SO Branch, we have drafted the following manpower:

a) [] of the Soviet Branch has been detailed full-time on an indefinite basis to SOB/EO for use in handling LLDs and assisting in the development of new ones.

b) Three officers of the German Branch have been given lists of LLD candidates for initial location, approach and assessment under non-intelligence cover. This assignment is in addition to their normal responsibilities.

c) CAVERDICT will be occupied approximately 50% on initial approaches to and spotting of LLD candidates, in addition to his continuing use on ZIBBY developmental operations.

d) As our roster of LLDs grows, individual officers in other Branches will be assigned the handling of recruited LLDs in addition to their primary operations tasks.

NOTE: A related problem is the procurement of additional PO boxes to which LLDs mail letters received from BOB agents. As an SOP, we restrict each PO box to not more than 3 LLDs. With increasing scarcity in available PO boxes, procurement of boxes has become something of a minor operation in itself.

(B) Accelerated our program for approaches to and assessment and recruitment of recorded LLD leads:

1. Our inability to supply BOB any new LLDs immediately was the result of the need to drop CABATON ~~46~~ on the grounds of his confession of his connections with UTHILL. Since CABATON ~~46~~ had been involved in the recruitment of two new LLDs (our normal reserve), including CABATON 58, we had no choice but to terminate further interest in these, also.

2. One new, recruited LLD, CABATON 65 (who does not receive mail directly, but through an unwitting drop), will be made available to BOB as soon as he has been tested. We had also intended to assign to BOB the newly-recruited CABATON 58, but were obliged to assign this LLD to CACOFFEE 1 in response to DIR 35789.

3. Four additional candidates, not yet designated, will be subjected to recruitment approach as soon as the IOAs requested on them in early January 1962 have been received. Note: These do not include the candidate to

whom BOB has taken exception in Reference B and who will accordingly be dropped from further consideration.

4. An additional nine FOA requests have been recently submitted on candidates who have been the subjects of initial, non-intelligence approaches (on the basis of their replies to a newspaper advertisement for ODIBEX employment possibilities).

(c) Initiated exploitation of potential LLD-lead mechanisms:

1. Even if all the known leads mentioned under Paragraphs 3 (b) 3. and 4. above were to prove acceptable and willing to accept recruitment, which is hardly likely, we will still clearly require sources producing LLD leads on a more systematic basis than needed in the past. To begin with, we are serving spotting requirements on existing FOB assets who appear suitable for such use, e.g., CAUGH, CAPTULATOR and AEBOWARZA.

2. To develop with minimum delay some LLDs in the Rhine-Ruhr area, we have initiated a modest program of approaching individuals located in suitable residential districts (i.e., neither wealthy nor pauper areas) under cover of a limited ODIBEX "public opinion" survey on current developments. Einwohnerstudien checks and FOA requests will be instituted on suitable individuals contacted through this means.

3. Pursuant to [] useful suggestion, we have also discussed with the local CALLENAR chiefs the general situation with regard to East German mail to West Germany, as well as the possibility for certain spotting assistance CALLENAR might render our effort to develop leads--not only for suitable LLDs, but also for West German support agents in response to EGPA-71125. (NOTE: the question of support agents was not even indirectly reflected in our discussion with the CALLENAR representatives, who are aware of our interest in LLDs.) Some useful background information obtained on the general situation is discussed in Paragraph 4 below. With regard to spotting assistance, CALLENAR has agreed to carry out the following pilot operation:

On the basis of an 4th listing of smaller cities (10,000 to 100,000 population), not to include those where there are major concentrations of GDR troops or significant facilities, CALLENAR will direct each of its three field stations in Mannheim, Wiesbaden and Regensburg, those being primarily concerned with East German mail, to screen out and microfilm approximately 200 letters addressed to individuals in these smaller cities. Letters are to be chosen also on the basis of non-business character and on the absence in them of controversial content, e.g., complaints against the East German regime, pro-Western sentiments, etc. The intercepts will be delivered to FOB in installments, as received. They will be roughly screened and the checks run as they return. The data will be made available to do further rough screening, to eliminate known East German intelligence operations which appear appreciable quantities, etc. Initial contacts under non-operational cover should further narrow down the list of eligibles, on whom FOA requests will then be initiated, and actual recruitment approaches carried out. In the process of screening and initial approach, due attention will be given to selecting particularly suitable candidates for sources, as opposed to LLD use. The local CALLENAR chiefs will be provided

In furnishing us an initial collection of 500 - 600 intercepts in this way, and appear quite ready to furnish additional collections if these are found to be required. It will be noted that from this effort we can expect leads only in Paden (Postal Zone 17a) and northern Bavaria (Postal Zone 15a). The GALLIKAR representatives explained that for reasons of the missions presently assigned to other field stations, they cannot provide us the desired coverage in Hesse, and they can get coverage of Rheinland-Pfalz only through reference to the French authorities. Address-ees will be advised of further developments in this project; MOG is requested to indicate its interest in receiving leads developed from the coverage in northern Bavaria.

6. Certain general background on the current international mail situation will be of interest to addressees, as follows:

(a) The GALLIKAR chief's estimate of the current mail flow from East to West Germany is 30 million separate items per month. He stressed that this estimate is very rough, and he expects to see or hear later in coming weeks more accurate figures from senior officials in the Deutsche Bundespost. He will provide FCB with figures when they are received.

(b) The GALLIKAR estimate of the percentage of East German letters to be opened is based on a survey by the East German intelligence service in the past few months. This estimate is based on the poor quality of the East German mail, and it is impossible to tell exactly what percentage of the mail is opened by the letter opening service. Since the East German mail is so poor, it is not surprising that some suspicious letters are opened. This mail is West Germany. It also is possible that the percentage of the mail currently considered suspicious is higher than the actual percentage of suspicious mail. The GALLIKAR chief's estimate of the percentage of suspicious mail is based on the fact that the East German mail is so poor that it is not surprising that some suspicious letters are opened. This mail is West Germany. It also is possible that the percentage of the mail currently considered suspicious is higher than the actual percentage of suspicious mail.

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(d) Non-participation in correspondence with East German subjects of a controversial nature, such as origination or receipt of letters containing comments against the GDR's policies (Comment: participation in innocuous correspondence with relatives or friends is considered on the whole a desirable attribute in an HD lead).

(e) Residence in cities of known target importance, or in an other possible or security grounds, e.g., East Berlin, East Germany and Munich.

It was further agreed that unwitting drops might be caused, either in any particular case is likely to involve desire for control, direct or indirect, and/or inadequate control over the unwitting drop. To that end, the undersigned that SOE be furnished more information on individuals who assigned to support of SOE internal operations should be a drop in the past, i.e., all available PRO data, INFLUENCE results, some detailed information on the

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APPROVED:

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Dissemination:

- 1 - HQ
- 1 - C/IC
- 2 - C/SG
- 1 - C/MI
- 1 - C/DOG