

EE

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		PROPOSED	ACTION
TO Chief, EE		XXXX	MARKED FOR INDEXING
INFO. Chief of Station, Germany; Chief of Base, Berlin			NO INDEXING REQUIRED
FROM Chief, Frankfurt Operations Base			ONLY QUALIFIED HEADQUARTERS DESK CAN JUDGE INDEXING
			ABSTRACT
			MICROFILM

SUBJECT: CATANZI/CABATON/Operational
 CABATON Progress Report - 1 October - 31 December 1963

NOTATION REQUIRED - REFERENCES
 Action: See para. 12
 Refs : A. BEFA-40234
 B. BEFA-40408

SUMMARY:

1. Eight new live letter drops were recruited during the reporting period and designated CABATONs-120 through -128. All are being operationally tested and numbers 120, 121, 122, 123 and 125 have been assigned. During this quarter CABATONs-109 and -112 were terminated leaving us with a total LLB strength of fifty-four at the close of the reporting period. The combing of Frankfurt ODINER files of former German employees was completed and initial interviews attempted with a number of selected leads. These interviews were not fruitful and this line of endeavor has been dropped. Our program of answering work wanted advertisements in German newspapers continues to be our most productive method of recruiting CABATON candidates, with recruitment of PRIME German residents a close second. Also during this quarter, Dusseldorf Operations Group (SAWHP) has been fully briefed and launched in the search for CABATON candidates in the Dusseldorf area. SAWHP has made a number of initial interviews, requests for PGAs have been submitted and we are expecting a number of recruitments by SAWHP in the Dusseldorf area as soon as these PGAs are granted. This quarter had also been utilized for a major shift in case officer responsibilities as [redacted] has assumed the responsibility from [redacted] and [redacted] of thirteen fully recruited agents. [redacted] has taken over the management of sixteen agents.

AGENT PROSPECTS:

2. During the quarter under review we were able to balance our initial interviews and consequently our recruitments, so as to not lean too heavily upon any one source of agents. Two of the eight new agents are citizens of the PRIME developed through Consular files; one was a rejected CATANZI lead; the remaining five were developed through answering newspaper help wanted advertisements. A good part of the early quarter was

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DISPATCH

spent in finishing our combing of the Frankfurt ODIBEX files of former German employees and contacting a representative group of leads from these files. After contacting fourteen people in this category we decided that our time would be better spent in developing leads from the newspaper help wanted columns. Generally, the former ODIBEX employees were found to be disaffected or suspicious and often far too knowledgeable of current true ODIBEX employment practices. We are somewhat wary that this M.O. will feed back rapidly to local employees still with ODIBEX. We have continued to comb ODACID files for PEPRIME prospects and have been moderately successful in recruiting within this category. Duesseldorf district is now providing current lists of these persons as they register with the local installation and we may, therefore, expect a continuing source of leads from that area. Our interest in the Duesseldorf area remains high as we would like to expand our assets in this area well away from the official PEPRIME communities. In line with this policy CAWHIP has been given the job of choosing, contacting, assessing and recruiting a number of CABATON agents in the Duesseldorf area. He has already taken over CABATON-77 in Krefeld from [] and within the next few months is expected to be running seven or eight fully recruited CABATONS. The prompt answering of German newspaper work wanted advertisements followed by a prompt interview remains our most successful means of recruiting CABATON agents and since this fact is now clear we intend to concentrate our effort in this channel, although other possible sources of leads will be exploited as opportunities present themselves.

At the end of the reporting period we held no unexploited POAs and were awaiting receipt of five which had been previously requested.

OTHER MAIL FACILITIES:

3. The CABATON post office box count remains static. We continue to administer and service fifteen post office boxes scattered around the city of Frankfurt for the benefit of FOB in general. It is expected that this number will remain constant and the operational activity of the boxes will also remain at the same level.

4. All agents who were using the cover unit blown by the CABATON-87 affair (see last quarterly report) have now been transferred to two of the new APO receiving boxes. This facility worked out satisfactorily during the reporting period. The use of the addresses of BOB staffers for delivery of mail from Frankfurt via German registered postal channels has still not been utilized for operational mail. We are awaiting a BOB decision on this matter.

5. Details of Activity and Contacts:

CABATON-5: The agent was met twice by [] and delivered two test letters during the last quarter.

CABATON-21: Agent was met three times by [] and forwarded one test letter during the reporting period. He was turned over to [] by [] in November.

CABATON-25: [] met this agent four times during the reporting period. FOB is awaiting instructions from [] in connection with the possible termination of Agent as an LLD for [] Agent was turned over to [] by [] in December.

CABATON-26: Agent was met once and received one test letter during the reporting period. He was turned over to [] by [] in October.

CABATON-29: Agent forwarded four CATHYROID-1 letters and was met once by [] during the quarter.

CABATON-35: Agent will be terminated in the coming quarter. He has not been seen or received any mail during the reporting period. Normal contact with this agent is maintained by Heidelberg Base.

CABATON-37, 37a: Agents (a married couple) were met twice by [] during the reporting period. They have received no mail [] have been assigned as a stand-by address for CAGROOM and [] CABATON-37a also continues to prepare dummy correspondence in connection with the CABATON test letter program. The agents were turned over to [] by [] in December.

CABATON-38: CABATON-38 was met twice by [] and terminated during this period. He signed a quit-claim and received a bonus. He was also given a small bonus to be passed on to CABATON-57 (an unwitting) as a present. Agent will not be reported on again.

CABATON-44: Agent will be terminated during the coming quarter. He has not been seen or received any mail during the reporting period. Normal contact with this agent is through Heidelberg Base.

CABATON-47: Agent was seen twice and forwarded three CAMHTMP letters during the reporting period. Agent was turned over to [] by [] in December.

CABATON-57: Agent, an unwitting of CABATON-38, was terminated during the last quarter. His CADEFIANT LLD task was reassigned to CABATON-121. Agent will not be reported upon again.

CABATON-66: Agent was met once and forwarded one test letter during the reporting period. He was turned over to [] by [] in October.

CABATON-68: CABATON-68 was met three times and delivered two test letters during the quarter. He was turned over to [] by [] in October.

CABATON-72: Agent was met four times and handed over one test letter during the reporting period. He was turned over to [] by [] in November.

CABATON-74: Agent was met twice by [] and handed over one test letter during the last quarter.

CABATON-75: Agent was seen twice and received no mail. He was turned over to [] by [] in October.

CABATON-77: CABATON-77 was seen once and turned over to CAWHIP by []

CABATON-78: [] met this agent three times who handed over a test letter sent from Berlin as well as a test letter initiated by BOB.

CABATON-79: This agent was met twice by [] and forwarded two Berlin test letters.

CABATON-80: Agent was met twice by [] and forwarded eight CAMUG letters during the reporting period.

CABATON-81: Agent forwarded seven CAMOLAR, and one test letter during the reporting period. He was met three times and turned over to [] by [] in December.

CABATON-82: Agent was met twice and forwarded one test letter. He was assigned to FOB/SAT as an address for an LCHARVEST developmental operation in December. In December he was turned over to [] by []

CABATON-84: Agent was met once and turned over to [] by [] in November. Agent's assignment to AVBACON was cancelled by Headquarters in November.

CABATON-87: Despite the compromise of Agent to the West German authorities as reported in the last quarterly report, it was necessary to retain agent as a CABATON until his case could be switched to a new drop. He was met twice by [] and forwarded two Berlin test, and one CASNAP letter during the reporting period.

CABATON-88: Agent was met once by [] and forwarded one Berlin test letter.

CABATON-89: Agent forwarded three CAMOLAR and two test letters during the last quarter. He was met twice and was turned over to [] by [] in October.

CABATON-90: CABATON-90 forwarded two DIRECTAR letters and was met three times. She was turned over to [] by [] in October.

CABATON-92: Agent who was an unwitting of CABATON-21, has been terminated during this quarter and will not be reported upon again.

CABATON-95: Agent forwarded one CABLESS letter and was met once. He was turned over to [] by [] in November.

CABATON-96: Agent forwarded two CATTAGER and one test letter during the reporting period. He was met twice by []

CABATON-97: Agent forwarded one test letter and was met twice. He was turned over to [] by [] in November.

CABATON-98: CABATON-98 was met once by [] and forwarded a Berlin test letter.

CABATON-100: Agent was met once and was turned over to [] by [] in November.

CABATON-102: CABATON-102 was met twice by [] and forwarded two test letters.

CABATON-103: Agent forwarded one test, and one CATAILING letter during the last quarter. He was met once and was turned over to [] by [] in October.

CABATON-104: [] met this agent during the reporting period. CABATON-104 forwarded one Berlin test letter.

CABATON-105: Agent was met twice during the last quarter. He has been reassigned to Berlin as a stand-by address.

CABATON-106: Agent was met once by [] and forwarded two CAMOLAR letters.

CABATON-107: CABATON-107 has received no CAVITAMAN mail, but did forward one test letter and was met twice by [] during the last quarter.

CABATON-108: Agent forwarded five CATHYROID and one Berlin test letter during the last quarter. He was met twice and was turned over to [] by [] in November.

CABATON-109: Agent received one test letter and was met seven times. His operational use was terminated by [] in December due to compromise (see below), and he will not be reported on again unless there are security complications.

CABATON-110: This agent forwarded one test letter and was seen once in October when he was turned over to [] by []

CABATON-111: Agent was seen four times by [] and he forwarded one DILABOR and one test letter. Subject was also assigned in the last quarter to FOB/SAT as a BEFUNNY address.

CABATON-112: CABATON-112 has been terminated as an LLD by [] and turned over to the West German Branch of FOB for further exploitation as a telephone cut-out in an important operation. This has been covered in separate traffic.

CABATON-113: This agent was met once by [] and forwarded one CARPATHUS letter.

CABATON-114: [] met Agent once. CABATON-114 forwarded one test letter.

CABATON-115: This agent forwarded two test letters and was met once. He was taken over by [] from [] in December.

CABATON-116: The agent was met twice by [] and forwarded two test letters.

CABATON-118: The agent was met twice by [] and forwarded one test letter. He has not yet been operationally assigned.

CABATON-119: CABATON-119 was met once by [] and forwarded three test letters. He has been proposed to Berlin as an address for CAMOLAR-12.

CABATON-120: As noted in EGFA-40129 Subject who was recruited as CATRANSIT-23 has now been incorporated into the CABATON Program. Subject rejected a CATRANSIT mission but is now functioning satisfactorily as a CABATON. He is presently being run by []

CABATON-121: Subject was recruited by [] on 21 October and is identified in FROB-5530. PRQs will follow.

CABATON-122: CABATON-122 [] the Subject of EGFA-40235, 14 October 1963, was recruited by [] on 9 October 1963. PRQ Parts I and II and a Memorandum of Oral Agreement were forwarded with EGFA-40235. The agent was assigned to CAMOLAR-21 in November and has forwarded four test letters (one originating from Berlin) successfully. She has been met twice since her recruitment.

CABATON-123: CABATON-123 [] the Subject of EGFA-50514, 9 November 1963, was recruited by [] on 23 October 1963. PRQ Parts I and II and a Memorandum of Oral Agreement were forwarded with EGFA-50514. The agent was assigned to CAVIBRATE in December and has forwarded on CAVIBRATE and four test letters successfully. The agent has been seen once since recruitment.

CABATON-124: [] the Subject of EGFA-40840, 24 December 1963, was recruited by [] on 11 December 1963. The agent was previously recruited as a CATRANSIT-25. However, he was rejected for this mission and was then switched to CABATON duties instead. The change in assignment was due to the potential risks and embarrassment factor of his having four small children and does not reflect on his security or ability. PRQ Part II was forwarded with EGFA-40840. Agent will begin to receive test letters immediately.

CABATON-125: CABATON-125 [] the Subject of EGFA-40843, 27 Dec. 1963, was recruited by [] on 9 December 1963. PRQ Parts I and II and a Memorandum of Oral Agreement were forwarded with EGFA-40843. The agent has been seen once and forwarded two test letters since his recruitment. He was assigned to AEMETER as an address on 10 December 1963.

CABATON-126: CABATON-126 [] the Subject of EGFA-40842, 27 December 1963, was recruited by [] on 11 December 1963. PRQ Parts I and II and a Memorandum of Oral Agreement were forwarded with EGFA-40842. The agent has forwarded one test letter since his recruitment.

CABATON-127: CABATON-127 was recruited by [] on 16 December 1963 and is now undergoing operational testing before being actively assigned. Subject is identified in FROB-5493 and full PRQs follow.

SECURITY:

6. A security problem arose during this quarter in connection with CABATON-109. On 11 December 1963 we were informed that CAHIRE, who had been assigned CABATON-109 as an LLD, was working under MFS direction and was assumed to have given the MFS CABATON-109's address. On 16 December at 09:45 a young man appeared at the home of a neighbor of CABATON-109, who was not at home, and attempted to elicit information about CABATON-109. In the conversation the visitor allegedly told CABATON-109's neighbors that CABATON-109 had some connection with the Americans in the I.G. Hochhaus. His ostensible reason for the visit was that he had a letter to deliver to CABATON-109. The neighbors told the visitor that he must be mistaken as they knew CABATON-109 didn't work anyplace since he seldom left the house. (He is retired) After talking for a short time the young man left without specifying whether he would or would not return. He returned at about the same time on the 18th of December and this time talked to CABATON-109. He told the same story about having a letter to deliver to CABATON-109, but said nothing about having told the neighbors that CABATON-109 worked for the Americans in the I.G. Hochhaus. He said the letter had been given to him by some unknown person in Bad Hersfeld and that he was to deliver it personally to CABATON-109. However, as the conversation progressed it became apparent, either by accident or design, that the young man was looking for a person with the same surname but first Frits instead of CABATON-109's first name. This person supposedly lived at an address of the same number but on a different street in the immediate neighborhood. At any rate he departed saying he must have the wrong person. The other address which the young man gave was by chance that of a personal friend of CABATON-109. The next day CABATON-109 called his friend at the address mentioned and learned that he had received no unknown visitors nor had anyone asked him about CABATON-109.

7. This is the only development to date and may well be the end of the affair. It is being reported in more detail for the CAHIRE file. We are sure from physical description that the visitor was not CAHIRE. Either this is a strange series of innocent but confused incidents having no intelligence connotation or we have had our first example in the Federal Republic of a hostile attempt to investigate or confirm a blown LLD. Given the unsavory nature of CAHIRE, the second alternative is more likely and we have acted upon that assumption and will not assign CABATON-109 any ops duties. We are not able to completely break contact with him since he is a citizen of the PBPRIME and we do feel more than normally committed to see that he feels himself and wife to be both fully protected and fairly treated. We will, therefore, maintain a loose and friendly contact with him for some time to come but he will not perform any function for us.

FINANCE:

8. [] was obligated to the CABATON Project during the quarter as compared to the [] authorized.

DEVELOPMENT AND PLANS:

9. Planning for Project CABATON is now becoming less complicated as we establish what we believe to be a more or less continuing method for sustaining our recruitment goal of at least two new agents a month. After trying many methods of selecting candidates, we now find prompt answering of the position wanted ads in German newspapers to be so far superior to any method of recruitment that we plan to push this method to its fullest. This is not to say we will completely discontinue other recruitment means for we will continue to search consular files for likely PBPRIME citizen candidates concurrently with our primary method. We can probably also count on a few recruitments during the next quarter from the CAHYDRANT Program.

10. During the coming quarter we plan recruitment approaches to the fifteen candidates now in process and we will undoubtedly process a few other candidates as they come to our attention. Our systematized test letter program is working well and will be made a permanent part of standard CABATON operating procedure. Every agent is getting one letter a month and a consolidated chart is maintained by [redacted] showing the number and type of letters received by each agent.

PERSONNEL:

11. We are about to lose the services of [redacted] but with [redacted] returning from home leave early in February we should be able to maintain and if need be expand the CABATON Project as required by current and future operational necessity.

12. May we please have a reply to reference B?

APPROVED: [redacted]

32W-6-22/3