

Routing Form  
Doc. No.:  
**MEMO**  
Date:

Indicate title of person to take action, and that of the originator. Place comments thereunder by numbered paragraphs. Initial in center of page and draw a line across the page and forward. Each recipient is to repeat above procedure until action completed and ready for filing. This cover-sheet must be retained with enclosure.

TO:

FROM:

DATE:

O/Air Support

13 May 1951

1. Estimated black flight requirements Phase IV
2. Sterile Pilots for Phase Four Operations:
  - a. Proposed cover story (includes present  cover story)
  - b. Outline of  background
  - c. Record of phone call to

DO/P

O/P

FILE

CIA HISTORICAL REVIEW PROGRAM  
RELEASE AS SANITIZED

2003

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13 May 1954

MEMORANDUM TO: Chief/Project  
FROM : Chief/Air Support  
SUBJECT : Sterile Pilots For Phase Four Operations

1. In view of Asham decision DIR 49987 it is strongly recommended that Chief Air Support immediately take action to recruit four C-47 pilots (unwitting U.S. pilots).
2. In addition to above, also recommend that the four presently available cargo kickers be replaced by unwitting U.S. personnel (due to close association with ROBA for past year, it is believed that these kickers know about the Company and could blow our story to the new replacement pilots."
3. The new air crews (four men each crew - total eight) be hired by Stewart  for CALLIGERIS. Men to be contacted by Stewart only. Stewart to be employee of CALLIGERIS representing CALLIGERIS to hire Americans to work for him for sixty days. (20 May to 20 July).
4. Guarantee pilots \$5,000.00 U.S. for these sixty days plus travel expense required in connection with job. Any time over sixty days to be prorated based on \$2500 per month.
5. Guarantee cargo kickers \$2,000 U.S. for sixty days. Prorate as above for over sixty days plus travel expenses.
6. The Chief Air Support personally knows a pilot who has been thoroughly trained by him in the art of black flight aerial resupply into drop zones. The Chief Air Support can and will personally guarantee that this pilot can do the job. In fact, he is considered the best in the business.
7. Estimated cost of air crew to perform required missions is \$36,000 including travel expenses.
8. The pilot referred to in para 6 is:  He has been security cleared. His present location is believed to be Hawaii.

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-2-

9. [ ] has sufficient background and experience to hire his own air crews thus cutting out Stewart except for [ ] contact. In other words [ ] could be contracted to do the job as directed by Stewart. [ ] could hire qualified personnel in Hawaii and fly his crews direct to any place selected by us.

10. We would provide [ ] with the two sterile C-47 aircraft and make necessary arrangements with [ ] to use SOMERSET. We could write cover story to indicate that aircraft belong to CALIGERIS (copy attached).

11. If above plan approved, plan to use presently available crew chiefs to perform ground maintenance of aircraft. These two mechanics will not fly on aircraft (note one of these mechanics is a FJDEFLECT man. If this objectionable may be able to have [ ] bring one with his crews.)

12. In view DIR 49987 strongly recommend implementation above plan immediately. Only thirty days remain between now and "D" Day.

[ ]  
Chief/Air Support

**ATTACHMENTS:**

- A. Proposed Cover Story
- B. Brief Outline of [ ] Background
- C. Record of Phone Call

ATTACHMENT A

PROPOSED COVER STORY FOR TACTICAL OPERATIONS

TITLE: STATEMENT OF FACTS (UNCLASSIFIED)

(PHASE FOUR)

ALSO

(ATTACHED COVER STORY NOW BEING USED FOR SOMERSET)

NOTE - DATES MAY BE CHANGED AS REQUIRED

STATEMENT OF FACTS

1. On or about 20 May Mr. Stewart was called into a conference with [ ] concerning the purchase of two C-47 aircraft now under contract with [ ] stated that in his opinion the price Mr. Stewart was asking for his two C-47's was too high and requested Mr. Stewart to reduce the sale price. Mr. Stewart informed [ ] before reducing the sale price it would be necessary for him to contact other members of his enterprise and asked [ ] to wait until 25 May for a final decision.
2. Mr. Stewart learned on or about 22 May that a Col. Castillo from Honduras was interested in purchasing two C-47 type aircraft. Mr. Stewart immediately contacted Col. Castillo and offered to sell his C-47's to him. Mr. Stewart informed Col. Castillo of previous negotiations with [ ] concerning the sale of his aircraft to [ ]
3. Col. Castillo stated that he would buy the two aircraft from Mr. Stewart and offered to immediately place money in escrow, as a deposit on the sale pending the completion of legal transfer papers. The exact date to deliver these two aircraft to Col. Castillo was not set. However, Castillo indicated that he desired to have these two aircraft made available for his use on or about 25 May.
4. Col. Castillo stated that at the present time he did not have qualified air crews to fly these two aircraft and requested Mr. Stewart to provide two air crews on a contract basis until he was able to hire his own personal air crews. Col. Castillo further stated that he was trying to make arrangements whereby the aircraft could be based in Guatemala City but negotiations for the use of Guatemala City municipal airport would take some time.
5. Col. Castillo asked Mr. Stewart what the possibilities were of maintaining these two aircraft at [ ] where they were presently located and make contract flights for him from this air base.
6. Mr. Stewart subsequently checked with [ ] and obtained permission from [ ] to fly out of [ ] base. [ ] gave Mr. Stewart permission to use [ ] on a reimburseable basis. Col. Castillo agreed to pay these airport charges.

7. Col. Castillo requested Mr. Stewart to paint the two aircraft with his identification markings. Mr. Stewart agreed to painting aircraft in accordance with Col. Castillo's desires and Col. Castillo gave Mr. Stewart the identification markings he wanted painted on the bottom side of each wing.
8. Mr. Stewart contacted a friend of his in an overseas air line business and determined that two crews were on leave status and were presently in the U.S. These two crews were contacted and hired to fly for a period of 60 days for Col. Castillo. This contract was started 25 May.

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1 April 1954

MEMORANDUM TO: CHIEF/PROJECT  
FROM : CHIEF/AIR SUPPORT  
SUBJECT : Cover Story for [ ] Flight Operations,

1. The purpose of this cover story is to provide both [ ] and the United States personnel located in [ ] with a plausible explanation as to why the C-47 aircraft and the American air crews are flying in and out of [ ]

2. This cover story is only to be used in connection with any discussions which might arise while operating in [ ] It is not to be used by a sterile air crew while conducting over-flights.

### 3. Cover Story

A group of American pilots "headed up" by a Mr. Robert Stewart attempted to establish a commercial charter airline in the Philippines. Bob Stewart and associates purchased four C-47 aircraft for their enterprise.

After several months of preparations for contract operations in the Philippines, the enterprise was rapidly depleting its operating capital and it was decided that efforts would be made to sell the assets of the enterprise.

It was learned by Mr. Stewart and his associates that [ ] was interested in purchasing two or more C-47 aircraft. Mr. Stewart contacted officials of [ ] and offered to sell their equipment to [ ]

[ ] informed Mr. Stewart that they were interested in buying the aircraft but would not consummate a purchase until such time as they were thoroughly convinced that the aircraft were in good shape and saleable merchandise.

[ ] offered Mr. Stewart a contract for a period of 60 days starting on or about 26 March, during which time the aircraft would be thoroughly inspected by [ ] If at the end of this 60-day period [ ]

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government was satisfied that the aircraft was in good condition, they would purchase same at the agreed purchase price. The contract with [ ] called for the Stewart enterprise to fly two [ ] and perform various contract services for [ ] for a 60 day period from 26 March. Mr. Stewart agreed to bring two aircraft and provide two qualified flight crews for the purpose of completing the terms of the contract. Upon completion of the contract and/or the sale of the aircraft, Mr. Stewart and his associates will probably attempt to dispose of other assets of this enterprise.

4. All personnel concerned with this operation should be thoroughly familiar with the above cover story but should only use same in the event that they are questioned by local authorities in [ ] or when they are placed in an embarrassing position which calls for a plausible explanation for their being in [ ]
5. The cover story as presented in Paragraph 3 above has been discussed with [ ] Mr. Stewart [ ] and [ ] agreed on this cover story and it has already been put into effect by [ ] [ ] insofar as the personnel in the government offices under his control are concerned.

[ ]  
Chief/Air Support

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ATTACHMENT B

BRIEF OUTLINE OF [ ] BACKGROUND

13 May 1954

MEMORANDUM TO : Chief of Project  
FROM : Chief, Air Support  
SUBJECT: [ ]

1. The following is a brief outline of [ ] backgrounds:

[ ] was an Air Force pilot during the last war. When the war ended, [ ] got a job as a civilian pilot - operations officer with [ ] and was stationed in Honolulu, Hawaii.

[ ] was recruited as an air operations officer on a full-time status with the Hawaii Air National Guard. [ ] was offered and accepted a job as a transport pilot with the [ ]. However, he continued with his work on a part-time basis as an operations officer with the Hawaii Air National Guard.

The undersigned was [ ] at the time Mr. [ ] was operations officer. His methods and procedures used in conducting air operations were instrumental in [ ]

Mr. [ ] was recruited by the undersigned for conducting black over-flights into China and Manchuria. At the time of this recruiting, a cover story was used and Mr. [ ] during his time of employment, understood that he was employed by a group of financial and influential business men. At no time during his tour of employment was he aware of any connection between this organization and the cover organization.

Mr. [ ] received thorough training [ ] in the art of making clandestine over-flights. He was rated by the undersigned as the best qualified clandestine pilot in the Far East. He received training in low level terrain flying, radar evasion, blind drops into D. Z.'s, homing procedures, box searches, and all ramifications of clandestine air operations.

Through Mr. [ ]'s efforts, the C-47 conveyor system was developed. [ ] was instrumental in refining exfiltration techniques by snatch pick-up.

ATTACHMENT C

RECORD OF PHONE CALL \* STEWART TO [ ]

12 MAY 1954

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13 May 1954

MEMORANDUM FOR: Chief of Project  
FROM: Chief Air Support  
SUBJECT: Telephone Call to Mr. [ ] in Hawaii on May 12

1. The following is the transcript of a telephone conversation between Mr. Robert (Bill) Stewart and Mr. [ ] in Honolulu, Hawaii:

2. This telephone call was made from the [ ] in Miami Beach. Mr. Stewart [ ] registered at this hotel and made subject call.

Transcript From Memory

Stewart: Hello Bob, this is Bill Stewart - S T E W A R T - your old buddy Bill, remember? Do you know whose talking?

[ ] Sure, Bill, I got you. Go ahead. I understand.

Stewart: Bob, do you remember the deal that you and I and Ted were working on the last time we were together?

[ ] Sure, I remember.

Stewart: Well, O.K. How would you like another short time contract - say about 2 months at the most with damn good pay.

[ ] Go ahead, buddy, I'm listening.

Stewart: Well, here's the deal. I have connections with some people who need pilots right away to do some contract flying. You remember where I was staying when I wrote you my last letter. Well, it's down that way.

[ ] O.K. go ahead, I'm right with you.

Stewart: Bob, I'm calling from a hotel in Miami and I don't want to say too much or mention the name of the people or my name because someone may be listening and would try to get the job I'm going to tell you about, understand?

[ ] Sure, I understand. Whats the scoop?

Stewart: O.K., here's the dope. This outfit that I know about is willing to pay pilots \$5,000 to fly for them for a period of approximately

60 days.

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60 days. Most of this flying is the same as you and Ted were doing with me. You know, lots of instrument work. Understand?

[ ] Sure, I know exactly what you mean.

Stewart: They need an especially good and highly qualified C-47 pilot - one who can and will do the job. I understand the outfit wants these pilots from approximately 25 May to 25 July.

[ ] For that kind of dough it sounds to me like the flying must be in Indochina.

Stewart: No, Bob, nothing like that. If you get the job with the outfit, I am talking about you wouldn't travel near that far.

[ ] O.K., go ahead.

Stewart: Here's what I would like for you to do. Can you locate and hire 5 pilots, C-47 pilots, including yourself at 5 Gs each. Also locate and hire 4 more to go along as part of the crew. You know what I mean - to do the dirty work, load and unload like we used to.

[ ] I know exactly what you mean and I am sure that I can find exactly the type personnel you have in mind.

Stewart: This would be two 4 men crews to fly 2 C-47s plus you in charge. You would fill in as an extra pilot when required.

[ ] Does that mean that I may not be flying? Is so, what am I supposed to do?

Stewart: You will be the operations officer in charge and will do the contract work required to get the crews. However, if the occasion arose, you would be required to fly as pilot.

[ ] Sounds good to me.

Stewart: The outfit will pay the other 4 men who are not pilots, \$2,000 each for the same 60 day period.

[ ] O.K. Understand.

Stewart: You would run the contract flights and pay the air crews. In other words, it is your baby and your responsibility. I told this outfit that I had known you a number of years and considered you fully qualified to do the job.

[ ] You

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[ ] You know you can count on me.

Stewart: Bob, I had rather you select good men who do not know me. Do you understand? I don't want this outfit to think that I am giving jobs to my special friends. I would rather depend on your judgment and not be known by any of the pilots you select. This means that you cannot hire Ted.

[ ] I understand exactly what you mean and Ted is not here anyway.

Stewart: In addition to the \$5,000 for each pilot and the \$2,000 for each of the other crew members, the outfit will pay all of your transportation costs from and to Hawaii. Bob, this is costing these people about \$35,000 to \$40,000 so they naturally want nothing but the best pilots to do the job - pilots who are qualified like you and Ted are. For your information this is a much better deal than the other one we were on. This outfit flies a much safer airline, does a lot more planning and etc. Take it from me, its all O.K.

[ ] This all sounds good to me. I am glad to know this new outfit does more planning. When do we start?

Stewart: Look around and line up the men to do this job. Remember these men that you line up are working for you. You will be the boy that pays them. In fact, it is strictly your baby. The outfit will tell you what to do and your responsibility is to see that it is done in the right way. Do you think you can line up the pilot and crew by Friday night?

[ ] I feel sure that I can even though the time is very short. One of the mean problems I am going to have is having these men get two months leave with so little notice. I know the men would be willing and ready to accept a contract such as you mention. However, I believe it can be worked and I can have men who would meet your requirements by the end of the month.

Stewart: O.K. Bob, I will call you back Friday night and you can let me know what you have accomplished. Be darn sure that the men you select won't change their mind later. The outfit does not have time to fool around and look for replacement pilots. Be sure the men you select are going to work and see the job through. If they don't, I'm sure going to look bad and lose some friends in the outfit I'm talking about. I have promised them that you could get the job done. If you have anything lined up by Friday night, I'll wire you the necessary money to pay for the round trip tickets of the 9 men including yourself.

When you

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When you receive the money by wire, it will be a show of faith indicating that the outfit is going to use your pilots.

[ ]

What kind of contract are they going to give us? Will we have anything in writing and if so, will the contract be mailed to us?

Stewart: Bob, I don't think a contract before your arrival is required. If you receive the money for their transportation, then the worse that could happen would be for your men to have a free trip to the States and back to Hawaii.

[ ]

O.K., sounds good to me. I will be waiting for your call Friday.