

VIA TELETYPE

DISPATCH

CLASSIFICATION
SECRET

PROCESSING

TO	PRO-POSED	ACTION	ACCOMPLISHED
INFO.		ONLY QUALIFIED HEADQUARTERS DESK CAN JUDGE INDEXING	
FROM		ABSTRACT	
		MICROFILM	

SUBJECT CABEZONE/HARVARD - CABEZONE AMENDMENT FY 1961
CABEZONE AND HARVARD APPROVAL FY 1962

- ACTION REQUIRED - REFERENCES
- A. EGFS-1697 /26 SEP 1960/ TRANSMITTED HARVARD FY 61 APPROVAL
 - B. EGFS-1734 /11 OCT 1960/ TRANSMITTED CABEZONE FY 61 APPROVAL
 - C. EGOT-8269 /06 JUL 1960/ REQUEST FOR FY 61 PROJECT CABEZONE AND HARVARD APPROVAL
 - D. EGOW-362 /13 MAR 1959/ REQUEST FOR FIELD ESTIMATES FOR FUNDS FY 60 FOR HARVARD AND CABEZONE PROJECT APPROVAL

1. [] WILL BE EMPLOYED AS A CONTRACT EMPLOYEE AT CABEZONE ON 24 APRIL 1961. /SEE EGOS-6559 DATED 18 OCTOBER 1960./ PLEASE AMEND PROJECT CABEZONE FOR FY 1961 TO PROVIDE FUNDS FOR THE FOLLOWING ADDITIONAL EXPENSES WHICH WILL BE INCURRED AS A RESULT OF HIS EMPLOYMENT-

EXPENSES

SALARY AT DOLLARS 500. PER MONTH
24 APRIL - 30 JUNE 1961 DOLLARS 1250.00

ODIBEX QUARTERS 300.00
SHIPMENT OF HOUSEHOLD EFFECTS 500.00
STORAGE AND SEGREGATION OF HOUSEHOLD EFFECTS 200.00

TOTAL INCREASE FOR HQS DISBURSEMENT DOLLARS 2250.00

2. PLEASE AMEND PROJECTS CABEZONE AND HARVARD TO EXTEND THEM FOR ONE YEAR FROM 1 JULY 1961 TO 30 JUNE 1962. THE FOLLOWING FUNDS ARE REQUIRED-

	CABEZONE	HARVARD
A. CONTRACT PERSONNEL	DOLL 75000.00	DOLL --
B. TRAVEL EXPENSES	40000.00	10000.00
C. TRANSPORTATION OF THINGS	3000.00	5000.00
D. COMMUNICATIONS	2000.00	500.00
E. RENTS AND UTILITIES	30000.00	15000.00

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE/METHOD/EXEMPTION 3020
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2007

DATE TYPED	DATE DISPATCHED
13 APR 61	TOR-

DISPATCH SYMBOL AND NUMBER
EGOT-11072

HEADQUARTERS FILE NUMBER
pfs

CLASSIFICATION
SECRET

F. OTHER CONTRACTUAL SERVICES	10000.00	8000.00
G. COMPENSATION OF DEFECTORS	2000.00	5000.00
H. INDIGENOUS HOUSEKEEPING PERSONNEL	3000.00	1000.00
I. OPERATIONAL ENTERTAINMENT	10000.00	3000.00
J. SUPPLIES	5000.00	2000.00
K. EQUIPMENT	--	7500.00
L. RESETTLEMENT PAYMENTS	--	--

TOTALS

DE GRAND TOTAL DOLLARS 315,500.00

DISTRIBUTION- FIELD CASH - CABEZONE -	DOLLARS
FIELD CASH - HARVARD -	75,000.00
HQS OBLIGATIONS -	13,000.00
FIELD COST LIMITATION -	2,000.00
CABEZONE	
HARVARD	

EXPLANATION /KEYED TO ABOVE ESTIMATES/

- A. INCLUDES SALARY AND NOMINAL OVERTIME ESTIMATES FOR SEVEN CONTRACT EMPLOYEES
- B. INCLUDES HOME LEAVE ROUND-TRIP TRAVEL FOR CABEZONE CONTRACT EMPLOYEES AND THEIR FAMILIES, TRAVEL FOR DEFECTORS /PLUS AGENTS IN HARVARD/ AND OTHER PROJECT OPERATIONAL TRAVEL COSTS.
- C. TRANSPORTATION OF DEFECTOR AND AGENTS EFFECTS.
- D. COST OF TELEPHONES, CABLES, ETC. USED IN SUPPORT OF PROJECT ACTIVITIES AND SAFEHOUSES.
- E. COST OF APARTMENTS, HOUSES, UTILITIES, RENOVATION, ETC. UTILIZED BY PROJECT ACTIVITIES. WE CURRENTLY UTILIZE 45 PROPERTIES OF WHICH APPROXIMATELY 35 PERCENT ARE UTILIZED BY HARVARD. IN PREVIOUS YEARS CABEZONE ABSORBED HARVARD HOUSING COSTS.
- F. THIS INCLUDES MEDICAL AND DENTAL CARE OF SOURCES AND AGENTS AND OTHER SERVICES SUCH AS COST OF MOVING FURNITURE FROM THE DEPOT INTO OR OUT OF UNFURNISHED APARTMENTS, ETC.
- G. THIS INCLUDES CONSULTATION FEES, SUBSISTANCE, FOOD, CLOTHING, AND OTHER PAYMENTS MADE DIRECTLY TO THE AGENTS AND DEFECTORS IN THE FORM OF CASH AS OPPOSED TO COMMODITIES GIVEN TO THESE PERSONS.
- H. THIS INCLUDES THE ANNUAL SALARIES, PAYMENTS, SOCIAL SECURITY, ETC. PAID TO APPROXIMATELY 35 MAIDS AND HOUSEKEEPERS OF OUR OPERATIONAL HOUSING.
- I. THIS INCLUDES COST OF ENTERTAINING SOURCES AND AGENTS FOR MORALE PURPOSES AND OCCASIONALLY FOR OPERATIONAL MEALS WITH FOREIGN LIAISON SERVICES WHO VISIT OUR ACTIVITY.
- J. K. THIS REPRESENTS THE ANNUAL COST OF ALL EXPENDABLE AND NON-EXPENDABLE SUPPLIES, EQUIPMENT UTILIZED IN PROJECT ACTIVITIES. THIS INCLUDES FURNITURE OWNED BY KUBARK PLACED IN UNFURNISHED RENTED PROPERTIES.
- L. THIS INCLUDES MONEY GIVEN TO DEFECTORS AND AGENTS AT TIME OF RESETTLEMENT FOR LANDING MONEY, ETC.

40% for
60% cabezone

3. JUSTIFICATION. THE DE FIELD ALLOTMENT FOR FY 1961 WAS

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DOLLARS CASH, DOLLARS 10,000.00 COST LIMITATION AND
DOLLARS 5,000.00 FOR HEADQUARTERS' OBLIGATION. TOTAL- DOLLARS
CABEZONE - DOLLARS HARVARD - DOLLARS
OUR FUND NEEDS FOR FY 1962 ARE CABEZONE - DOLLARS
HARVARD DOLLARS

A. THE INCREASE OF DOLLARS 27,500.00 IN CABEZONE FUNDS IS OUTLINED AS FOLLOWS-

1/ TWO NEW PER ANNUM CONTRACT EMPLOYEE INTERROGATORS AND DOLLARS 20,000.00

2/ HOME LEAVE TRAVEL FOR FOUR PER ANNUM CONTRACT EMPLOYEES AND THEIR FAMILIES DOLLARS 16,000.00

3/ A PROJECTED INCREASE IN HOUSING AND FURNISHING COSTS, INDIGENOUS EMPLOYEES' SALARY/COST OF LIVING INCREASES AND THE NEED FOR SEVERAL ADDITIONAL INDIGENOUS EMPLOYEES TO SUPPORT OUR OPERATIONAL PROPERTIES DUE TO THE 40 PERCENT REDUCTION IN PROJECT STAFF SUPPORT PERSONNEL. DOLLARS 15,000.00

4/ THE TOTAL CABEZONE INCREASE IS DOLLARS 51,000.00 LESS DOLLARS 23,500.00 OF FY 61 COSTS WHICH WILL BE SHARED IN FY 62 WITH HARVARD. SEE PARA 3B BELOW.

B. THE INCREASE OF DOLLARS 23,500.00 IN HARVARD FUNDS IS OUTLINED AS FOLLOWS- HARVARD HAS IN PREVIOUS YEARS UTILIZED CABEZONE PROPERTIES WITHOUT CHARGE. HARVARD UTILIZES 35 PERCENT OF SOME 45 PROPERTIES AND ASSOCIATED MAID SERVICE, MAINTENANCE, ETC. HARVARD'S SHARE IN RENTS AND UTILITIES - DOLLARS 15,000.00, INDIGENOUS EMPLOYEES' SALARIES DOLLARS 5,000.00, AND SUPPLIES AND EQUIPMENT DOLLARS 3,500.00. TOTAL- DOLLARS 23,500.00.

C. AS OF 31 MARCH 1961, A TOTAL DOLLARS 10 HAS BEEN OBLIGATED AGAINST THE DE CASH ALLOTMENT AND DOLLARS 8,436.56 AGAINST THE DE COST LIMITATION. THIS LEAVES UNOBLIGATED DOLLARS 48,673.00 CASH AND DOLLARS 1,563.44 COST FOR FY 61. OUR SPENDING IS RUNNING EXACTLY AS WE OUTLINED IN REFERENCE 'C' AND IN OUR FY 1961 PROJECT APPROVAL.

D. CABEZONE/HARVARD HAS PROCESSED IN FY 1961 CONSIDERABLY MORE DEFECTORS, AGENTS AND THEIR FAMILIES THAN DURING THE SAME PERIOD OF FY 1960.

	FY 1960	FY 1961	ESTIMATED FY 1962
	1 JULY 1959 30 JUNE 1960	1 JULY 1960 31 MARCH 1961	
DEFECTORS	48	37	60
DEFECTORS AND FAMILIES	92	77	100
UNNUMBERED SOURCES, ASSESSMENT CASES AND FAMILIES	31	25	30
	ON HAND	RECEIVED	RESETTLED
	1 JULY 1959	FY 60	FY 60
HARVARD CASES	39	97	105.

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ON HAND	RECEIVED	RESETTLED
1 JULY 1960	FIRST 9 MONTHS FY 61	FIRST 9 MONTHS FY 61
31	132	110
ON HAND		
1 APRIL 1961 -	52	

HARVARD ANTICIPATES THE CASE LOAD IN FY 1962 WILL AT LEAST EQUAL AND POSSIBLY EXCEED THE FY 1961 LOAD. THE DEMISE OF PL-85-316 AND OTHER LOCAL RESETTLEMENT OBSTACLES WILL CAUSE HARVARD TO INCUR ADDITIONAL COSTS AS DEFECTORS AND AGENTS WILL REMAIN IN OUR CUSTODY LONGER. HARVARD HAD THE MOST SIGNIFICANT INCREASE IN FY 61 MAINLY FROM THE MARKED INCREASE IN BERLIN BASE AGENT RESETTLEMENT REQUIREMENTS.

E. DURING FY 61 WE ACQUIRED 12 NEW OPERATIONAL APARTMENTS AND DROPPED OR WILL DROP PRIOR TO 30 JUNE 1961 TEN PROPERTIES WHICH WERE BLOWN THROUGH REDEFLECTIONS OR BECAUSE OF OTHER VALID SECURITY REASONS. IN DROPPING APARTMENTS IT IS NECESSARY TO RETAIN BOTH THE NEW AND OLD APARTMENTS UP TO FOUR MONTHS BECAUSE OF LEASING AGREEMENTS, ETC. RENTAL AND ASSOCIATED COSTS, ESPECIALLY WHEN WE MUST ACQUIRE SHORT TERM LEASES AND AVOID KEY MONEY TO PERMIT RAPID DROPPING OF THE APARTMENT WHEN BLOWN, HAVE INCREASED ABOUT 25 PERCENT. ALL OTHER OPERATIONAL COSTS HAVE INCREASED IN PROPORTION TO THE WORK LOAD. THESE COSTS INCLUDE BUT ARE NOT LIMITED TO WELFARE CLOTHING, LIQUOR, FOOD AND SUBSISTANCE, MAID SERVICE, MAINTENANCE OF APARTMENTS, TRANSPORTATION ALLOWANCES, ENTERTAINMENT, ETC.

F. WE HAVE GIVEN CONSIDERATION TO THE 5 PERCENT RE-EVALUATION OF THE GERMAN MARK IN COMPUTING THESE ESTIMATES.

4. WE HOPE THE ABOVE INFORMATION IS HELPFUL IN GIVING HEAD-QUARTERS A PICTURE OF THE ACTIVITIES AT CABEZONE AND HARVARD AND WILL BE AN AID IN THE PREPARATION OF OUR BUDGET AND PROJECT RENEWAL FOR FY 1962. FOR BACKGROUND INFORMATION WE HAVE ATTACHED A SHEET GIVING EXAMPLES OF TYPICAL COSTS FOR PROCESSING RECENT INDIVIDUAL DEFECTOR AND AGENT SOURCES.

APPROVED-

ATTACHMENT - AS STATED

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