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31 December 1964

MEMORANDUM FOR: Deputy Director for Plans

SUBJECT: Eerik HEINE and Juri RAUS

1. Juri RAUS, born 4 January 1927 in Tartu, Estonia, is a naturalized U. S. citizen, a Reserve Officer of the United States Army (Intelligence), and an employee of the Bureau of Public Roads, Department of Commerce, Washington, D. C. In mid-1962 he was used by the Baltic Section of SR Division as an occasional unpaid informant on Estonian affairs and continued in this capacity when the Baltic Section was transferred to DODS in the spring of 1963. In addition, RAUS was trained by DOB as a hot-war reserve asset and is in continuing contact with DOB.

2. A summons has been served on Juri RAUS to the effect that he will be sued by Eerik HEINE, a former Soviet and now a resident of Canada, for slander. The following briefly summarizes the background of HEINE:

a. Born on 9 September 1919 in Tartu, Estonia. He was arrested by the NKVD in 1940 and charged with treasonous anti-Soviet activities. He was released by the NKVD in April 1941 and permitted to proceed to Germany.

b. HEINE served in the SD and SS Waffen elements of the Nazi army. In 1944 he was captured by the Soviets and again imprisoned on charges of having engaged in treasonous activities against the Soviet Union. However, he reportedly succeeded in escaping into the Estonian underground where he was active from 1946 through 1950. During this period he claims that he was able to liberate prisoners from Soviet concentration camps and had succeeded in penetrating the MGB through the recruitment of a telephone operator. During the entire period from 1946 to 1950 he was reportedly active in the underground in organizing and leading anti-Soviet elements, all of whom were ultimately successfully eradicated by the Soviet punitive organs.

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c. HEINE was captured in 1950, arrested and tried on grounds of having engaged in treasonous activities against the Soviet Union. Though sentenced to death, he claims to have succeeded in persuading the Soviet authorities to grant him a retrial because of his "German origin" as a result of which his death sentence was commuted to 25 years (10 years according to another of his versions).

d. From 1950 through 1956 HEINE was imprisoned in several Soviet concentration camps. According to HEINE he was mistaken for a German POW by the KGB and permitted to repatriate to West Germany as a German POW in 1956. He appeared at the American Embassy in Bonn, where he was interviewed by Agency officers. HEINE made attempts to persuade American intelligence representatives to make use of his partisan underground assets in Estonia, claiming that he had "secret contacts" in Estonia through whom he was able to obtain data on Soviet missiles. He also requested financial and physical aid to him and an alleged anti-Soviet Russian underground consisting of 70,000 members, the leader of which had commissioned him to gain the cooperation of American (or German) intelligence.

e. HEINE's story was not given credence and contact was dropped. Some time later HEINE emigrated to Canada where he married a childhood sweetheart and where he has continued to reside to date. In 1963, after producing a movie about his "underground exploits", HEINE came to the USA where he toured Estonian emigre centers. Among other activities engaged in by him, he attempted to establish contacts with as many prominent Estonian leaders as possible, he made an attempt to obtain maps of Estonia through a Library of Congress employee, he made attempts to persuade various prominent and active Estonian leaders in the USA to participate in balloon operations into Sweden (the Sweden end of which at that time was handled by one Arthur RAMAN who has since repatriated to the USSR and was suspected of being a Soviet agent), he made various overtures to Estonian Americans to have them render him aid in providing financial and physical support in setting up an "anti-Soviet partisan and espionage network inside Estonia" which would be directed by HEINE from the West, and he claimed to be in secret contact with the recruited KGB employee in Soviet Estonia whom he tried to present to Estonian-American leaders as an exploitable asset for information on conditions in the Soviet Union.

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3. In the interests of permitting Estonian emigres in the United States to protect themselves against an individual who was strongly suspect of being a Soviet agent, the Baltic Section at the time of HEINE's visit to the USA in April to June 1963, made available to a number of responsible Estonian emigre leaders, among them also Juri RAUS, general background information on and our suspicions of HEINE. In addition, the FBI was kept apprised of the activities of HEINE during his visit to the various Estonian emigre centers in the USA.

4. Although RAUS may have behaved somewhat imprudently and indiscreetly in this respect, he made this information known to a group of individuals within the organization of which he is the president, the League of Estonian Liberation, and then openly attacked HEINE as being a KGB agent citing "U. S. Government security officials" as his source. In making his charges, RAUS claims that he was acting in good faith in behalf of the Agency and the Agency's interest at that time in supporting Estonian emigre affairs.

5. This case has been discussed in detail with the Office of General Counsel and cleared lawyers, and have been retained to represent RAUS. They were fully briefed by of the Office of General Counsel on the security aspects of the case, have twice interviewed RAUS, and on 30 December 1964 discussed the case in detail with representatives of SR Division and

Acting Chief, SR Division

cc: Office of General Counsel
Director of Security
DO/DOB
DO/SR