

<b>DISPATCH</b>		CLASSIFICATION SECRET <b>2P</b>	PROCESSING ACTION
TO			MARKED FOR INDEXING
INFO.			NO INDEXING REQUIRED
FROM	Chief, WE and Chief, SR		INDEXED BY DESK
SUBJECT	REDWOOD - Erik HEINE		INDEXING
ACTION REQUIRED - REFERENCES			MICROFILMED
ACTION: See below.			JAN 21 1965
REFERENCES: A. OCOW-4336, 29 July 1963 B. OCOA-7234, 6 December 1963 C. OCOA-7991, 19 June 1964			DOC. MICRO. SER.
<p>1. Using the following as background - with the exception of paragraph 3, please alert Chief and/or Deputy Chief, SMABOVE to the information given in paragraph 2.</p> <p>2. Erik HEINE has carried out his earlier threat to initiate suit against Juri RAUS, a U. S. citizen, U. S. Army Reserve Officer, employee of the Bureau of Public Roads and Commander of the League of Estonian Liberation (LEL), a group of Estonian-Americans dedicated mainly to preparedness for eventual liberation of their homeland. Suit for slander has been filed in Baltimore by Maryland attorney, Ernest C. RASKAUSKAS; HEINE alleging that RAUS slandered him on three separate occasions: once before a meeting of the LEL in New York City and twice before other individual witnesses. RAUS' attorneys have invited HEINE to Washington in early February for purposes of taking his deposition.</p> <p>3. FOR YOUR INFORMATION ONLY. In 1962 and 1963 RAUS was an unpaid, occasional contact of KUBARK and was providing useful information on Estonian emigre matters that then were of considerable interest. During the course of contacts with RAUS and other Estonian emigres, the HEINE case was frequently discussed with the KUBARK case officers responsible for contacts with these emigres. Since it was in the mutual interest of the Estonian emigres and KUBARK to protect the emigre groups from penetration and disruption by a suspect Soviet agent, there was certainly little doubt left in the minds of RAUS and others that HEINE's story was considered to be highly suspect. Unfortunately RAUS went a great deal further than he should have in openly denouncing HEINE, thereby laying himself open to the slander charges. Again for your information, KUBARK has provided him with cleared counsel for his defense (extremely capable lawyers), since RAUS apparently sincerely believed that he was acting in consonance with KUBARK's desires in taking the action that is now the basis of the suit. Appropriate higher KUBARK officials have been briefed on this case and have approved the securing of counsel for RAUS. In discussing this case with Chief/Deputy Chief, SMABOVE, should they query whether RAUS indeed is or was a KUBARK agent/contact, reply to the effect that you do not know. All that you know is that HEINE has filed suit and that litigation is in progress.</p>			
CROSS REFERENCE TO	DISPATCH SYMBOL AND NUMBER	DATE	
BZ	OCOW - 5097	81 JAN 1965	
	CLASSIFICATION	HQS FILE NUMBER	
	SECRET		
Distribution:	ORIGINATING	ORIGINATING	
1 - SR/O/WE	WE/BC/Canada	TYPIST	8333
<b>ROUTED OPS/SECRETIAL</b>	SR/O/AC	rnj	1205
2 - WE/BC/Canada	OFFICE SYMBOL	OFFICER'S NAME	
<b>RID/AN/O/AC</b>	C-SR/O/WE		
1 - 201-103922	Deputy Chief		
<b>RID/MS</b>	SR		
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<b>RID/PI</b>			
<b>DESTROY</b>	RELEASING		
	OFFICE SYMBOL	DATE	
	Chief		
	WE/BC/Canada		
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			<b>DISPATCH</b>

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SOURCE METHOD EXEMPTION 382B  
NAZI WAR CRIMES DISCLOSURE ACT  
DATE 2008

FOR BACKGROUND USE IN DISCUSSION WITH SMAROVE

4. As you are aware from references, we have continued to maintain the gravest doubts about HEINE's bona fides and still consider him a suspect Soviet agent. Our doubts are based at the very least upon the various biographies which he has given and which resemble closely those of other proved RIS agents dispatched to the West in order to penetrate, subvert and destroy anti-Soviet emigre groups. We quite understand that the SMAROVE report, transmitted in Reference C, is the result of an interview with HEINE in connection with his application for Canadian immigration and the interviewer could not pursue bull-doggedly some of the security questions and allegations. However, this SMAROVE report has not allayed our doubts about HEINE, though admittedly in his case we have nothing more than suspicions on him and these suspicions are based primarily on his following a pattern. Paragraph 14 of the SMAROVE report is revealing: HEINE was asked a series of four questions pertaining to possible RIS collaboration and "replied in a firm negative." It is interesting to speculate whether these negatives would have stood up to an LOFLUTTER interview. Did HEINE receive his Canadian citizenship? When?

5. SMAROVE interviewed five individuals about HEINE and received favorable reports but it is not indicated whether HEINE may have supplied these references. The fact is, of course, that HEINE has managed to convince many of the Estonian emigres of his bona fides, and that the Estonian emigration is now sharply divided into pro- and anti-HEINE factions. This explains the fact that ODENVY's interviews with Estonian emigres in the United States produced a similar result, with eleven favorable reports out of fifteen. Obviously, we do not suspect sinister motives on the part of these people. HEINE puts himself forward as a sincere Estonian patriot, a dedicated anti-Communist who is fighting for his homeland, and the emigres want to believe his bona fides. In the long history of our dealing with Soviet, Baltic and Eastern European emigre groups (and you are aware that at one time we were working very closely with these groups), there are many examples of similar "anti-Soviet patriots" who were later found to be RIS agents dispatched to the West with the precise mission of reporting on and subverting the emigre movements which the Soviets feared. These are proven cases, either by virtue of a confession by the agent or by an agent's return to the Soviet Union and subsequent propaganda use.

6. There is a remarkable parallel, however, in the case of Arthur HAMAN, an Estonian who defected to the West from the Soviet Union in 1955 after ostensibly escaping across the border. He resided in Sweden where he studied until 1962 and then traveled to the United States, ostensibly to attend a linguistics conference. He was debriefed in considerable detail by KUBARK officers concerning his background and his story was found to be highly suspect. Responsible Estonian emigres, including the president of the Estonian National Council, in the United States also nourished grave doubts concerning HAMAN and some of the emigres discussed the case with their KUBARK contact. HAMAN then returned to Sweden and threatened to file suit for slander and libel against the president of the Estonian National Council. Some of his supporters attempted to help him by providing counsel to defend him; but when he declined to press the suit, most of the emigres decided that there was probably basis to the charges. In early 1963 HAMAN disappeared from sight, reappeared briefly in Helsinki and then disappeared again, only to be surfaced some months later by Izvestia. The propaganda story which they printed was to the effect that HAMAN had been compelled to return to the USSR by the rotten emigre lackeys of Western intelligence services; and since he was now repentant of his sins, HAMAN was rewarded with a teaching position at Tartu University. This story needs little comment. Incidentally, we have since received other information indicating that HAMAN continues to be active in behalf of the KGB by contacting U. S. citizens in Moscow.

7. Please advise Headquarters immediately by cable if SMAROVE or anyone else reports to you that HEINE has brought this suit to the attention of the Canadian authorities, particularly if he requests assistance from either the authorities or the ethnic groups. We will keep you advised of HEINE's reaction at the time of the deposition; that is, whether he will prosecute or drop the case.

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