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29 January 1965

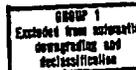
MEMORANDUM FOR: Assistant Deputy Director for Plans

SUBJECT : Fred Z. LAUNAGS' Possible Repatriation to Latvia

1. Subject, a forty-five year old Latvian, now a U.S. citizen, was employed as a contract agent by SR Division from 1951 through 1959. Because of ill health and financial difficulties he has been considering repatriation to the Latvian SSR. This memorandum summarizes the background and the steps being taken in the case.
2. Subject was recruited in Sweden and brought to Germany where he participated in training of REDSOX agents dispatched into Latvia in 1952. In 1953 Subject and his family entered the U.S. as regular immigrants. In 1953 and 1954 he worked for SR Division as an instructor for two other REDSOX missions into Latvia.
3. From 1954 through 1956 Subject was used for general support purposes by the Baltic Branch of SR Division. In 1956 he spent several months in Spain in connection with CIA-sponsored propaganda broadcasts in Latvian over Radio Madrid. In 1958 he was sent to Frankfurt for Baltic operations run by the German Station but was returned in 1959 when he showed evidence of mental instability. Agency psychiatrists subsequently diagnosed him as a paranoid schizophrenic and he was hospitalized for a short period. A plan was then devised for termination and job placement and Subject was finally terminated in late 1959.
4. Subject recently passed through Washington on a trip from New York (where he is now residing) and contacted his friend [] (p), a contract agent of Latvian origin currently working for CI Staff. He told [] that his personal situation is desperate. He has lost several jobs and is presently holding a menial position, is behind on rent and car payments, is separated from his wife, and his son is in a mental institution. Further, he is disillusioned with what he considers to be lack of interest on the part of U.S. government agencies in the fate of his native Latvia. He gave [] to understand that he was seriously considering returning to Latvia and was trying to accumulate enough money for the trip. [] reported this to his case officer and SR Division was apprised by CI Staff of the possibility of Subject's repatriation.

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5. The Latvian REDSOX operations in which Subject was involved in 1952-54 were fully exposed to the Soviets when all of the agents were either killed or captured, and the Soviets later made propaganda use of some of the facts. Thus, Subject would be able to provide primarily confirmatory information on these operations if he were to repatriate to Latvia. He knew a number of SR case officers but as far as we can determine, only one of them in true name. The fact that he assisted in anti-Soviet Latvian broadcasts from Radio Madrid as a CIA agent could be somewhat embarrassing if the Soviets were to publicize this facet of his activities. While the extent of potential damage involved in Subject's repatriation is not excessive, we believe it appropriate nevertheless to take reasonable measures to prevent or at least delay his repatriation.

6. After consultation with Agency psychiatrists we believe that the case can best be handled without direct CIA contact with Subject. Accordingly, we are working through [] in an effort to stay closely in touch with Subject's activities in New York and to monitor his situation through several Latvian emigres who know Subject and are trying to help him. [] will attempt to persuade LAUNAGS to enter a New York public mental hospital, the director of which is a doctor of Latvian origin, known to [] If he agrees to this step, the psychiatrists are hopeful that he can be sufficiently controlled and his mental state sufficiently alleviated so that he can return to a more normal existence and give up his alleged plan to repatriate. Should he refuse to enter the hospital [] will continue to help him through Latvian friends in New York, one of whom is a clergyman. No expenditure of KUBARK funds is presently contemplated beyond minor travel expenses.

[]
/David E. Murphy/
Chief, SR Division

cc: CI Staff
Office of Security

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