

ROUTING AND RECORD SHEET

FROM:

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COMMENTS

	TO	ROOM NO.	DATE		OFFICER'S INITIALS
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1-2:  
Hold up on this until we know where we stand budget-wise.  
1 cc LCCASSOCK / D + P  
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CENTRAL INTELLIGENCE AGENCY  
SOURCE METHOD EXEMPTION 3020  
NAZI WAR CRIMES DISCLOSURE ACT  
DATE 2007

cc Lccassock - 2cc and Plans

ENCLOSURE

ABSTRACT

FILE NUMBER

INDEX

32E-126-24/1

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10 Aug 1959

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UARGO INC., DEER PARK, CONN.

<b>DISPATCH</b>		CLASSIFICATION <b>SECRET</b>	DISPATCH SYMBOL AND NO. EGBA-59021
TO INFO	Chief, EE Chief of Station, Germany		HEADQUARTERS FILE NO. 32E-126-0024 Field File 690
FROM	Chief of Base, Berlin		DATE 10 August 1959
SUBJECT	Operational/CADORY LCCASSOCK/Draft Project Redocumentation		RE: "43-3" - (CHECK "X" ONE)
			MARKED FOR INDEXING
ACTION REQUIRED	COS comment on draft project redocumentation.		NO INDEXING REQUIRED
REFERENCE(S)	INDEXING CAN BE JUDGED BY QUALIFIED HQ. DESK ONLY		
<p>A. EGBW-7725, 17 July 1957          B. EGBA-52531, 18 September 1958 <i>ecb lccassock</i>          C. EGBW-12191, 8 April 1959          D. FRAN-5516, 17 June 1959 (not to EE)</p> <p>1. Attached per Ref D is a proposed revision of the LCCASSOCK project outline, based on the documentation transmitted with reference B, changed operational conditions since the reference A outline was approved, and the recent reorganization of project assets. We believe the attached outline accurately represents the current status of the project from the field point of view and, taken together with the information submitted with reference B and in subsequent progress reports, is sufficiently complete to enable Headquarters to redocument the project.</p> <p>2. You will note that in our proposed redocumentation:</p> <p>a. The stimulation of dissension and disunity within key target groups has been made the prime objective of the project.</p> <p>b. The development and expansion of satellite mail operations has been conditionally included as a possible future development, subject to Headquarters action on the proposals transmitted with EGBA-48830, 7 April 1958, as modified by the FY 1959 operational program submitted under reference B.</p> <p>c. CAWASH participation in LCCASSOCK has been made conditional, subject to the outcome of further negotiations with CAWASH.</p> <p>d. Our breakdown of estimated FY 1960 project costs is based on an assumed budget of \$[ ] , per Headquarters advice transmitted with EGBW-12607, 5 June 1959.</p>			
<p>APPROVED <i>[Signature]</i></p> <p>Attachments          Herewith: Proposed Project Outline - even pages          UnSepCov: " " " - odd pages <i>H/W</i></p> <p>Distribution          ✓ 3-EE, w/Att          2-COS, w/Att</p>			
FORM 10-57 53 (40) USE PREVIOUS EDITION. REPLACES FORMS 51-28, 51-28A AND 51-29 WHICH ARE OBSOLETE.			CLASSIFICATION <b>SECRET</b>
		<input type="checkbox"/> CONTINUED	PAGE NO.

**PRIORITY**

32E-126-24/1  
**PRIORITY**

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LCCASSOCKDraft Project Outline

## 1. OBJECTIVES:

a. To weaken the East German regime, and thereby decrease East Germany's value to the Soviet bloc, by sustaining and encouraging ideological disaffection and disunity among key power groups supporting the regime.

b. To sustain popular resistance to the East German regime and to combat the propagation and implementation of its Communist ideology and policies.

c. To foster and exploit disunity between the various Soviet bloc satellite countries and between them and the Soviet Union. (Note: this objective is included subject to outstanding Headquarters action on past BOB proposals concerning the expansion of LCCASSOCK mail operations aimed at non-GDR satellite areas. See EGBA-48330, 7 April 1958 and EGBA-52531, 18 September 1958.)

## 2. ORIGIN AND POLICY GUIDANCE: (Headquarters to supply.)

## 3. SITUATION:

a. Since its formalization as a project in 1954 LCCASSOCK has been transformed gradually from a mechanism producing mass media on a trial-and-error basis into a legalized firm with fixed production and distribution assets capable of specialized operations in response to specific requirements. In the past two years this reorientation process has involved the elimination of a great many periodical publications of an experimental nature or of limited KUCAGE relevance and a correspondingly greater emphasis on specialized media aimed at key target groups. It has resulted in a decreased emphasis on less efficient methods of mass distribution, in favor of more flexible, pin-pointed mail operations. Organizationally, it has resulted in the rationalization of project assets through the legalization of CARDINALE and the establishment of a commercial cover activity. In the latter half of FY 1959 a major reorganization and cutback of project assets served to tighten considerably the operational capacity of the project and to align it more closely with operational needs. Commercialization -- that is, the production and overt sale of an LCCASSOCK publication -- has been provisionally retained on condition that it maintain financial viability independent of KUBARK subsidy; project personnel were reduced drastically; and production and distribution activities were tied more tightly to current KUCAGE requirements. At present LCCASSOCK is producing three or four specialized publications monthly, in addition to the commercial magazine. Beyond that, it has the capacity to produce ad hoc quality media for special purposes and to accommodate a limited number of CAWASH requirements within the framework of a KUBARK/CAWASH joint participation agreement.

4. PROPOSAL: It is proposed that KUBARK continue to subsidize, within the newly-reorganized LCCASSOCK operational framework, the production and distribution of propaganda media, based on close KUBARK guidance and directed at the above objectives.

## 5. OPERATIONAL OUTLINE:

a. Sub-proposals: The primary task of the LCCASSOCK project will be to produce and distribute appropriately specialized propaganda media aimed at key target groups within East Germany. A second task will be to produce

and distribute, as the need and occasion warrants, more generalized "informational" propaganda media directed at the East German population in general. A third task, an extension of the first, will be to distribute specialized propaganda media to target groups within other non-GDR satellite countries.

b. Key personnel: The principal agent of the LCCASSOCK project is a cleared indigenous agent residing in West Berlin. Formerly a German naval officer, he became a free-lance journalist after the war; since 1950 he has been engaged in propaganda activities aimed at the East German Communist regime. He was originally contacted by a KUBARK staff officer in the fall of 1950 and has been utilized actively for KUCAGE propaganda purposes since the fall of 1952. He is the business manager of the firm which the LCCASSOCK project subsidizes.

c. Indigenous groups: Following the recent reorganization and cutback of project assets, the LCCASSOCK firm has been physically consolidated into a single unit, comprising an administrative section, a small editorial staff, a printing shop and a distribution section. The staff currently consists of the principal agent, a security officer, three administrative assistants/secretaries, one editor, four editorial assistants/secretaries, three printing workers, five production/distribution clerks, and two charwomen. To a great extent writers of LCCASSOCK media are engaged on an honorare basis for specific operational purposes. In addition to the permanent distribution staff, mail cut-outs and hand-out outlets are employed on honorare in West Berlin and West Germany.

d. Target groups: The primary target groups of the project are Communist and Communist-affiliated groups, the intelligentsia and press and informational media in East Germany. Secondary targets are the centers of social intercourse, the youth, economic technicians and installations, and other elements which exert influence upon the East German regime; and corresponding target groups within the non-GDR Soviet bloc.

e. Duration: The project is established to continue for an indefinite period of time, assuming that the present political context of West Berlin remains substantially unchanged. In the event this context becomes operationally disadvantageous, the project can be easily dissolved and, possibly, could be removed in part for re-establishment elsewhere.

f. Graphic illustration: Not applicable.

#### 6. SECURITY:

a. Cover: The problem of project cover has been resolved through the establishment of the LCCASSOCK organization as a legitimate business enterprise, incorporated under German law in January 1958, and the production and sale (on a reduced basis) of an overt commercial magazine. KUBARK financial support of the project is screened by a legal trusteeship arrangement between a PBPRIME lawyer, acting for anonymous clients, and a West Berlin lawyer. Funds are channeled through a PBPRIME and a West Berlin bank under cover of the trusteeship agreement.

b. Knowledgeability: The principal agent and the security officer of the project accept the case officer as an ODYOKE intelligence official and very probably assume KUBARK sponsorship (although the latter has never been confirmed for them). Other principal LCCASSOCK employees have met the case officer and his predecessors, are cognizant of ODYOKE sponsorship, and are presumed to have had their suspicions of ODYOKE intelligence backing confirmed for them through their long association with LCCASSOCK principals. The project has been revealed as a KUBARK sponsored organization to key officials of the German Federal Republic, including officials of UPTHURST's office, CAWASH, UPSWING, and the Berlin Senat. From May 1950 to the summer of 1951 the LCCASSOCK group was subsidized on an irregular basis by CAWASH.

In 1951 this subsidy was put on a regular basis to provide for the production and East German distribution of two publications monthly. The connection with CAWASH was suspended in May 1952 as a result of personality and administrative difficulties. Except for a short period of renewed operations in 1953 and later, infrequent, one-time actions on contract from CAWASH the operational connection with CAWASH has remained suspended. At present efforts are being made to re-establish CAWASH participation in the project under a joint KUBARK/CAWASH agreement.

c. Operational security: At present contact between the case officer and project personnel is confined to the principal agent, his immediate assistant and the security officer. Meetings are held in a safe house, or, when they are brief, in restaurants or the principals' cars. The security officer maintains a close supervision over the security of project personnel, the physical LCCASSOCK establishment and LCCASSOCK contacts and operations. Past instances of oppositional harassment against LCCASSOCK personnel and operations are not believed to have affected the security of project operations.

d. Risks: Although there has thus far been no oppositional attempt to single out, or even to mention, LCCASSOCK as an anti-Communist propaganda organization in the context of the present strong Communist attacks against "subversive activity" mounted from West Berlin, future attacks of this kind cannot be excluded. Even if this should happen, however, given the present cover and security arrangements, and the fact that the project's activity has been cleared with the West German government, it is unlikely that such attacks or consequent attempts to expose LCCASSOCK's sponsorship would compromise ODYOKE backing and interest in the project. Within the project the possibility that increased oppositional efforts may compromise or hinder LCCASSOCK activities and personnel presents a continuing operational risk.

e. Personnel disposal: The termination of project personnel is not expected to present any unusual operational difficulties.

#### 7. COORDINATION:

a. Relation to other projects: LCCASSOCK conducts a certain amount of liaison with other CADORY groups. These inter-project connections are monitored and coordinated by the appropriate CADORY case officers.

b. Significance within over-all program in the area: LCCASSOCK supplements other station propaganda distribution operations through its ability to direct, control and monitor pin-pointed mail operations at a wide variety of key target individuals and groups.

c. Extent of coordination: Project activities and operations are coordinated, as necessary and appropriate, with various West Berlin and West German governmental offices, usually via KUBARK liaison with CAWASH. The project has been coordinated with all appropriate staffs and divisions with KUBARK.

#### 8. CONTROL:

a. Nature of: Berlin Operations Base exercises control over LCCASSOCK operations by means of the KUBARK financial subsidy and assignment of propaganda tasks. The principal agent is required to submit regular, detailed cost reports and to submit periodic accountings of all KUBARK funds spent. These reports and accountings have enabled the case officer to exert a steadily increasing control over the nature and extent of project operations. Editorial control is imposed either before or after publication, depending upon the nature of the media or action.

b. Administrative plan: The administrative plan currently applicable to the LCCASSOCK project was forwarded under EGBW-8311, 24 September 1957.

c. Reports: In addition to regular financial reports and accountings, reports on project activities and operations are regularly furnished by the principal agent.

9. BUDGET DATA:

a. Funds required: It is assumed that the budget of the LCCASSOCK project will be approved for fiscal year 1960 in the amount of \$[ ] J. A breakdown of these funds to cover specific project costs is attached.

b. Availability of funds required: It is assumed that LCCASSOCK has been programmed for \$[ ] J in the EE Division's Operational Program for fiscal year 1960.

c. Non-KUBARK funds: The project currently receives income in the approximate amount of \$1,000 monthly from the sale of its commercial cover magazine. LCCASSOCK also receives a regular subsidy of approximately \$800 monthly from CAWASH for East German distribution of the commercial magazine. From time to time other income is earned by the project for production and/or distribution services rendered to BOB-approved customers. In the near future, it is expected that CAWASH will authorize a substantial additional subsidy to LCCASSOCK for production and distribution of propaganda media desired by CAWASH, under a joint KUBARK/CAWASH participation agreement.

d. Foreign currency: All KUBARK funds transmitted through the established PBPRIME funding channel are received by the principal agent in West German marks, calculated by the servicing German bank at the daily exchange rate, less bank charges.

e. Funding: Funds are advanced to the project under cover of a cleared PBPRIME lawyer through a funding channel established between a PBPRIME and a West Berlin bank. The principal agent furnishes monthly accountings of all KUBARK funds received by the project. On the basis of these accountings, duly certified by the case officer and the authorized field approving officer, the German Station Finance Officer writes off the obligated funds as project expenditures. Funds expended under the project are accounted for in accordance with the project administrative plan and appropriate KUBARK regulations.

f. Financial history: During FY 1957 the project obligated funds in the amount of \$[ ] J out of an approved budget of \$[ ] J. In FY 1958 \$[ ] J was obligated from an approved budget of \$[ ] J. In FY 1959 \$[ ] J was obligated from an approved budget of \$[ ] J.

f. Future requirements: It is anticipated that a budget of \$90,000 will be authorized for FY 1960.

10. SUPPORT DATA:

a. Total KUBARK personnel: Total KUBARK personnel necessary for the project consist of one part-time field case officer and one part-time Headquarters desk officer. These personnel are currently available.

b. Training: No special training requirements are involved.

c. Material: NA

d. Communications: No additional communications facilities are required beyond those presently available to the German Station.

e. Other support: NA

f. Support from other ODYOKE agencies: No support from other ODYOKE agencies will be required.

11. GENERAL CONSIDERATIONS:

a. Current status: Following the major reorganization and cutback of project assets in the second half of FY 1959 and under the reduced budget projected for FY 1960, the operational capacity of the Project has been restricted significantly. With its reduced production staff and budget level, the project is presently producing each month three or four regular-type media. All of these media formats permit the replay or exploitation of specific KUCAGE material or requirements, as required. In addition, it is expected that other media will be produced every few months to meet special operational requirements. Taken together, these regular and special types of media will total between 20,000 and 30,000 copies monthly. As CAWASH requirements materialize under a future KUBARK/CAWASH "participation" program for LCCASSOCK, these media will be augmented by more or less regular production and distribution of media for CAWASH. Until LCCASSOCK commercialization is re-examined within the context of the FY 1960 financial and operational program, based on our stipulation as to financial viability largely independent of KUBARK subsidy, it is not possible to estimate the future of the LCCASSOCK commercial magazine. At present 13,000 copies of the magazine are being produced and sold (or distributed to East Germany under a CAWASH subsidy) each month.

The distribution capability of the project has increased steadily over the past years. At present a total of 45,000 target addressees (the majority in East Germany, the rest largely in other East European satellite countries) are employed in LCCASSOCK mailing operations. Most of these addressees are categorized according to profession or occupation, thereby permitting a high degree of selection in pin-pointing media at specific target groups.

b. Commitments: The principal agent and the project security officer have been promised assistance to themselves and their families in the event emergency evacuation becomes necessary.

c. Effectiveness: Continuing receipt of reader reactions, "control" letters and undeliverable LCCASSOCK media from a small but constantly varying portion of mail addressees tends to support estimates that a considerable part of all media distributed under the project reaches the target audience. Written communications to LCCASSOCK from recipients of project media and incidental Soviet bloc press reactions to themes and media exploited by the project indicate that LCCASSOCK operations have contributed to the manifestations of anti-Communist resistance and "deviationism" in the target area.

d. Anticipated results: Pursuant to the project objectives and tasks outlined above, it is expected that in the coming months LCCASSOCK operations will become increasingly responsive to KUBARK guidance and requirements, that the LCCASSOCK mail distribution apparatus will become more adaptable to pin-pointed operations aimed at priority target groups and individuals, and that the security and efficiency of these operations (in terms of distribution effectiveness) will be further improved. As a result of the recent reorganization of project assets, the over-all productive capacity of the project has been reduced significantly, however it is not believed that this will affect measurably the quality or variety of LCCASSOCK propaganda efforts.

e. Evaluation: Propaganda media produced under the project are regularly reviewed and evaluated by the field case officer, German Station personnel and by appropriate Headquarters desk officers. Indications of operational effectiveness are regularly reported to the German Station and Headquarters, <sup>to</sup> assist in this review and evaluation process. Over the past few years, based on previous and current

LCCASSOCK accomplishments and experience, the quality of project media (in terms of responsiveness to KUCAGE requirements) appears to have improved steadily; the quantity of media produced has decreased significantly (due mainly to the dropping of "mass" publications); the capacity and efficiency of the LCCASSOCK distribution mechanism has improved; and the security of project operations has been successfully maintained. As a result of the recent reorganization, the production capacity of the project has been reduced and tightened but, at the same time, has become more adaptable to a more efficient and more precise exploitation of project distribution assets.

- f. Policy questions: NA
- g. Congress: NA
- h. Extra-agency action: NA
- i. Special considerations: NA
- j. Liquidation: No special termination problems are anticipated.

ANNEX

Estimated LCCASSOCK FY 1960 Project Costs:

Fixed Costs:

Salaries (admin and operational)	DM	⌈	⌋	
Employee benefits		⌈	⌋	
Rent, housekeeping, office expense		⌈	⌋	
Insurance, security		⌈	⌋	
Travel, public relations, vehicle expense		⌈	⌋	
Inventory additions		⌈	⌋	
		<u>⌈</u>	<u>⌋</u>	DM ⌈ ⌋

Variable Costs:

Editorial, research honorare		⌈	⌋	
Printing		⌈	⌋	
Distribution		⌈	⌋	
		<u>⌈</u>	<u>⌋</u>	<u>⌈</u> ⌋

Total Costs

DM ⌈ ⌋  
(\$ ⌈ ⌋.)

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