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**Office Memorandum • UNITED STATES GOVERNMENT**

TO : SE/1

DATE: 31 January 1955

ATTN : C

FROM : SE/PI/OPS *gaf*

SUBJECT: Operational Review, OBSTACLE/OBDURATE.

Herewith is an informal resume of OBSTACLE/OBDURATE as I see it.  
It is hoped that portions of this review at least may be helpful in your  
direction of this activity. C J's comments are attached.

**Attachment:**

1. Operational Review, OBSTACLE/OBDURATE
2. C J's comments, same subject (1 copy each)

DECLASSIFIED AND RELEASED BY  
CENTRAL INTELLIGENCE AGENCY  
SOURCE METHOD EXEMPTION 3B2B  
NAZI WAR CRIMES DISCLOSURE ACT  
DATE 2007

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PERSONNEL

1. (a) KOLIQI, Ernest: from SCUTARI; an intellectual; a cabinet member who cooperated with Italian occupiers; has possible Vatican connections; and is a possible sub-agent to a German Intelligence agent. Subject's son, in 1949, was reported to be in touch with the Italian Intelligence Service concerning operations against Albania.
- (b) KRAJA, Shyti: (now OBDURATE)
- (c) GJON MARGJONI.

NOTE: OBSTACLE is an outgrowth of CHARITY (Prior to 30 June 1952), which was a CIA operation designed to exploit a political emigre group in Rome (BKI).

BACKGROUND

2. Targets were: Albanians located in Albania, Yugoslavia, and Italy. Liaison with the Italian Naval Intelligence Service was and is evident. Contact with individuals in the target area is maintained through open mail. In 1953 there was considerable doubt among the senior staffs about the worthwhileness of this operation; briefly, it was a conglomeration of PP, CE, and FI (or potential FI) activities. (The Project was renewed in April 1954 primarily to provide administrative mechanics to remove outstanding obligations. As early as 1952 the BKI's efforts were judged to be non-operational and non-productive.) Through this period of indecision, it was generally agreed that the Project would not develop any agent infiltrations. It was thought, however, that the Project would strengthen CIA-Italian liaison. One of the more intriguing aspects of this project is the use of nine agents (correspondents) in Yugoslavia which, it was felt would provide some clues in the search for Yugoslavia's real intentions toward Albania, and incidentally, disclose the UDB's modus operandi. On 14 August 1954, OBSTACLE was terminated, except for FI elements which then were included in Project OBDURATE.
3. Through the early years of this CIA-BKI association, (1950-1953), the principal agents were consumed by Albanian emigre politics, were marked by intrigues implicating Americans, Britains, and Italians, and schemes to enhance personal prestige. We know from experience that this is fairly normal to most exiled political groups. Happily, skepticism was exercised by CIA even then. Also apparent were GSO and OPC entanglements which, in retrospect, acted more

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favorably to the Albanians than to either U. S. organizations. As usual, the Project involved considerable financial support. The production file of OBSTACLE mostly contains information on Yugoslav activities against individual Albanians. Most of this information was supplied by "correspondents," and chiefly afforded the respective authors a platform on which to pontificate on political matters, usually from a view highly prejudicial on the side of the writer.

4. Project OBDURATE, reincarnated from OBSTACLE ~~nee~~ CHARITY, was approved prior to 13 September 1954 at an annual expense of \$           . The objectives as stated in the Project Outline are twofold:

- (1) To exploit informational sources, in Italy, and concurrently track the activities of Albanians in Yugoslavia and Italy.
- (2) To monitor [ ] and its Albanian activities through an Albanian agent in the [ ] J.

The targets of OBDURATE are:

- (1) Albanian refugees in Yugoslavia (through correspondents) and Italy;
- (2) [ ] [ ] ; and, [ ]
- (3) Albanian Legation in Rome.

The tasks (stated in the outline as CIA tasks rather than agent tasks necessary to obtain the information desired) are:

- (1) Continue and improve wherever possible the collaboration with [ ] [ ] (NOTE: The outline gives the impression that [ ] [ ] is dealing with CIA at the risk of jeopardizing his own high standing with Italian authorities; the question is whether this is fact or [ ] [ ] has already reported his U.S. relationship to the Italians who also see it as an opportunity to penetrate a foreign I. S., i.e., CIA. This is a matter of control.)
- (2) Foster the goodwill and loyalty of [ ] [ ], a leader in the BKI faction, who is reputed to be a source of agents for CIA-controlled operations in northern Albania. (In view of many similarly expensive claims by political leaders long removed from Albanian soil, this promise should be examined with caution. If it can be determined that agents are available through this source - and are actually produced - then the problem of covering northern Albania may be alleviated.)

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- (3) Continue the development of a controlled contact between a BKI member and an employee of the Albanian Legation in Rome. (OBDURATE) Through [ ] maintain the congenial working relationship with [ ] on Albanian affairs, or, supposedly, <sup>PROVIDE</sup> this is a tactile proof of our willingness to work compatibly on Albanian affairs.
5. The two principal agents live overtly in Italy under the protection of the Italian government. Under these circumstances cover is declared not to be necessary. The CIA case officer is known to all by his true name and is known to be a representative of CIA. (NOTE: This lack of cover seems to require further explanation.) Contacts in Rome are made at a safehouse. (What of schedules, signals, alternate communications, emergency communications, etc?)
6. According to the Project Outline, control is maintained through high ideological motivation and a conviction that the U.S. is the champion of self-determination, and is the hope of eventual liberation. (Whether this is stereotypic cannot be judged until more is learned of the Subject's true motives. I strongly suspect that this may not be the case, but rather it is the enjoyment of U. S. support that he finds politically beneficial. Presumably we exercise some control over [ ] through fear that he might be deliberately exposed to [ ] as collaborating with the U. S. (See my remarks above.) BKI inclusion in the NCFB, which occurred through Agency effort in 1954 may represent an additional control; apparently [ ] believes that the continuation of BKI membership in the NCFB rests with the U. S.
7. It appears that we would be inordinately wise to monitor the intelligence production of this Project very carefully to determine who is getting the better of the arrangement, the two agents or CIA. (RQM has been unable to relate firm requirements on Albania to this Project, and when the project was submitted for review, RQM chose to make no recommendations.)

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OBDURATE, A TRANSMUTATION  
FROM OBSTACLE

8. On 9 July 1954, a dispatch from the field reported in detail a contact with [ ] and [ ] relative to suspected collaboration with the German I. S. An association dating from 1943 to the present was disclosed. Naturally, [ ] denied with appropriate indignation that he had ever provided any information to the GIS. Nevertheless, this development gives

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rise to several questions: In effect, does [ ] represent a small, private "PAPERMILL?" Is the information we gain from this source simply fabrication available to any purchaser? What actual control do we possess over [ ] and [ ] How much do we really know about the [ ] relationship? Are we satisfied with [ ] old explanation of a wartime friendship?

9. The problem of control is one that is rarely solved when dealing with political figures or parties, or most often, their so-called sub-agents. In this respect, every Project Outline covering our dealing with the BKI has included the nebulous statement "and sources too numerous to mention." This closely parallels the unhappy PP operation involving Polish emigrants: no control; endless expenditures; meager production; and fertile ground for doubling. The same glowing promises are regularly made and rarely fulfilled.
10. With the exception of a few shipping reports, most of the information provided by this Project falls into two categories: (1) activities and quarrels within the NCFA itself; (2) movements, gossip, and grievances of Albanians in Yugoslavia. The former even though slanted to BKI is useful to us in the absence of direct control or liaison with the NCFA. Should interest in the NCFA as an active PP vehicle continue to lag, and the NCFA become the responsibility of the FCE by default, then continuation of this type of reporting would depend upon our degree of curiosity in the NCFA.
11. Iljas KRAJA (CIA sponsored) represents an attempt to penetrate the Albanian Legation in Rome. KRAJA's target is a functionary of that Legation, ALEKBE SHYTI. It was thought SHYTI's main purpose in cultivating KRAJA in January 1954 was recruitment, as a double agent.
12. The KRAJA-SHYTI interplay brings to mind the three main objectives of a CE operation: (a) to learn personalities and their functions, (b) to learn opposition policies, and (c) to determine the opposition's modus operandi. Do these objectives guide us in our direction of KRAJA? Very briefly which of the two services is learning more about the other? It would be illuminating indeed to know KRAJA's true reaction to SHYTI's bold request for tip-offs on contemplated missions: against Albania, time and place of arrival, etc. (This question was posed during the sixth meeting on March 1954.)
13. Has the meeting place ever been surveilled? Is it possible to arrange an audio surveillance of these meetings? What is the personal meeting plan, the alternate meeting plan, and is there an emergency meeting plan? In what form does CIA obtain debriefings of these meetings? When and how was KRAJA instructed by CIA to play SHYTI? From whom does KRAJA believe these

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instructions originate?

14. The notable event of the eighth meeting of 10 May 1954 was KRAJA's acceptance of 20,000 lira as a loan from SHYTI. Unless proved otherwise, this strongly suggests control over KRAJA by his Albanian case officer.
15. To what extent is the NCFA penetrated by the Albanian I. S.? In this respect what do we know about KODRA, MUFTI and BINERI who were denied to be SHYTI agents, but intimated to be agents of SHYTI's colleagues?
16. When, finally, on 28 June 1954 field decided to take a direct hand in the operation, what was the exact briefing [ ] gave to KRAJA? Note that the \$100. per month salary offered to KRAJA by [ ] was rejected (see above regarding the 20,000 lira loan).
17. (One recommendation certain to come out of this study will call for a CE review of the prominent members, and committees, of the NCFA.)
18. Throughout these contacts SHYTI continually probed for information on the Albanian Guard Company in Germany and agent operations against Albania. It is apparent that SHYTI clings to the idea that agents are recruited (and trained) from the guard company as they actually were several years ago. KRAJA it seems was unnecessarily glib or at least indiscreet in his discussion about agent operations in Albania with SHYTI. The subject was handled almost as though both principals were true colleagues. And throughout all of the last several meetings SHYTI invariably brought the topic around; unfortunately, KRAJA did not plead ignorance, but, instead, made some rather open admissions, regardless of any knowledgability. It appears that a tabulation of SHYTI's requests would serve well to provide us with certain Albanian EEI's, in this case, CE objectives.
19. The rupture of the KRAJA-SHYTI relationship around 28 June earned the attention of six Albanians who in the past were aware of KRAJA and his operation, and again exemplified a universal inability to observe security. "Forcefully pointing out lack of judgment" is an unavailing appeal and should be recognized as such by this time by all case officers. Do we actually know that KRAJA spent 20 days on the island of ISCHIA? Has there been more reasonable explanation of KRAJA's surprising accumulation of 20,000 lira during his holiday? Equally perplexing to the reviewer is KRAJA's initiative in obtaining the Albanian Legation telephone number, when, supposedly the American case officer felt this ingenuity was beyond KRAJA's ken. Was it really? Attempts to arrange a rendezvous with SHYTI on 4 September failed. Two days later KRAJA was approached by his new case officer, indicating that he had been under surveillance so that the Albanian cutout could make a contact at his own choice of time and place. KRAJA was again contacted while leaving his quarters, also indicating that the Albanian Legation knows considerable about him and his habits. It is interesting to note MERSINI's (KRAJA's new Albanian case officer) frequent reference to Albania's territorial integrity as maintained by the Communists;

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this is the same appeal which has had quite an amalgamating effect in Albania and has caused the people to favor the present regime over Greek or Yugoslav domination. MERSINI persists in ferreting information on the Albanian Guard Company.

20. Now that three meetings with MERSINI have been held and the Field has begun to feed MERSINI selected information (and we are entering a new phase of the operation) several suggestions seem to be in order. To date, there is no question but what the Albanians have not learned more about their target than we have about ours. We have failed to collect any information on the Albanian I. S. modus operandi, its personalities, their functions, and its policies or the policies of the Albanian government. We should no longer be content with ineffectual observation of MERSINI's personal reactions to conversations, or KRAJA's fliers into the world of political interpretation. Most definitely KRAJA must be brought closely under the control of an American case officer and coached thoroughly in tactics, techniques and specific objectives. We must decided to do one of possibly three things:
- (a) Defect MERSINI in or out of place;
  - (b) Play MERSINI for all of its GE worth; or
  - (c) Abandon the Project.
21. In order to gain control over KRAJA and minimize future breaches of security we must appeal to more than Subject's patriotic motives, if indeed he has any. It may be necessary to blackmail KRAJA or invoke some equally drastic measure to gain this control by making KRAJA's sojourn literally dependent upon U. S. indulgence. Something must be accomplished to give direction to these potentially fertile meetings; the mailed fist of duress may not be necessary if other means of inducement are invoked. It would be well to learn whether KRAJA signed any document when accepting the 20,000 Lira loan from SHYTI. Indebtedness coupled with an acknowledging signature is a classical Soviet technique. It would have been better had KRAJA become indebted to the U. S. Above all else we have learned that the Albanian I. S. possesses considerable knowledge of the NCFA, its policies and personnel, the exiled groups in Italy and Yugoslavia, and certain CIA operations. They still misconstrue the Albanian Guard Company, which seems to bother them noticeably. We still do not know for certain how they learned this information which is one service KRAJA may render. While I question that we have not done enough to establish KRAJA's bona fides, every attempt should be made to insure ourselves against victimization. Please refer to my earlier remarks on the desirability of covering these meetings by audio surveillance or otherwise removing ourselves from the role of a second hand recipient of information. As far as I can tell, we learn only what KRAJA reports to us. This is one case that should be given clinical study without delay so that the opportunities inherent in this relationship will not be forever lost.

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