

26 SEP 1990

MEMORANDUM FOR: Associate Deputy Director for Operations

FROM: [ Chief, Operations and Resource Management Staff

SUBJECT: Transmittal of QRPLUMB FY 1991 OPACT

1. Attached herewith for your approval is the QRPLUMB termination OPACT for FY 1991 submitted by PPS/SEO/SIB. QRPLUMB is a proprietary which must be terminated due to revised U.S. policy. The termination payment is \$1,750,000. PPS would like to obligate some of these funds in FY 1990 to ease the FY 1991 burden. ((

2. PPS has considered all alternatives for termination in consultation with the Proprietary Review Board and the scenario proposed, of a flat termination payment, is the best. ORMS recommends approval of the termination and the termination payment.

[ ]

DECLASSIFIED AND RELEASED BY  
CENTRAL INTELLIGENCE AGENCY  
SOURCE METHOD EXEMPTION 3828  
NAZI WAR CRIMES DISCLOSURE ACT  
DATE 2007

Attachments:  
As stated

CL BY [ ]  
DECL OADR  
DRV HUM 4-82

26 SEP 1990

MEMORANDUM FOR: Associate Deputy Director for Operations

FROM: [ Chief, Operations and Resource Management Staff ]

SUBJECT: Approval of OPACT QRPLUMB for FY 1991

1. Description: OPACT QRPLUMB is a PPS proprietary located in New York with affiliates in London, Paris, and Munich. It is a publisher and distributor of Ukrainian language books, journals, newsletters, and magazines and also produces and infiltrates pamphlets, leaflets, and videos into the Ukraine. The purposes of QRPLUMB are to provide intellectual and moral support for those in the targeted audience working towards the moderation of the Soviet system and to encourage liberalization among the Ukrainian population. QRPLUMB is an NSC program.

As a result of revised U.S. policy, the QRPLUMB project will be terminated at the end of FY 1990.

2. Authority: This activity is authorized by the Consolidated Presidential Findings of 7 June 1978 and 7 March 1979 and by the Memorandum of Notification of 3 August 1987. This activity was approved by the ADDO on 30 April 1990 for FY 1990.

3. ORMS Comments: QRPLUMB published 11 issues of its monthly journal, three books, 5,000 copies of a brochure on election campaign tactics and several postcards with slogans supporting the free election process. QRPLUMB also increased its distribution of publications, provided \$5,000 worth of printing and communications equipment to unofficial organizations under the QRHACKER project and edited, copied and distributed video material filmed in the Ukraine during rallies, demonstrations, and the like. Although the program continued to be successful, revised U.S. policy required its termination.

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SUBJECT: Approval of OPACT QRPLUMB for FY 1991

Over a number of months several alternative termination scenarios were discussed taking into account operational, cover, security, and administrative factors. In consultation with ORMS, PPS determined that a one-time termination payment was the best option; upon receipt of the termination payment, the relationship between the Agency and the project will end. The termination financial package will include [ ] to cover the one time costs connected with the termination of the project: settlement of the lease for office space, buy out of leases for equipment, severance pay for employees and other similar expenses. In recognition of over 40 years of service and contribution to U.S. government objectives, QRPLUMB will be given a termination payment of [ ]. This amount will provide a financial cushion which will allow QRPLUMB to reorganize and continue its activities on a scaled-down level while identifying and developing independent resources. This amount is needed to avoid major disruptions in the project's work which would be immediately apparent to outside observers and consequently could create serious security problems.

4. Responses To FY 1988 Recommendations: PPS has developed an appropriate termination plan for this project.

5. Funding and Accountability: The Liquidation Plan is in coordination in Headquarters.

6. ORMS Recommendation: The termination plan developed by PPS is the best from both operational and administrative standpoints. ORMS recommends that QRPLUMB be approved in the amount requested, [ ] total expenses for FY 1991. PPS does have these funds available in the PPS budget for FY 1991.

[ ]  
[ ]

# OPERATIONAL ACTIVITY ACTION

OPACT IONYM  
28-4544  
QRPLUMB

TYPE OF ACTION		FI/C	CA	OTHER	
<input type="checkbox"/>	NEW OPACT APPROVAL	DIVISION PPS/SEO		OBJECTIVE T	
<input type="checkbox"/>	AMENDMENT NO.	FIELD STATION HQS		TARGET COUNTRY	
<input type="checkbox"/>	RENEWAL FY 19	BRANCH PPS/SEO/SIB		DESK	
<input type="checkbox"/>	EXTENSION	CASE OFFICER [ ]			DATE 10 Aug 1990
X	TERMINATION	ROOM NO. 4N39	BUILDING NHB	TELL EXT. RED 72444 BLACK 42444	
<input type="checkbox"/>		INTENDED SOLELY FOR COLLECTION PER SEC 662 OF FOR. ASSIST. ACT		<input type="checkbox"/>	
<input type="checkbox"/>		NOT INTENDED SOLELY FOR COLLECTION PER SEC 662 OF FOR. ASSIST. ACT		<input type="checkbox"/>	

## CONCURRENCES OF DIVISIONS

ORGANIZATIONAL ELEMENT	TYPED NAME (and Signature)	DATES		MEMO ATTACHED	
		IN	OUT	YES	NO
C/PPS/SIB	[Signature]		10/8/90		
C/PPS/SEO	[Signature]	10/8/90	13/8/90		✓
CIC/PPS PPS/B&F	[Signature]		8/15/90		✓
PPS/PA PPS/PLANS	[Signature]	13 Aug 90	13 Aug 90		
DC/PPS	[Signature]				
C/PPS	[Signature]		15 Aug 90		✓

## CONCURRENCES OF OTHER COMPONENTS

(Type in Organizational Element and Name Below Only when Concurrence Obtained by Originating Element.)	DATE		MEMO ATTACHED	
	IN	OUT	YES	NO
SE/CA	15 Aug	15 Aug		✓
C/SE/ORS	15 Aug	15 Aug		✓
EUR/CA	15 Aug	15 Aug		✓
CI STAFF	attached	16 Aug 90		—
CCS	attached	21 Sep 90		✓
C/ORMS	[Signature]	26 Sep 90		

(\* ) approval incorporates ORMS memorandum comment/recommendations and is subject to any caveats noted therein.

## APPROVAL

PERIOD	AMT THIS ACTION	FY	TOTAL FUNDS AUTHORIZATION
FROM 01 Oct 1990 TO 30 Sep 1991	\$ [ ]	19 91	\$ [ ]
		19	\$ [ ]

APPROVING AUTHORITY (Title & Signature): [Signature]  
FOR DDO USE ONLY: EXEMPT FROM P/S REVIEW [ ] COMPARTMENTED P/S REVIEW [ ] DATE: 27 Sept 90

# OPERATIONAL ACTIVITY ACTION

OP... PTONYM  
28-4544  
QRPLUMB

	TYPE OF ACTION	FI/C	CA	OTHER
	NEW OPACT APPROVAL	DIVISION PPS/SEO		OBJECTIVE T
	AMENDMENT NO.	FIELD STATION HQS		TARGET COUNTRY
	RENEWAL FY 19	BRANCH PPS/SEO/SIB		DESK
	EXTENSION	CASE OFFICER [ ]		DATE 10 Aug 1990
X	TERMINATION	ROOM NO. 4N39	BUILDING NHB	TELL EXT. RED 72444 BLACK 42444
	INTENDED SOLELY FOR COLLECTION PER SEC 662 OF FOR. ASSIST. ACT		NOT INTENDED SOLELY FOR COLLECTION PER SEC 662 OF FOR. ASSIST. ACT	

### CONCURRENCES OF DIVISIONS

ORGANIZATIONAL ELEMENT	TYPED NAME (and Signature)	DATES		MEMO ATTACHED	
		IN	OUT	YES	NO
C/PPS/SIB	[ ]		10/8/90		
C/PPS/SEO	[ ]	10/8/90	13/8/90		✓
CIC/PPS PPS/B&F	[ ]		8/15/90		✓
PPS/PA PPS/PLANS	[ ]	13 Aug 90	13 Aug 90		
DC/PPS					
C/PPS	[ ]		15 Aug 90		✓

### CONCURRENCES OF OTHER COMPONENTS

(Type in Organizational Element and Name Below Only when Concurrence Obtained by Originating Element.)	DATE		MEMO ATTACHED	
	IN	OUT	YES	NO
SE/CA	[ ]	15 Aug	15 Aug	✓
C/SE/ORS	[ ]	15 Aug	15 Aug	✓
EUR/CA	[ ]	15 Aug	15 Aug	✓
CI STAFF				
CCS	[ ]		7/5/90	✓
C/ORMS				

### APPROVAL

	PERIOD FROM 01 Oct 1990 TO 30 Sep 1991	AMT THIS ACTION [ ]	FY 19 91	TOTAL FUNDS AUTHORIZATION \$ [ ]
APPROVING AUTHORITY (Title & Signature) [ ]		FOR ODO USE ONLY		DATE
ADD: [ ]		EXEMPT FROM P/S REVIEW	COMPARTMENTED P/S REVIEW	

# OPERATIONAL ACTIVITY ACTION

OPA: PIONYM  
28-4544  
QRPLUMB

	TYPE OF ACTION	FI/C	CA	OTHER
	NEW OPACT APPROVAL	DIVISION PPS/SEO		OBJECTIVE T
	AMENDMENT NO.	FIELD STATION HQS		TARGET COUNTRY
	RENEWAL FY 19	BRANCH PPS/SEO/SIB		DESK
	EXTENSION	CASE OFFICER [ ]		DATE 10 Aug 1990
X	TERMINATION	ROOM NO. 4N39	BUILDING NHB	TELL EXT. RED 72444 BLACK 42444
	INTENDED SOLELY FOR COLLECTION PER SEC 662 OF FOR. ASSIST. ACT		NOT INTENDED SOLELY FOR COLLECTION PER SEC 662 OF FOR. ASSIST. ACT	

## CONCURRENCES OF DIVISIONS

ORGANIZATIONAL ELEMENT	TYPED NAME (and Signature)	DATES		MEMO ATTACHED	
		IN	OUT	YES	NO
C/PPS/SIB	[ ]		10/8/90		
C/PPS/SEO	[ ]	10/8/90	13/8/90		✓
CIC/PPS PPS/B&F	[ ]		8/11/90		✓
PPS/PA PPS/PLANS	[ ]	13 Aug 90	13 Aug 90		
DC/PPS					
C/PPS	[ ]		15 Aug 90		✓

## CONCURRENCES OF OTHER COMPONENTS

(Type in Organizational Element and Name Below Only when Concurrence Obtained by Originating Element.)	DATE		MEMO ATTACHED	
	IN	OUT	YES	NO
SE/CA	15 Aug	15 Aug		✓
C/SE/OPS	15 Aug	15 Aug		✓
EUR/CA	15 Aug	15 Aug		✓
CI STAFF	8/16/90			✓
CCS				
C/ORMS				

## APPROVAL

FROM	PERIOD	AMT THIS ACTION	FY	TOTAL FUNDS AUTHORIZATION
01 Oct 1990	TO 30 Sep 1991	[ ]	19 91	\$ [ ]
APPROVING AUTHORITY (Title & Signature)		FOR DDO USE ONLY		DATE
[ ]		EXEMPT FROM P/S REVIEW	COMPARTMENTED P/S REVIEW	

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QRPLUMB - TERMINATION OPACT

DESCRIPTION AND PURPOSE:

QRPLUMB is a proprietary with main offices in Newark, New Jersey and independent legal entities in London and Munich. QRPLUMB publishes a Ukrainian-language monthly political-literary magazine, a Russian-language socio-political quarterly journal, bulletins, pamphlets and books for distribution within the USSR. The purpose of the QRPLUMB activity is to provide intellectual and moral support to those Ukrainians who seek social and political moderation of the Soviet system and who encourage liberalization of various strata of the Ukrainian population. QRPLUMB assets have extensive contacts with individuals and groups in Ukraine and provide material support to internal independent groups and publishers. In FY-90, funds for this support were provided from the [ ]

As a result of revised U.S. policy, the QRPLUMB project will be terminated at the end of FY 90 (see PLANS).

AUTHORIZATION:

Authorization is provided by the Consolidated Presidential Finding of 7 June 1978 and 7 March 1979 and the Memorandum of Notification of 3 August 1987. Approval for the most recent OPACT was granted by the ADDO on 30 April 1990.

ACCOMPLISHMENTS:

- QRPLUMB published eleven issues (one double issue) of its monthly journal in an average print run of 2,200 copies, of which 500 copies were distributed in the Ukraine, the Soviet Union and Eastern Europe. An additional 2,000 copies of each issue were reprinted in Poland and, in the latter part of FY-90, arrangements were made to reprint another 1,000 copies in Kiev, Ukraine.

- Published three books: a collection of basic documents establishing the American democratic system, a translation of the Robert Conquest book on the Ukrainian famine and a history of the Ukrainian women's movement.

- Published 5,000 copies of a brochure on election campaign tactics, all of which were distributed in Ukraine. The brochure was reprinted inside by a number of unofficial publishers.

- Produced several post cards with slogans supporting the free election process in print runs of 10,000. Copies were reprinted in a number of unofficial publications in the Ukraine.

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- Increased distribution of publications by use of direct mail and increased visitor traffic to and from the Ukraine. In addition to very active distribution points in Poland, QRPLUMB revived distribution through Czechoslovakia which was interrupted for many years after the 1968 Soviet invasion.

- The QRPLUMB journal was mentioned favorably on a number of occasions in the unofficial press in the Ukraine. Visiting Ukrainian peoples' deputies and other officials, who not long ago were known as dissidents, expressed highest praise for QRPLUMB and its contribution to the cause of free expression in the Ukraine.

- Provided \$5,000 worth of printing and communications equipment to unofficial organizations. Funds for this were provided from the [ ] .

- Edited, copied and distributed video material filmed in the Ukraine during rallies, demonstrations, discussions, etc., using video cameras supplied by QRPLUMB.

- Strengthened and expanded contacts with members of the Ukrainian dissident community many of whom, as a result of recent developments, are now in policy making positions; provided disseminable intel from these contacts.

- QRPLUMB regularly provided copies of independent newspapers published in the Ukraine and other background material which are extremely useful to Headquarters analysts.

PLANS:

As a result of revised U.S. policy on the question of Soviet nationalities, the QRPLUMB project will be terminated in a secure manner at the end of FY-90.

Following are key elements of the proposed termination plan:

- Termination date and method:

The project will be terminated on 30 September 1990. Based on the NSC policy decision in January 1990, support to the project was to be phased out over the period of one to three years, with our assistance in locating alternate sources of funding. After careful consideration of security and administrative aspects, it was decided that a one time termination payment will best serve the secure transition process. Upon receipt of the termination payment, the relationship between the Agency and the project will end, and the QRPLUMB organization will be free to undertake efforts to solicit outside support without the restraint of Agency regulations. A witting management consultant has been engaged to assist QRPLUMB in developing outside sources of income.

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- Termination payment:

QRPLUMB will receive [ ] to cover the one-time costs connected with the termination of the project. These costs include: Settlement of the lease for office space in Newark, New Jersey; buy out of leases for equipment in Newark and London; moving costs in Newark, London and Munich; severance pay for employees and pension plan penalty; fees for the business consultant and other related, miscellaneous expenses.

In recognition of the over forty years of service and contribution to U.S. Government objectives, QRPLUMB will be given a termination payment of [ ]. This amount will provide a financial cushion which will allow QRPLUMB to reorganize and continue its activities on a scaled down level while identifying and developing independent resources. This amount is needed to avoid major disruptions in the project's work which would be immediately apparent to outside observers and consequently could create serious security problems.

- Personnel:

The three witting principal agents are being individually assessed by the SE division for possible future role in FI collection.

The unwitting personnel will be handled in accordance with normal business practices and terminated employees will be given customary financial settlements.

Administrative details of the termination process are spelled out in the Liquidation Plan for Operational Activity QRPLUMB.

ASSETS AND MECHANISMS:

QRPLUMB/57 - witting, president of the QRPLUMB company. An Exceptional Approval was granted 11 April 1990.

QRPLUMB/75 - witting, treasurer. CSA granted 10 September 1985.

QRPLUMB/103 - witting, vice president. CSA granted 20 June 1985.

All unwitting employees have Proprietary Approvals.

COVER/SECURITY:

In February 1990, certain problems of lifestyle and CI nature arose during the polygraph of QRPLUMB/57. Although not resolved during the examination they were judged not to impact negatively on the operation.

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FUNDING:

Sterile bank transfers are made to the QRPLUMB bank account, citing five devised facilities located in different U.S. cities as remitters.

SOURCE OF FUNDS:

Approval is requested for funds in the amount of [ ] for FY 91 (FAN 28-4544) for termination costs and termination payment for QRPLUMB. Funds in the amount of [ ] are available in the PPS budget for FY 91.

ACCOUNTABILITY:

Funds are accounted for in accordance with the Administrative Plan approved on 4 March 1985.

As of 31 July 1990, [ ] (95.55% of the revised FY 90 budget of [ ]) has been obligated from the QRPLUMB FAN 28-4544. It is anticipated that 100% will be obligated by 30 September 1990.

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OPACT

CATEGORY

	FY90	FY91
2111 Tdy travel within US	[ ]	[ ]
2551 Ops entertainment		
2552 Other Ops exp.		
2555 Ops exp "non-agency"		
2570 Subsidies		
<b>TOTAL BUDGET</b>	[ ]	[ ]

PROPRIETARY BUDGET

	FY90	FY91
Cash on Hand	\$127,351	\$0
Income		
Proprietary Funds	[ ]	[ ]
Adj. for Realignment	[ ]	[ ]
Proprietary Income	157,969	0
<b>Total Income</b>	[ ]	[ ]
Fixed Expenses		
Salaries & Fees	\$420,410	\$0
Rent	81,642	0
Administration	321,970	0
<b>Total Fixed Expenses</b>	\$824,022	\$0
Operating Expenses	444,988	0
Termination Costs	157,310	500,000
<b>Total Expenses</b>	\$1,426,320	\$500,000
Termination Payment		\$1,250,000
<b>ENDING CASH BALANCE</b>	\$0	\$0

- 5% inflation factored in for FY91.
- Projected FY90 expenses & income were calculated using the average of actual CY89 and FY90 2nd QRT expenses.
- FY90 prop. income calc. using the average of the CY89 & FY90 2nd QRT income.
- Amounts allocated to the FY91 SOC codes (2111-2570) were calc. using the percentage actually allocated to the total budget in FY90.
- Will be closing operations in FY91.

## SUPPORTING SCHEDULE

	TOTAL EXP CY89	2ND QRT FY90 EXP	TOTAL	PROJECTED FY90 EXP
EXPENSES				
COST OF RESEARCH				
GENERAL RESEARCH EXP	\$16,235	\$4,613	\$20,848.00	\$16,678
TRAVEL IN EUROPE	15,813	2,489	18,302	14,642
DIFF. AFFILIATED GROUPS	12,227	5,993	18,220	14,576
INDIV. INTERVIEW EXP.	28,804	2,099	30,903	24,722
BOOK COSTS	90,251	30,438	120,689	96,551
BOOK DISTR. COSTS	50,342	11,851	62,193	49,754
PHOTOCOPYING, PRINTS, MICROFILM	61,783	5,748	67,531	54,025
ELECTIONS	29,046	942	29,988	23,990
FOREIGN AFFILIATES	181,847	5,382	187,229	149,783
TRAVEL LOCAL AREAS	0	287	287	230
REPRESENTATIVE EXP.	0	45	45	36
<b>TOTAL COST OF RESEARCH</b>	<b>\$486,348</b>	<b>\$69,887</b>	<b>\$556,235</b>	<b>\$444,988</b>
GENERAL & ADMIN. EXP				
SALARIES & BENEFITS	\$402,294	\$123,218	\$525,512	\$420,410
FREELANCE RESEARCH	135,964	37,109	173,073	138,458
RENT & LEASE	76,007	26,045	102,052	81,642
TELEPHONE & POSTAGE	11,659	6,914	18,573	14,858
STATIONARY & OFFICE SUPPLIES	44,261	10,965	55,226	44,181
LIBRARY BOOKS & SUBSCRIPTIONS	8,708	61	8,769	7,015
TAXES - PAYROLL & CORPORATE	27,132	8,097	35,229	28,183
INSURANCE	9,347	0	9,347	7,478
REPAIRS	3,163	2,009	5,172	4,138
TRAVEL	61,375	8,776	70,151	56,121
ENTERTAINMENT & MTG EXP.	4,292	1,592	5,884	4,707
MISC. OTHER EXP.	15,079	323	15,402	12,322
DEPRECIATION	3,300	1,932	5,232	4,186
LIGHT	0	2,279	2,279	1,823
EXCHANE RATE GAIN/LOSS	0	(3,795)	(3,795)	(3,036)
EXPEDITION "B"	0	171	171	137
<b>TOTAL GEN. &amp; ADMIN. EXP.</b>	<b>\$802,581</b>	<b>\$225,696</b>	<b>\$1,028,277</b>	<b>\$822,622</b>
INCOME TAXES				
STATE TAXES	550	0	550	550
FEDERAL TAXES	850	0	850	850