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SECRET TELEPOUCH

DISP NO - EGGA-3974

FILE NO -

DATE - 26 JUNE 1967

INDEXING - NO

MICROFILM - NO

TO - CHIEF OF STATION, GERMANY

INFO - CHIEF OF BASE, FRANKFURT, CHIEF EUR

FROM - CHIEF OF BASE, HAMBURG

SUBJECT - O JOINT EXPLOITATION OF 513TH SOURCE 3559

ACTION - SEE PARA 3

REFS - A. EGGA-3783, 16 SEPTEMBER 1966 *F 324-6-55*
 B. EGNA-33025, 28 NOVEMBER 1966 *324-6-55*
 C. EGGA-3963, 9 JUNE 1967 (NOT SENT DIRECTOR)

DECLASSIFIED AND RELEASED BY
 CENTRAL INTELLIGENCE AGENCY
 SOURCE METHODS EXEMPTION 3B2B
 NAZI WAR CRIMES DISCLOSURE ACT
 DATE 2005

1. HAMBURG BASE WAS VISITED ON 21 JUNE BY THE 513TH ICG CASE OFFICER LESSMAN WHO ADVISED THAT ON 8 JUNE HE HAD SOUNDED OUT SOURCE 3559 ON THE PROPOSAL OUTLINED IN REFERENCE A THAT HE LEND COVER TO A DEBRIEFING ACTIVITY AND THAT SOURCE 3559 HAD SHOWN DEFINITE INTEREST. ASKED FOR SUGGESTIONS ON A POSSIBLE LEG MAN OR ASSISTANT, SOURCE 3559 HAD SAID HE KNEW OF SOME GOOD PROSPECTS BUT WISHED TO DO SOME INFORMAL SOUNDING OUT AND GIVE THE MATTER FURTHER CONSIDERATION. HIS REMARKS SUGGESTED THAT HE HAD IN MIND EITHER CAHELM-1 OR THE SUBJECT OF HAMBURG 7193, WHO ACCORDING TO CAHELM-1 IS CURRENTLY SEEKING EMPLOYMENT DOING CHINA RESEARCH AND BEING ACTIVELY PROMOTED BY SOURCE 8559.

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2. LESSMAN ALSO DELIVERED TO US A MEMORANDUM STATING THAT THE 513TH IS NOW READY TO SUBMIT THE PROPOSAL TO DCSI FOR APPROVAL BUT THAT IN DOING SO THEY WISHED TO BE ABLE TO STATE WOFACT HAD AGREED TO THE FOLLOWING CONDITIONS:

A. THE 513TH MI GROUP AGENT HANDLER (MR. LESSMAN) WILL BE THE SOLE POINT OF CONTACT WITH SOURCE 3559.

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GROUP 1
 Excluded from automatic
 downgrading and
 declassification

324-2-52

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B. COLLECTION REQUIREMENTS TO BE LEVIED WILL BE COORDINATED BY WOFAC/HAMBURG AND THE 513TH MI GROUP PRIOR TO ISSUANCE TO SOURCE 3559.

C. NAMES OF INDIVIDUALS TO BE SURFACED TO SOURCE 3559 FOR CONTACT AND DEBRIEFING WILL BE COORDINATED BY WOFAC/HAMBURG AND THE 513TH MI GROUP PRIOR TO ISSUANCE TO SOURCE 3559.

D. ALL LEADS THAT MAY RESULT FROM THIS JOINT OPERATION WILL BE DISCUSSED JOINTLY TO DETERMINE WHICH AGENCY IS TO RETAIN POSSESSION FOR UNILATERAL EXPLOITATION.

E. ALL INFORMATION COLLECTED WILL BE MADE AVAILABLE TO WOFAC/HAMBURG AND THE 513TH MI GROUP. INFORMATION DEEMED APPROPRIATE FOR PUBLICATION (INFORMATION REPORTS ON DD FORM 1936) WILL IDENTIFY WOFAC/HAMBURG AND THE 513TH MI GROUP AS THE ORIGINATOR.

F. ALL EXPENSES WILL BE SHARED ON AN EQUAL BASIS. A PAYMENT OF \$400.00 PER MONTH FOR FULL PARTICIPATION TO SOURCE 3559 IS SUGGESTED. PAYMENT OF ALL TRAVEL EXPENSES AND 40 DMW PER DAY FOR EACH LEGMAN IS ALSO SUGGESTED.

3. WE HAVE SOME INDICATIONS THAT THE 513TH IS HOPING TO DEVELOP THIS OPERATION INTO A LARGER SCALE PROGRAM THAN WE HAD IN MIND. WE SEE NO OBJECTIONS IF THEY WISH TO DO SO, AND BELIEVE THIS IS A LOGICAL CHANNEL INTO WHICH TO DIRECT THE 513TH FJPLEAD EFFORT IN GERMANY. WE BELIEVE HOWEVER WE SHOULD THEREFORE COMMIT ONLY SPECIFIC SUMS FOR SPECIFIC PURPOSES RATHER THAN COMMIT OURSELVES TO A PERCENTAGE OF THE TOTAL COSTS. IF BONN CONCURS WE SUGGEST THAT FRANKFURT DELIVER A REPLY TO THE 513TH MEMORANDUM CONCERNING WITH POINTS CONTAINED THEREIN EXCEPT AS FOLLOWS:

A. WE PREFER THAT WOFAC NOT APPEAR ON THE SOURCING

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OF REPORTS PUBLISHED BY THE 513TH. INSTEAD WE WOULD LIKE TO RECEIVE COPIES OF ALL RAW REPORTS, WHETHER PUBLISHED OR NOT, AS WELL AS A LIST OF THE NUMBERS OF THOSE REPORTS WHICH ARE PUBLISHED. THIS DISSEMINATION PROCEDURE WILL APPLY ONLY TO INFORMATION PRODUCED DIRECTLY BY SOURCE 3559 AND HIS LEG MAN, AND NOT TO SUBSEQUENT PRODUCTION RESULTING FROM LEADS THEY MAY HAVE TURNED UP WHICH HAVE BEEN TURNED OVER TO US FOR UNILATERAL EXPLOITATION.

B. WE SUGGEST THAT THE 513TH PAY THE SALARY OF THEIR SOURCE 3559 IN WHATEVER AMOUNT THEY CONSIDER APPROPRIATE. WE ARE PREPARED TO COMMIT THE SUM OF U.S. \$1000 PER MONTH. FOR THE SALARY, TRAVEL EXPENSES, AND PER DIEM OF A LEG MAN. INITIALLY NO FINANCIAL COMMITMENTS WILL BE MADE TO ANY OF THE AGENT PERSONNEL INVOLVED IN THIS ACTIVITY FOR A PERIOD OF LONGER THAN ONE YEAR, DURING WHICH TIME WE WILL REGARD THIS AS AN EXPERIMENTAL ACTIVITY.

4. HEADQUARTERS: THE FOLLOWING IS A BRIEF SUMMARY OF REFERENCE C AND OTHER INTRA-STATION DEVELOPMENTS IN CASE YOU RECEIVE INQUIRIES AT THE HEADQUARTERS LEVEL: THE 513TH REACTED FAVORABLY TO REFERENCE A PROPOSAL BUT POSTPONED ACTION SEVERAL TIMES, FIRST BECAUSE THEY WERE AWAITING THE ARRIVAL OF A NEW CHINESE-SPEAKING CASE OFFICER, SECONDLY BECAUSE THEY NEEDED TIME FOR THE NEW CASE OFFICER TO ESTABLISH RAPPORT AND FINALLY BECAUSE THEY FELT THEY MUST FIND OUT WHETHER SOURCE 8559 WAS WILLING TO COOPERATE BEFORE SUBMITTING THE PROPOSAL TO THEIR HEADQUARTERS.

APPROVED - []
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CHIEF OF STATION, GERMANY

CHIEF OF BASE, FRANKFURT; CHIEF, EUR

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