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PROJECT OUTLINE

CRYPTONYM AEACRE

HEADQUARTERS CASE OFFICER:

AREA DIVISION SR

Deputy Chief, SR / DOB

STATION Domestic Operations Base

Room No. 2061 J Bldg.

Extension: 8701

Date: 7 September 1955

The attached project outline is presented for renewal/amendment.

Chief, SR / 7

Chief, Area Division FI Staff

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

Area Division Chief

7 September 1955

DATE

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MEMORANDUM FOR: Chief, Plans Staff, FI-DD/P

FROM : Chief, FI Staff, SR Division

SUBJECT : Renewal Request, Project AEACRE as amended

REFERENCES ; Admin Plan for Project AEACRE, dated
30 November 1953; Amendment #2, Project
AEACRE, dated 17 March 1954.

I. INTRODUCTION:

Renewal of Project AEACRE in its amended version for the remaining nine (9) months of FY 1956 is requested. This project is intended to establish a mechanism for the planning and conduct of REDSOX operations and is presently operating on a first quarter FY 1956 provisional funding allotment approved by COP-DD/P, on 7 September 1955. An operational level of four to six penetrations a year is envisaged. Adequate long-range planned expansion of REDSOX activities also requires the tentative approval of the attached FY 1957 and FY 1958 budgets.

II. GENERAL PROJECT BACKGROUND:

A. Project AEACRE was first approved by A/AD/SO on 22 January 1952, to establish an agent training base in the United States in support of operations against the USSR, at a total cost of [redacted]. The first approval covered the period up to 30 June 1952. A Domestic Operations Base was set up to overcome growing difficulties in training REDSOX agents in Germany, Japan, and Turkey, and to adjust to the migration of the potential agent pool to the Western Hemisphere.

B. On 2 April 1952, AD/SO, AD/PC and DD/P approved renewal of AEACRE for FY 1953, as a joint OSO/OPC activity. This renewal included authorization for maximum expenses of [redacted] to be shared equally by OSO and OPC. On 8 May 1953, DD/P reapproved AEACRE for FY 1953, at a total authorized cost of [redacted] which included \$32,340 for the Office of

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Communications; [] for the period 1 July - 31 December 1952; with [] earmarked for the balance of FY 1953, subject to PRC review. While such review was not made, funds were allotted for the full fiscal year 1953 by OSO ([]) and by OPC ([]), for a total of [] Disbursements for fiscal year 1953, exclusive of the Office of Communications, totaled []

C. On 30 June 1953, the SR Division presented a renewal request to C/FI and the PRC, which included a proposed expenditure of [] for FY 1954. This sharp increase in budgetary requirements from the previous year was due to the inclusion, for the first time, of all staff salaries which had hitherto, in part, been carried on the SR Division Headquarters T/O's. However, this increase caused a delay in approval and resulted in a review of the Domestic Operations Base by the Inspection and Review Staff. This delay occasioned the Domestic Operations Base to be active through most of fiscal year 1954 without formal approval, but with PRC approval in principle as an SR support facility.

D. On 17 March 1954, SR submitted Amendment #2 to the project and a retroactive request for renewal for the period 1 July 1953 through 30 June 1954, for [] In order to avoid unnecessary paper work in requesting another renewal, concurrent request was made for FY 1955, for the same amount, namely [] These figures, totaling [] the two years, together with the changes contained in the project outline, were approved by C/FI on 11 June 1954, by C/DD/P on 11 June 1954, and by DDCI on 18 June 1954. (See attached Amendment #2)

E. On 21 January 1954, an Administrative Plan for SR Special Project AEACRE, Domestic Operations Base, was approved by Chief, DD/P, defining the authorities given to the project and providing the necessary exceptions to Agency regulations. The plan provided AEACRE with a status comparable to that enjoyed by [] (See attached Administrative Plan.)

III. PRESENT STATUS OF PROJECT:

Since its inception, the SR Division Domestic Operations Base, (SR/DOB), which was established under this project, has actually served as an SR Division domestic training and operational support base.

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Although DOB was primarily concerned with the training and support of REDSOX operations, it provided support for other SR Division operations. The following is a brief description of the support rendered, the facilities and personnel presently available, and the security procedures now in effect.

A. Training and support rendered for the period
1 February 1954 to date were as follows:

1. Completed Training:

Penetration agents	- 6
Principal agents	- 1

2. Withdrawn during Training:

Penetration agents	- 1
Principal agents	- 1

3. Now in Training:

Penetration agents	- 2 (Project AEROOT)
Other agent personnel	- 2 (Project AESHUBA/ AESA URUS)

4. Nine (9) other agents were trained, primarily by the Office of Training but with the participation of SR/DOB which conducted the proper liaison and coordination of the training request between OTR and the SR Area Branches, and provided covert training sites, vehicular transportation, interpreters, etc.

5. A Norwegian Intelligence Service case officer was trained by SR/DOB, along with his American case officer counterpart, in personnel balloon launching for a joint Norwegian-American project.

6. All logistical support for the AEFILTER debriefing was also provided by SR/DOB in this period.

B. Personnel presently on duty with SR/DOB include the following:

29 Staff Personnel

7 Contract consultants/instructors/translators

1 Typist, intelligence/analyst/interpreter

9 Safehouse keepers (including 3 housekeeping couples,
1 charwoman, 1 caretaker, 1 housekeeper)

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C. During FY 1955, Project AEACRE operated on an approved budget of [] Financial support of Project AEACRE for FY 1956 was anticipated by the inclusion of [] in the SR Country Program estimate for FY 1956, a sum now known to be inadequate. As the original AEACRE project renewal for 1956 was not approved and was returned to the SR Division for rewrite/amendment, Project AEACRE is currently financially supported by a provisional allotment of [] for the first quarter of 1956, as approved by COP-DD/P.

D. SR/DOB presently controls the following real estate, facilities, and transportation:

- 1 DOB Headquarters Office
- 4 Safehouses (for agent training)
- 1 Safe office (consists of one wing of Guam Hall, wherein the covert associates work)
- 2 Safe apartments (which are used for short-term housing of agents undergoing assessment)
- 2 Military storage areas (2 barracks type warehouses at Ft. Meade, Md; 1 barracks type warehouse at Ft. Bragg, N.C.)
- 18 Vehicles (16 passenger vehicles)
 - (1 5-ton truck)
 - (1 1/2-ton panel truck)

E. Security of DOB has generally been good with no serious breaches of security of personnel or installation. The following covers are utilized:

1. The DOB Headquarters Office is known as [] and is adequately backstopped with the proper authorities at that Service.

2. The military warehousing areas at Ft. Meade and Ft. Bragg are [] for SR/DOB's sole use and properly backstopped []

3. Individual safehouses are procured through approved Agency cut-outs and carry appropriate legends for their use.

4. The Guam Hall covert associate offices operate under the guise [] organization known as the

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[adequate] backstopping.] with

5. Most spotting and assessment activities are accomplished with two different kinds of documentation. Either that of []]

[] No difficulty has been encountered to date nor is any anticipated.

6. The DOB vehicles all carry private D.C., Va., or Md. plates, and show government ownership only on their registrations. Such registration is not unusual in the Washington area and no security violations have occurred as a result. Vehicle accidents have been negligible in the past three years.

7. Agent cover is slightly more complex. The current situation is as follows:

a. Agent personnel who come into this country legally are permitted to carry the identification issued them by the Immigration and Naturalization Service. In the event they become involved with any law enforcement service they are told to say only that they are visiting this country and are unemployed. Their sponsor and address is listed on their papers.

b. [] They are instructed to use this documentation in emergencies only. If able to speak English they too are to state they are unemployed.

c. [] project on an individual basis when an agent is dispatched. All agents in the U.S. are aware of the fact that they are working for an American Intelligence Service.

IV. DISCUSSION:

A. In the past five years the SR Division infiltrated approximately fifty (50) REDSOX agents into the Soviet Union. The majority of these operations were directed against the Western Ukraine, Byelo-Russia and the Baltic area, and were essentially one-way operations with few adequate provisions for exfiltration. It is difficult to equate the value of these operations on a strictly

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dollars-and-cents basis or in any other concrete terms. One chronic drawback during this period was that the Soviet authorities shrewdly revealed the capture and compromise of many of our agents in the newspapers. This propaganda move may have contributed to the achievement of a Soviet-desired purpose in that the tempo of REDSOX operations certainly was decreased to the extent that only three (3) agents were dispatched in 1954 and no REDSOX agents will be dispatched in 1955.

B. It is recognized that REDSOX operations will be more difficult and expensive in the future for a number of reasons. Although part of the necessary mechanism is already in existence, an adequate and hitherto non-existent spotting and recruiting system must be established and experienced case officers must be developed. It is recognized that there have been major shifts in the prospective agent pools. Realistic cognizance must be taken of the international implications of agent capture or compromise during the currently developing period of friendly co-existence with the target nation. Understandably, operations from peripheral countries will become more complex because of recent friendly Soviet overtures. Those areas where sovereignty has been restored, or will soon be restored, may be unwilling to jeopardize their new-won independence. Pressure from within the intelligence community will continue for the types of intelligence which can only be produced by REDSOX operations. And, of course, Soviet technical countermeasures and defenses have improved.

C. Despite the above decided disadvantages, REDSOX operations are not only possible but are necessary. The SR Division's *raison d'être* is to provide positive intelligence concerning Soviet intent, potential, and capability, and requires a balanced "cold/hot war" operational program in which REDSOX operations play an important role. These operations comprise one of the few remaining clandestine operational areas which are still the sole responsibility of DD/P. Project AEACRE is the chief vehicle for the implementation of one aspect of such a balanced operational program, namely illegal or REDSOX operations. Recognizing this, a recent reorganization of the SR Division places the responsibility for all REDSOX operations on one operational Branch, SR/7. Hitherto each SR Area Branch had planned and conducted its own REDSOX operations, with DOB rendering only training and other operational support.

V. REQUIREMENTS:

A. In the future Project AEACRE, the operational element

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of SR/7, will plan and execute a unified REDSOX program. Given adequate funds, the necessary operational support and the assignment of enough competent personnel, future REDSOX operations should be more selective, more secure and much more productive. To permit the effective development of a long-term REDSOX apparatus, FI-DD/P approval is requested for FY 1956, and FI-DD/P tentative approval is also solicited for the FY 1957 and FY 1958 programs. The support of operations for the remaining nine (9) months of FY 1956 necessitates approval of the following:

1. Approval and allotment of the sum of [] is requested for the remaining nine (9) months of FY 1956. The sum of [] previously allocated for FY 1956, is inadequate for any expansion. Actually, lack of additional funds will result in the curtailment of certain necessary activities.

2. Approval for an increase of fifteen (15) staff personnel is deemed necessary for the immediate future. Although DOB has been operating on an approved T/O of sixty (60) staff personnel, only twenty-nine (29) staff personnel are presently assigned. Such an increase in competent staff personnel could probably be achieved in the remaining months of FY 1956 if the SR personnel ceiling were increased.

3. Approval for the addition of eight (8) additional contract consultants/instructors/translators during FY 1956. Competent agent training cannot be accomplished solely by the staff personnel available to DOB or likely to be available in the near future. A temporary remedy, while senior case officers are being developed, is to increase the number of competent and experienced indigenous contract agent instructors. DOB presently has eight (8) such contract personnel in its employ.

4. Approval for the establishment of three (3) full-time spotters in the U.S. and four (4) full-time spotters abroad during FY 1956. FY 1956 plans also include provisions for the establishment of six (6) part-time spotters in the U.S. and six (6) part-time spotters abroad. DOB presently has only one (1) part-time spotter in its employ - Carlos FRANCOS (P), located in Sao Paulo, Brazil. This modest expansion of the agent spotter network is required for FY 1956. The number of spotters, full and part time, will be increased for FY 1957 and FY 1958 as indicated in the attached budget. DOB proposes to assess and train adequately its full-time spotters in order to reduce the

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number of undesirable or unsuitable agent candidates normally recommended by new spotters.

5. Approval for the acquisition of an additional two (2) safehouses for the remainder of FY 1956. DOB presently rents four (4) safehouses which are normally used for agent training. Two of these safehouses are presently occupied. The usual practice is to dispose of a safehouse once it has been used by an agent training group. Often DOB is required to dispose of a house after a few months use even though leasing arrangements require rental payments for a much longer period. This will also require approval of a concomitant number of safehouse keepers.

6. Approval of the additional funds necessary for the movement of DOB Headquarters as well as for any increase in rental for Headquarters' offices. Recent security considerations and rental problems necessitate the movement of the DOB Headquarters to another site.

(The above are the major items requiring approval in the expansion of DOB during FY 1956. Minor additional items are listed in the attached budget.)

V. PROJECT OUTLINE:

The preceding discussion has indicated present capabilities and facilities. The attached budget in Annex "A", indicates the estimated funds necessary for future activity. Because of the broad functional support nature of Project AEACRE, it is difficult to delineate its scope within the narrow parameters of the usual project outline as set forth in CSI No. 236-1. Rather, Project AEACRE should be envisioned as an overall support project for the establishment of a mechanism to plan and conduct REDSOX operations. Therefore the project outline contained in CSI No. 236-1, Annex B, is followed only when applicable. Each individual REDSOX operation will, however, be financed and planned under its individually approved project, wherein project plan, agent salaries, special equipment, insurance, bonuses and unusual expenses not covered by Project AEACRE will be stated.

A. CRYPTONYM AEACRE

1. AREA OF OPERATIONS

For future discussions regarding this project, the area of Operations includes the entire Soviet Union.

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2. PURPOSE

The establishment of a REDSOX support mechanism charged with the planning, spotting, assessment, holding, training, preparation, in/exfiltration, and control of agents and the conduct of illegal entry operations.

3. BACKGROUND

(See Para. II and previous discussion.)

4. REFERENCES

(See attached references.)

5. OBJECTIVES

a. "To build and strengthen a clandestine apparatus for the long-term performance of requirements and responsibilities placed on the clandestine services," by

(1) Penetration of the USSR for the purpose of developing controlled assets within the Soviet Union to be utilized for the accomplishment of Clandestine Services Missions II and IV.

b. "To conduct espionage and counterespionage for collection of such foreign intelligence as can be obtained through clandestine means only and which is necessary to the national security," by

(1) Recruitment of persons living legally within the Soviet Union, and

(2) By the infiltration of agents and equipment for the accomplishment of the above Clandestine Services Mission II tasks.

c. "To prepare for and provide espionage, counterespionage and covert operational support in local or general 'war', as necessary to fulfill the requirements of Clandestine Services Mission IV."

(These objectives are in accord with the objectives of the USSR Country Plan and are included therein.)

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6. TARGETS

All intelligence objectives within the operational capability of SR Division in furtherance of DCID 4/4.

7. TASKS

Agent operational tasks will be specifically delineated in each individual infiltration project.

8. PERSONNEL

a. DOB is presently operating on an approved T/O of sixty (60) staff persons, who are included on the SR Division T/O and subject to Division personnel ceilings. This approved T/O is being modified to reduce the ratio of admin/support personnel to operational personnel. Twenty-nine (29) staff personnel are presently assigned. Personnel ceiling restrictions permitting, it is planned to expand the staff personnel to forty-five (45) during FY 1956, and to the full sixty (60) T/O of staff personnel during FY 1957 and FY 1958.

b. During FY 1956 an addition of eight (8) contract agent instructors is contemplated. DOB presently employs eight contract personnel in Washington and one part-time spotter in Sao Paulo, Brazil. These contract personnel are listed under pseudonym, with brief biographies, in Annex B.

9. OPERATIONAL AND/OR SECURITY CLEARANCE

(Agency regulations will apply)

10. COVER

(See Para. III, E.)

11. CONTACT AND COMMUNICATION

(Not applicable)

12. CONTROL AND MOTIVATION

(Not applicable)

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13. EQUIPMENT AND OTHER SUPPORT

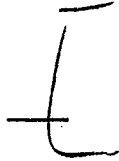

(See attached budget)

14. COORDINATION

Proper coordination will be maintained with all the appropriate staffs and the pertinent Area Divisions.

15. TIME TABLE

It is anticipated that SR/DOB will undertake the basic implementation of four (4) REDSOX operations in the remainder of FY 1956, and plan and conduct four to six operations in FY 1957 and FY 1958. The figures for FY 1957 and FY 1958 are merely an estimate of the desired level of operations and will be adjusted to our operational capabilities. Actual operational experience during the next year, together with an evaluation of political and other conditions as they develop will lead to appropriate readjustment of the program.

 
Chief, FI Section SR Division

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