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D. ATCH NO. ECMA-31939

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74-6-63
74-6-130

TO : Chief, SR
ATTN: C
FROM : Chief, Munich Base C
SUBJECT: GENERAL— Operational/LC IMPROVE/REDWOOD/AERATH

DATE: 6 February 1958

PRIORITY

INFO: EE
COS/G

SPECIFIC— Status of AECAPELIN-1

References: A. EGMW-5525, dated 22 January 1958
B. MUNI-5213

PRIORITY

1. Although AECAPELIN-1 has been employed by KUBARK more or less steadily in the Munich area since 1946, and although it is known with certainty that the RIS presumes he is AIS employed and that UPSWING knows he has contact with KUBARK, it is by no means felt that AECAPELIN-1 has outlived his usefulness in the Munich area. Although there are obvious security implications inherent in the fact that both the RIS and UPSWING are to varying degree aware of his activities, it does not appear that the situation is such as to appreciably lessen AECAPELIN-1's operational effectiveness, nor does it appear that his overall security position is such as to warrant his removal from the Munich area for security reasons. Munich Base is highly desirous that AECAPELIN-1 remain in Munich; it is known from previous discussions on the subject that AECAPELIN-1 himself prefers to remain in Munich; and it is doubted that AECAPELIN-1 could be used as productively by KUBARK at any other station or base at the present time.

2. As regards the specifics of AECAPELIN-1's security position, aside from the fact that anyone who has operated as long as he has in the manner he has must be presumed to be compromised, the following comments would seem to be in order:

a. We have always gone on the assumption that the RIS must know or assume that AECAPELIN has AIS support. If proof were needed, it was provided in the form of the RIS comments to C during the latter's recent visit to the USSR. C was advised that AECAPELIN-1 was without doubt an American agent and that although C should not alter his existing relationship with AECAPELIN-1, he should exercise an appropriate amount of caution in dealing with him. We were at the time and still are, mildly perplexed that the RIS did not interrogate C more vigorously concerning the full details of his relationship with AECAPELIN-1. However, one reason may be that the RIS feels that AECAPELIN-1 is a hopeless case in terms of any operational exploitation and that the best they can do is

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alert those who need to be alerted to AECAPELIN-1's true status. It should be noted that there are numerous other KUBARK assets of interest to the RIS who are probably at least as well known to the RIS as AIS agents. Among these we would number many AEVIROTT personalities including [redacted], also [redacted] and earlier [redacted]. There seems to be little doubt that in such a situation the RIS does much as KUBARK would do, namely builds dossiers in an orderly fashion in the hope that some day an opportunity might arise to make a serious approach to the person in question. If the RIS ever should make an approach to AECAPELIN-1, which seems unlikely, we have no doubt that he would handle the approach in a professional and loyal manner.

Phil...?

b. As regards the UPSWING involvement, AECAPELIN-1's KUBARK ties were known to UPSWING at least as early as 1950. (See ECLA-13088, dated 15 March 1955.) In addition, it must be assumed that UPSWING received further confirmation of the extent of AECAPELIN-1's commitment to KUBARK as a result of the misrouted pouch. (EGMA-25832, dated 10 April 1957.) There seems to be little doubt that UPSWING is and will remain content to use AECAPELIN-1 on a casual basis, by our leave as it were, as has been the case in the past. We believe UPSWING is aware of the fact that AECAPELIN-1 has had a long and close relationship with KUBARK, presumably would assume that AECAPELIN-1 knows where his real future lies, and doubt very much that UPSWING would try to warm up their present contact with AECAPELIN-1 to any great extent, if for no other reason than the fact that they must assume that AECAPELIN-1 reports on his dealings with UPSWING to KUBARK. From our point of view, we also are convinced that if UPSWING should try to get any closer to AECAPELIN-1, he would report the fact, without fail, for the reasons noted above as well as several others. One important thing that should be noted, and should be apparent from much of the AECAPELIN-1 operational correspondence in the past year, is that rapport with his present case officer and his regard for KUBARK seems never to have been higher. AECAPELIN-1 himself has written at considerable length on the subject (EGMA-20222, dated 28 August 1956, Att. H; EGMA-30099, dated 25 November 1957; EGMA-30720, dated 15 January 1958, Att. G) and we are convinced that we are on better, closer, more professional terms with AECAPELIN-1 than ever has been the case in the past. Consequently, we are not unduly worried about the possibility that anything might happen that would really threaten his security or his present relationship with KUBARK.

c. It is also worthy of noting that we do not believe that AECAPELIN-1's continued use in Munich will detract from his long-range usefulness to KUBARK in other parts of the world later in his career. We are quite convinced that, unless the RIS central files are completely destroyed, whenever and wherever AECAPELIN-1 may come to the attention of the RIS, he immediately will be tabbed as an American agent, whether

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he is indeed one at the time or not. However, we feel that AECAPELIN-1, like the many blown intelligence staff officers throughout the world, should be able to cope with this bothersome but surmountable handicap.

3. As regards AECAPELIN-1's productivity, we feel that his information is still highly valuable, certainly as regards possibilities for local exploitation. Aside from his excellent capability to monitor the activities of the Bandera organization, he has his ear very much to the ground in local Ukrainian circles in general. We strongly feel that AECAPELIN-1's production of useful and usable CE background information and leads is improving and will continue to improve, as should our basic capability for exploiting such information. We have given considerable thought to this problem and believe that, in spite of the security factors noted above, AECAPELIN-1's access and productivity will, if anything, continue to improve in the future. We have even had the thought that it might be helpful if he were more widely known as an AIS agent, in the manner of C J. In the case of the latter, aside from the fact that his information gathering potential is considerably increased by the almost universal knowledge that he is an American spy, another dimension is added to the range of operational possibilities. We are thinking of the possibility for unusual CE activity such as the current C J operation.

4. In summary, we would be very loath to give up AECAPELIN-1 at the present time. We do not feel this is warranted either from the point of view of his productivity or his security situation. We readily admit that in the future his security situation could take a turn for the worse, which does not seem too likely, or that his production and general usefulness might fall off to the extent that his further retention in the Munich area would not be worthwhile. However, we certainly do not believe that such a time is as yet upon us. Therefore, we request that Headquarters reconsider the views expressed in Reference A, and strongly recommend that AECAPELIN-1 be permitted to remain in the Munich area for a minimum of one more year, at which time his overall situation could again be reviewed.

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