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SECURITY INFORMATION

MEMORANDUM FOR THE AD/SO

2 April 1952

SUBJECT: Basic Plan AE-ACRE (Amendment)

1. SR/SO is requesting that Basic Plan AE-ACRE, approved by the AD/SO on 22 January 1952, be amended as follows. Because the agent training base will be used to support joint missions, it is proposed that, effective 1 July 1952, the basic plan become a joint activity of OSO and OFC. The additional requirements for fiscal year 1953 will be: 12 contract instructors, 5 safe-house keepers (plus food, utilities, etc.), 5 safe-houses, 9 automobiles and adequate maintenance. The additional requirements will necessitate a maximum cost of [] which will be equally shared by OSO and OFC.

2. The attached amendment was prepared for presentation to the Project Review Committee through the DD/P.

RECOMMENDATION:

It is recommended that Basic Plan AE-ACRE, as amended, be approved for the period ending 30 June 1953.

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Acting Chief, STC

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for Chief, Operations

[]
Chief, Administration

[]
for Chief, Plans

(NOTE: The amendment to this basic plan was presented to the PRC and approved this morning, 2 April 1952. Owing to the time element, it was not processed through normal OSO channels, but was approved by the AD/SO. This copy is therefore being circulated By Hand to the individuals indicated above.)

ATTACHMENT: Basic Plan AE-ACRE

cc: STC/SPB

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

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Project Outline Clearance Sheet

Project Title AE-ACRE Amendment No. 1 Project No. SO 3401-006

Developed by: [Signature] SR DIVISION 25 March 1952
[Signature] Organization Date

Reviewed by: [Signature] 25 March 1952 [Signature] 25 March 1952
Foreign Branch Chief Date Division Chief Date

Concurrences: I & [Signature] 26 March '52 Date
Office of Communicator [Signature] 28 March '52 Date
TSS [Signature] 26 March '52 Date
TRC [Signature] 26 March '52 Date
War Plans [Signature] 28 Mar '52 Date
ADDP (A) [Signature] Date
ADSO [Signature] for Chief Plans / 50 1 Apr '52 Date
AD [Signature] Date

Conditions of Approval: _____

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PROJECT OUTLINE

Project AE-ACRE - Amendment I

1. General Proposal

Project AE-ACRE, which provides for an agent training base in the United States in support of USSR operations, was approved for the fiscal year 1952 by the ADSO on 22 January 1952.

Amendment I is submitted herewith to carry Project AE-ACRE through FY 1953. Because of the fact that the training facility provided for in the basic project will support joint missions, it is proposed that effective 1 July 1952 the project be considered a joint one as between OSO and OPC. Budget figures shown on the attached forms reflect this proposed change.

Experience so far has demonstrated the feasibility of, and the necessity for, an establishment of this kind. The proposal for necessary expansion to carry through FY 1953 is, therefore, submitted to the Project Review Committee, through DD/P, for approval both as to the basic concept and policy involved, and for specific approval as a project amendment.

2. Policy

Three major factors lie behind the proposal to transfer the largest part of USSR agent training operations to the United States:

(a) Such training for missions in Europe or in Asia has been conducted principally in Germany, with smaller installations elsewhere. It is becoming increasingly evident that activities of this nature can no longer be continued in Germany and other areas with maximum security, and it is anticipated that this situation will grow steadily worse. Thus, the proposed move to the United States is, to a great extent, designed to increase the eventual security of agents and of the operational missions for which they are being prepared.

(b) Training can be continued more efficiently in the general vicinity of CIA Headquarters than it can be abroad. Training assistance from the Office of Communications, from TSS, etc., will be greatly facilitated, and specialized training tailored to specific agents and specific missions can be more centrally coordinated than under the present system. Such matters as documentation, legends, area briefings, etc., can also be more efficiently handled.

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SECURITY INFORMATION

(c) The existing reservoir of potential agents in Europe for current operations is rapidly becoming exhausted. It is thus becoming necessary to extend recruitment to aliens in the United States. The establishment of training facilities within the country will greatly simplify all problems connected with the training and preparation of these individuals for missions.

3. Specific Proposal

(a) It is proposed under this project amendment to acquire five safe houses (in addition to the five contemplated by 1 July 1952); a central headquarters, physically removed from any CIA buildings; twelve contract instructors; and necessary support facilities such as automobiles, etc. These requirements are based on the number and character of agent missions forecast for the period covered by this amendment and in the succeeding months. Detailed requirements are shown in Annex A.

(b) It should be noted that this type of agent training requires: segregation of various units in individual safe houses; intimate and continuing association of agents and case officers for each unit; isolation of units and their personnel from overt CIA headquarters; instructors and case officers fluent in the appropriate Soviet language. It cannot be conducted en masse, but must be individually tailored to the mission and the agents in each case. TRC is not equipped to provide this type of training, nor would it be advisable for that organization to do so - both from the standpoint of security and of most efficient operational handling of the agents.

4. Cover and Security

The entire operation will be carried on under cover []
[] will be used for the headquarters offices,
the safe houses, the equipment, and the personnel.

The entry and status of all aliens connected with the Project is being handled through I & S who in turn contact the FBI and the Immigration and Naturalization Service. No unusual security risks appear to be inherent in this proposal. Because of the de-centralized and compartmentalized nature of the operations, any breach of security of the other personnel or installations under the project. Agent personnel and contract instructors will be under continuing control of project case officers. A full-time security officer, provided by I & S, will be assigned.

5. Staff Personnel

Proposed T/O will be submitted through regular channels upon approval of this amendment.

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6. Support

Because of the necessity for restricting details of this operation to the minimum number of persons necessary, ADDP(A) has established a centralized point of control, which will serve as a cut-out for providing necessary administrative and logistic support. The Office of Communications and TSS will provide part-time instructors.

7. Special Problems

The operation of this training facility will require the assignment of various unvouchered personnel to extended periods of temporary duty either abroad or in the United States. In order to provide the flexibility required for successful operation and to provide maximum security, it is believed necessary to give the Domestic Operations Base the status of a field station.

8. Future Plans

It should be pointed out that eventually this training can probably be carried out most efficiently in one large secure area which would be adapted to the isolation of several smaller areas within it. A continuing search is being made for such a location, by TRC. This project amendment is being submitted for FY 1953, with the idea that the whole concept will be periodically reviewed in the light of progress made by TRC.

Note: (as of 1 April 1952)

There are now some indications that it may not be possible to rent as many as ten suitable safe houses in this area. Should this prove to be the case, it would then be necessary to buy the remainder of the houses, as required, with the idea of later selling them. It is believed that this could be accomplished with little or no loss. It is therefore requested that the PRC give approval in principle to the establishment of a revolving fund for this purpose should the necessity arise. Pertinent details could then be worked out directly with the office of DD/A.

S-E-C-R-E-T
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TO: ADMINISTRATION
Attn: Budget Planning & Fiscal Officer
Through: PLANS

DATE 25 March 1952

Subject: Cost Estimates and Allotment of Funds to project AE-ACRE

1. The cost estimates in the columns below indicate:
 - (A) Maximum estimated cost of the above project during the period for which ADSO approval is requested. (Do not confuse with allotment of funds)
 - (B) A conservative estimate of actual cost for this fiscal year only, based on recruitment, timing, etc. (This is allotment)
 - (C) Space for amendment of original allotment as necessary. (Forward
 - (D) Same as (C) direct to ADMIN/BUDGET for processing and return to case officer)

Object	Amt. Authorized By ADSO	Allotment this FY	Amendment No. 1	Amendment No. 2
Compensation				
Allowances				
Travel Transport.	24,310.00	24,310.00	26,000.00	
Operational Exp.	3,000.00	3,000.00	37,500.00	
Other (Specify)*				
TOTAL**				

2. Project expenses will be charged to the budget of OSO 3401-006
(Station name or allotment account number)
3. Additional cryptonym(s) or pseudonym(s) chargeable to this project are:

*Rental	7,500.00	7,500.00	21,000.00
Food, Utilities	6,000.00	6,000.00	21,000.00
Special Equipment			4,000.00

NOTE: TOTAL in column 3 represents half the amount (OSO share) of AE-ACRE budget 1953.

4. Remarks:***The amount of \$15,000, transferred from approved Project WS BAKERY to AE-ACRE, is not included in TOTAL shown in columns 1 and 2.

<u>Case Officer</u>	<u>Extension</u> 3808	<u>Chief</u>
Do not write below this line		

Amount allotted (B) _____	Project approved from _____
Amendment (C) _____	to _____ in the amount
Amendment (D) _____	of _____

Funds are available:

PLANS

OSO Budget Planning & Fiscal Officer

FORM 51 - 91 DEC. 1951

S-E-C-R-E-T

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Project Financial Data

(This data may not exceed SECRET classification)

Project Cryptonym AE-ACRE Fiscal Period Covered July 1952
 thru 30 June 1953
[Case Officer] SR DIVISION
 Responsible Staff or Division

A. PERSONNEL REQUIREMENTS

(Indicate number and type of personnel required and estimated total compensation for salary, allowances, travel and related employee benefits.)

<u>Type</u>	<u>Number</u>	<u>Estimated Total Compensation</u>
Staff Employees		
Staff Agents	T/O to be submitted at a later date.	
Career Agents		
Agents Instructors		
Consultants -----	12	
Detailed Personnel		
Miscellaneous(Safe Housekeepers)		21,000.00
TOTAL		\$ <u>21,000.00</u>

B. SUPPLIES, MATERIALS, EQUIPMENT, AND SPECIAL SERVICES

(Indicate the type and estimated cost of materials and special services required to support the project. Attach a list of special equipment requirements, if available.)

Safe House Food and Utilities	\$21,000.00
Special Equipment	4,000.00

Total Estimated Cost \$ 25,000.00

C. OTHER OPERATIONAL EXPENSES

(Indicate volume and nature of such expenses, such as (1) maintenance of two operational houses abroad, (2) hire of approximately 10 foreign nationals for procurement of information, (3) spot purchase of information, etc.)

Maintenance and Rent of 10 Safe Houses	\$21,000.00
Purchase & Maintenance 20 Automobiles	26,000.00
Agent & Case Officer Travel & Additional Expenses	37,500.00

Total Estimated Cost \$ 84,000.00

SECURITY INFORMATION

D. SUBSIDY OR PROPRIETARY PAYMENTS

(If funds are to be turned over to individuals or groups in large lump sums to be expended by the individuals or groups at their discretion to accomplish an agreed-upon objective, explain the type of financial accounts, factual verification, or statements, if any, other than a receipt for the lump sum, which will be obtained from such individual or group.)

Total Estimated Cost \$ NA

E. FUNDING REQUIREMENTS

(Show approximate dates funds will be required, if known, and indicate whether funds will be required in U.S. dollars, specific types of foreign currency, checks, bonds, gold, or some special type of negotiable instrument. Indicate any special security requirements or special methods of transmission anticipated in connection with funding the activity.)

Beginning 1 July 1953

[]

F. SPECIAL REQUIREMENTS

(Within security limitations, list any other facts or circumstances which will enable Special Support Staff to lend adequate logistic support to this project. Indicate specifically the "Rush" or "Time" factors involved.)

NA

G. Funds required for use in Field
Funds required for use by Hq.

[]
\$

Total (this amount is also total of A, B, C, and D above.)

[]

NOTE: Total represents half the amount (OPC share) of AE-ACRE budget 1953.

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SECURITY INFORMATION

ANNEX A

Budget Requirements - Project AE-ACRE (One-half Each to OSO and OPC)

I. BREAKDOWN OF REQUIREMENTS FOR FY 1952 AND FY 1953.

No additional funds required for the current fiscal year.

<u>Item</u>	<u>Authorized Thru 30 June 1952</u>	<u>Additional Requirements For Fiscal 1953</u>
Contract Instructors	0	12
Safe Housekeepers	5 couples	5
Safe House Food, Utilities, etc.	5	5
Safe Houses	5	5
Headquarters Building	1	0
Transportation:		
Automobiles*	11	9
Maintenance	11	9

*New cars not essential. The need is for sterile vehicles of the passenger type, new or used.

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ANNEX A

(Continued)

II. TOTAL FOR FISCAL 1953

<u>Item</u>	<u>Total Rqmts.</u>	<u>C O S T</u>	<u>OSO Share</u>	<u>OPC Share</u>
Contract Instructors	12			
Safe Housekeepers (Couples)	10	@350/mo	42,000	21,000
Safe House Food, (Utilities, etc.)	10	@350/mo	42,000	21,000
Safe Houses	10	@350/mo	42,000	21,000
Headquarters Building	1	(None. Gov't bldg. desired)		
Transportation:				
Automobiles*	20	@2000	40,000	20,000
Maintenance		@50/mo	12,000	6,000
Special Equipment			8,000	4,000
Agent & Case Officers Travel (10 C/O's & 30 agents travel allowing \$1500 maximum per person)			60,000	30,000
Additional Expenses (Agent clothing, recrea- tion, miscellaneous expenses)			15,000	7,500
TOTALS:			_____	_____

*New cars not essential. The need is for sterile vehicles of the passenger type, new or used.

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