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ROUTING AND RECORD SHEET

INSTRUCTIONS: Officer designations should be used in the "TO" column. Under each comment a line should be drawn across sheet and each comment numbered to correspond with the number in the "TO" column. Each officer should initial (check mark insufficient) before further routing. This Routing and Record Sheet should be returned to Registry.

FROM:

SR/DOB

TELEPHONE

NO.

DATE

31 JAN 1958

TO	ROOM NO.	DATE		OFFICER'S INITIALS	TELEPHONE	COMMENTS
		REC'D	FWD'D			
1. <i>SR/COP</i>						<p><i>This forwarded for purpose of reference so that SR/COP and C/IR can be apprised of C/IR comments prior to approval of renewal of AEA/CFE. Will appreciate this being returned to DOB after C/IR signature on memo to CF/ giving status of C/IR.</i></p> <p><i>Hand</i></p> <p>[]</p>
2.						
3. <i>C/IR</i>						
4.						
5. <i>SR/DOB</i>						
6.						
7.						
8.						
9.						
10.						
11.						
12.						
13.						
14.						
15.						

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

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ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Project Outline, AEACRE

FROM:

NO.

DATE

TO: (building, room number, and building)

room number, and

DATE

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

RECEIVED

FORWARDED

11 SEP 1957

3. SR/BF

4. C/SR/ADM

9/16 9/16

5. C/SR/PI

6. C/SR

7. FI/OPS/Projects

3 OCT 1957

9 Oct.

8. FI/OPS MWF

9 OCT 1957

OCT 15 '57

9. Projects Branch

16 OCT 1957

PROJECT ACTION RECEIVED
FI/OPS/Projects Branch

3 October 1957

10. Chief, FI/OPS Division

11. Chief, Foreign Intelligence

12. COP-DD/P

13. DDCI

14. Projects Branch

30 DEC 1957

15. SR -- 2058 J Bldg.

3 JAN 1958

584

5088

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DE/P 3-6612

6 DEC 1957

MEMORANDUM FOR: Deputy Director of Central Intelligence
THROUGH : Chief of Operations, DD/P
SUBJECT : Project AEACRE (Renewal)

1. The attached project, originating in the SR Division, is presented for your approval of renewal for the period 1 July 1957 through 30 June 1958 and for approval of certain modifications in the project arrangements. Project AEACRE, as now constituted will include the contract employees of the SR Division Domestic Operations Base (SR/DOB) and provision for certain operational expenditures in support of the REDSOX operations and other SR Division programs. These contract employees, as instructors, translators, consultants and analysts, support the following programs at SR/DOB:

- a. Training and dispatch of four to six REDSOX operations a year.
- b. Project AEREADY, a project designed to establish a cadre of principal agent communications personnel for "hot war" use.
- c. An agent spotting network located in the United States and abroad.
- d. Facilities for the operational assessment of agents in the United States and abroad.
- e. Other operational and training projects of the SR Division Technical Services Staff and the Office of Training, as may be directed by the Chief, SR Division.

2. Authority is requested to obligate [] from the DD/P-SR Division budget for fiscal year 1958 assuming the availability of funds. The staff personnel and the administrative and support costs of the operation of the SR/DOB are to be funded in the SR Division budget. Previously these personnel and the costs were funded by Project AEACRE.

3. Attached is a memorandum prepared in the FI/OPS Division summarizing the important factors involved. Also attached is a memorandum prepared in the SR Division, requesting the renewal of the project.

4. The decision to fund this project separately from SR/DOB was proposed in the renewal request of the project in November 1956 and approved by the Chief of Operations, DD/P in February 1957. Its implementation was postponed to coincide with the beginning of the new fiscal year.

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5. The reservations of the CI Staff regarding the use of several of the contract employees in the project, described in paragraph 4b of the FI/OPS memorandum attached hereto, have been discussed with the Chief, SR/DOB. It was determined that he was well aware of the situation and the problems existing with the contract employees, and that he had initiated appropriate action to resolve them. He has agreed to continue with the limitations placed on their use in the project and will accomplish the additional actions recommended by the CI Staff.

6. I recommend approval of the renewal of Project AEACRE for the period indicated and its funding as a project apart from the SR/DOB.


for Intelligence

Concur:


Chief of Operations, DD/P

9 DEC 1957

Date

Approved:


DDCI

30 DEC 1957

Date

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20 November 1957

MEMORANDUM FOR: Chief of Foreign Intelligence

SUBJECT : Project AEACRE (Renewal)

1. The attached project, originating in the SR Division, is presented for your approval of renewal for the period 1 July 1957 through 30 June 1958 as a separate funding entity of the SR Domestic Operations Base (SR/DOB). Project AEACRE provides for certain operational expenditures and the activities of the contract employees at SR/DOB in support of REDSOX operations and other SR Division programs. Effective with the approval of this renewal and the modifications to the project, the staff personnel and administrative activities at SR/DOB, previously funded in this project, are to be funded and managed as a domestic field base. This decision, outlined in the project renewal request of November 1956, was approved by the Chief of Operations, DD/P in February 1957 but its implementation was postponed to coincide with the beginning of the new fiscal year. The project contract employees, as instructors, translators, consultants and analysts, support the following programs at SR/DOB:

- a. Training and dispatch of four to six REDSOX operations yearly.
- b. Project AEREADY, a project designed to provide a cadre of principal agent communications personnel, for "hot war" use.
- c. An agent spotting network, located in the United States and abroad.
- d. Facilities for the operational assessment of agents in the United States and abroad.
- e. Other operational and training projects of the SR Division, TSS and OTR, as may be directed by the Chief of the SR Division.

2. Authority is requested to obligate [] from the DD/P-SR Division budget for fiscal year 1958. This obligation will provide for the contract employees assigned to Project AEACRE, and for operational expenses incurred by these employees and other operational expenses in support of the SR Division programs noted above. The SR Division budget presents the obligations required for the staff personnel assigned to SR/DOB and for the base maintenance and administration. Funds for the training or operational projects which utilize the facilities and services of SR/DOB and of the contract employees of Project AEACRE are provided in those project accounts. In fiscal year 1957, such projects have included AEREADY, AESCOUTER and AEAMBER.

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3. Attached is a memorandum prepared in the SR Division describing in greater detail the contract employees in Project AEACRE, their accomplishments and activities in the past fiscal year, and the budgetary requirements of the project in addition to the facilities and services provided by SR/DOB.

4. During the review of the request for modification and renewal of the project, the staff components made the following comments and recommendations:

a. FI/OPS comments that the assets of AEACRE have not been exploited as fully as possible due to factors largely beyond the control of the SR Division. It suggests that every opportunity should be taken to make maximum use of the facilities.

b. CI/OPS, acknowledging that SR/DOB has been aware of the situations described in its attached memorandum and that SR/DOB has either resolved these problems or is currently doing so, recommends renewal of the project provided that the SR Division:

(1) Obtains a new Covert Security Approval on Roger N. WITTOF (p) covering his present and proposed use.

(2) Obtains a Covert Security Approval on Lewis N. UNDERBORN (p) whose security status is presently unresolved.

(3) Confines the operational use of Patrick B. NEWENS (p) to that granted under his Provisional Covert Security Approval.

(4) Suitably resolves the question as to Conrad G. VACONTE's (p) morals (revealed in a recent polygraph examination requested by SR/DOB) and obtains a Covert Security Approval authorizing his use in this project.

5. I recommend approval of the request for renewal and the modifications to Project AEACRE for the period indicated with the stipulation that the SR Division observe the limitations and accomplish the actions recommended by the CI Staff relative to the contract employees as contained in paragraph 4b above.

See also memo from CSR dated 5 Dec 57 which brings project record up-to-date in respect to the note made by DA/CI, June 11, 1954, concerning a Management Staff study of DOB and coordination with OTR.

Chief, FI/OPS Division

Staff Coordination:

C/CI/OA S
C/CI/OPS S
C/FI/OPS I

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5 November 1957

CI/OA comments concerning Project AEACRE renewal request:

1. Theodore Z. OSTIRUM: OSTIRUM is in the process of being transferred from SR/DOB to TSS/ID as a contract employee in the field of document intelligence. When this administrative action is completed, OSTIRUM will be completely divorced from Project AEACRE.

2. Roger N. WITTHOF: WITTHOF's use in this project is not authorized. When the termination of Project AEHANDY was authorized in early 1957, CI/OA recommended approval of WITTHOF's transfer to Project AEACRE provided SR Division should initiate and obtain a new Covert Security Approval covering his new use. A new Covert Security Approval was issued on WITTHOF on 6 August 1957 which authorized only his performance of unclassified contract work for OSI, outside of Agency installations, under the joint guidance of OSI and SR Division. His TDY assignment to Pakistan during 1957 Fiscal was not authorized under the provisions of his Covert Security Approval.

The Division plans to have WITTHOF given covert training in the immediate future to prepare him for TDY operational trips abroad during Fiscal 1958 and anticipates that he may undertake a regular tour of duty in late 1958 or early 1959 Fiscal as an assistant Case Officer on REDSOX/ REDSKIN matters. The Covert Security Approval of 6 August 1957 is insufficient to cover WITTHOF's present and proposed use.

3. Lewis N. UNDERBORN: UNDERBORN, who is being used under the authority of a Provisional Covert Security Approval, is under a security cloud. The results of his recent LCFLUTTER examination(s) are still being studied and evaluated. It is possible that he may be required to submit to another interrogation. The Division is cognizant of developments in his case.

UNDERBORN is a personal friend of Gerald A. ROMPOT whom he lists as a character reference. ROMPOT was granted an Operational Approval in April 1953 to permit his use in Project AEVIRGIL. The request from SR Division of January 1956 that ROMPOT be granted a Covert Security Approval to permit a change in his status from contract agent to contract employee has not been granted. During his LCFLUTTER examination(s) of 1956, ROMPOT admitted having previously been engaged in Communist activities and working for Soviet Intelligence although the Division had been unaware of this vital information. ROMPOT's status is under study and re-evaluation.

4. Patrick B. NEWENS: NEWENS, according to recent information received from the Field, has been proposed for use beyond the authority granted in his Provisional Covert Security Approval of 29 April 1957 which contained precise restrictions on his use. The proposal of the Frankfurt Station to handle NEWENS as a Staff Agent, whereas he is a non-staff type contract employee and to commit him to non-REDSOX operations has been challenged. No Covert Security Approval will be granted NEWENS until these matters have been clarified.

5. Conrad G. VACONTE: VACONTE is being processed for a Covert Security Approval. As a result of his recent LCFLUTTER examination, there exists a possible unresolved question as to VACONTE's morals.

6. Martin E. SANABRIA: The project outline states that SANABRIA will specialize in the recruitment of Caucasians and Great Russian types without emigre connections. This is misleading since SANABRIA has not been authorized to conduct recruitments but is limited to a spotting function only.

7. CI/OA recommends renewal of Project AEACRE subject to the foregoing observations and provided the Division:

a. Obtains a new Covert Security Approval on WITTHOF covering his present and proposed use.

b. Obtains a Covert Security Approval on UNDERBORN whose security status is presently unresolved.

Provisinal c. Confines the operational use of NEWENS to that granted under *his* Covert Security Approval.

d. Suitably resolves the question as to VACONTE's morals and obtains a Covert Security Approval authorizing his use in this project.

[]
[]

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5 December 1957

MEMORANDUM FOR: Chief, FI

SUBJECT : Project AEACRE (Renewal)

1. As a result of the study made by the Chief of Management Office on the part to be assumed by OTR, due to note made by DDCI dated June 11, 1954, the following results evolved:

a. DOB would remain under the command of Chief, SR.

b. OTR would detail a qualified training officer to assist Chief, DOB on training matters. The training officer would determine the kind and amount of training support the Base requires, which can be furnished by the Office of Training. DOB has had two training officers during the past year who have been assigned to DOB under this arrangement.

c. Training activities pertaining to trainees and REDSOX agents are being successfully coordinated and assistance rendered wherever feasible. An excellent relationship pertaining to such training exists between DOB and OTR in the accomplishment of the training mission.

2. A draft of the staff study on DOB by Management was coordinated with OTR and SR Division and it is believed that the differences of opinion that had existed in the past are now resolved.

[
Chief, SR Division
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21 November 1957

MEMORANDUM FOR: Chief, FI

THROUGH : FI/OPS/Projects Branch

SUBJECT : Amendment # 1 to FY 1958 AEACRE Renewal

It is requested that subject project carry the additional provision that a bonus of \$762.00 be paid to contract employee Gerald H. Besdins for services rendered this organization above and beyond those normally required or expected under the terms of his existing contract.

Each contract employee of SR/DOB has incorporated in his contract a proviso for maximum overtime work not to exceed 26 hours per week with the unintentional exception of Mr. Besdins. Mr. Besdins has performed overtime services under direction of his supervisors and the above indicated amount provides for payment in an amount commensurate with hours worked.

[Chief, SR/DOB]

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