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PROJECT OUTLINE

CRYPTONYM AEACRE

HEADQUARTERS CASE OFFICER:

AREA DIVISION SR

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Chief, SR/DOB

STATION Domestic Operations Base

Room No. 1052 J Building

Extension: 8331

Date: 19 June 1958

The attached project outline is presented for renewal/~~amendment~~.

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

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Chief, _____, FI Staff

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Chief, SR Division

16 July 58
DATE

CONCUR: _____
Chief, FI/OPS

DATE

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MEMORANDUM FOR: Chief, FI/OPS/Projects Branch

FROM : FI Staff, SR Division

SUBJECT : Request for Renewal of Project AEACRE for the Fiscal Year 1959

REFERENCE : Renewal Request, Project AEACRE for FY 1958

1. Introduction

a. The purpose of this memorandum is to request renewal of Project AEACRE for the Fiscal Year period 1 July 1958 through 30 June 1959.

b. The SR Domestic Operations Base has previously been successively funded as a domestic field base, as a project, and again in FY 1958 as a base. The operational scope and other considered factors have demonstrated the need for a domestic field base in name as well as in operation, thus requiring that a tent project (AEACRE) be processed to include the contract personnel and their varied activities as well as certain operational expenses which fall under Object Classification 17.9. Effective 1 July 1957 this was accomplished and since that date all activities with the exception of the salaries of the contract personnel and the aforementioned operational expenses have been funded through the base mechanism.

2. Background

a. Throughout the course of SR/DOB's existence, the contract personnel have contributed toward the success of this component. A thorough study of the background of these individuals would depict the valuable cross-section of knowledge and experience which we have been able to draw on. These employees are instructors, translators, consultants, analysts, and compose the backbone of our instructor staff. In addition to the instructor assignments with SR/DOB, this group supports TSS, OTR, and SR Division in general, in such matters as document analysis, language instruction, legend document preparation and interrogation. They participate in the interrogation and assessment of potential REDSOX agents. The contract employees also assist in the final briefing and preparation for dispatch of agents. Their services are often requested for TDY to the field. These periods are sometimes from 2 to 4 months duration, depending on the need.

b. During the several years since the inception of SR/DOB, some of these employees have occasionally moved on to other assignments, but in the main, DOB has enjoyed the continuity of their talented services. With the AEDEPOT Project preparing for the third class consisting of 12 trainees and subsequently Class 4, 16 trainees, as well as the Refresher Course for 8 Course #1 trainees, much of the contract employees' activity will be in support of that program. Rounding out their coming year's activity will be the usual REDSOX projects plus implementing the spotting program in reaching out for fresh recruits in support of the REDSOX and AEDEPOT Programs.

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c. Following is a list of contract personnel assigned primarily to projects, regular and special, who are presently under contract to SR/DOB:

JOHN H. REINGEWIRTZ: Russian born, U.S. Citizen. Duties: Agent trainer, translator and language instructor. FY 1958 Accomplishments: Full time instructor AEDEPOT plus translator activity. Salary: \$5915.00 per annum.

JOHN P. GOADUNSTON: Lithuanian born, U.S. Citizen. Duties: Agent trainer, research analyst, translator, general consultant and language instructor. FY 1958 Accomplishments: Supported SA&E Section/DOB, domestic field activity, translator work as well as part-time assignments on AEDEPOT Project. Salary: \$6,050.00 per annum.

ROBERT J. FLUDE: Lithuanian born, U.S. Citizen. Duties: General consultant, agent trainer and translator. FY 1958 Accomplishments: Full time instructor and trainer on AEAMBER Project. Salary: \$6,050.00 per annum. It is contemplated that sometime during Fiscal 1959, this employee will be transferred overseas, at which time a replacement would be hired or transferred from another component.

MARIO K. GIORDANO: Estonian born, U.S. Citizen. Duties: General consultant, agent trainer and language instructor. FY 1958 Accomplishments: Full time AEDEPOT instructor plus translator activity. Salary: \$5915.00 per annum.

THEODORE Z. OSTRUM: Russian born, eligible for U.S. citizenship in 1958. Duties: Agent trainer, research analyst and interrogator. FY 1958 Accomplishments: On loan to TSS during major portion of year plus translator activity. Salary: \$6,390.00 per annum.

MARTIN L. HANSROTE: Latvian Russian, U.S. Citizen. Duties: Agent trainer, field assistant and translator. FY 1958 Accomplishments: Full time AEDEPOT instructor plus translator and interrogation activity. Salary: \$5,500.00 per annum.

MARY Z. SCARVILLE: Typist, analyst, translator. FY 1958 Accomplishments: Supported in office and desk matters the foregoing instructors, translators, etc., typing material in four languages. Salary: \$4,080.00 per annum.

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d. As will be noted, contract employees Gotthold, Wiffhof and Besdins do not appear on this renewal request. Gotthold will be picked up on a project of SR/6, commencing July 1, Witthof and Besdins have been transferred to Iran under the control of another component on April 1 and July 1, respectively. Although presently no action has been taken, it is expected that each of these vacated positions will be filled in the near future, one of them possibly by Theodore D. Moussot (P), who would work both as an instructor and in the SA&E activity.

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e. Assigned and used constantly as safehouse keepers in support of REDSOX projects as well as assessment activities are the following Contract Personnel, all U.S. Citizens:

[REDACTED] Receiving a combined salary of \$4200 per annum.
[REDACTED] Receiving a combined salary of \$4200 per annum.
[REDACTED] Receiving a combined salary of \$3900 per annum.

It is contemplated that one additional housekeeper couple will be hired during Fiscal Year 1959. Action must be taken shortly in the procurement of these individuals because of the three to six month lag between recruitment and actual hiring.

f. In the field of Assessment and Recruitment, the following contract employees are presently assigned:

LEWIS N. UNDERBORN: Russian born, U.S. Citizen. Duties: Interrogator, spotter, principal agent. Accomplishments for FY 1958: Since July 1957, Subject has been under investigation by the Office of Security and this office has thus been unable to fully utilize his services because of sensitivity limitations. In addition, a contemplated transfer to another component is pending the result of such investigation. Most recent advice from the Security Office indicates this case has not as yet been resolved; however, DOB, CI/OA and the Office of Security are being kept current concerning developments in this matter. Salary: \$5900 per annum.

WARREN G. MILEWSKI: Iranian Citizen. General consultant, interrogator, spotter. FY 1958 Accomplishments: Supported SA&E program, interrogation and translator activity, also received special training. Sometime during FY 1959 this employee will be transferred, probably overseas; however, since a timetable for such transfer does not presently exist, salary for the entire year is requested. If a transfer takes place as expected, this slot will be refilled. Salary: \$6000 per annum.

RALPH J. MUHLBERG: Consultant, interrogator, principal agent type. To be acquired by SR/DOB on July 1, 1958 from SR/4. Salary: \$9782.50 per annum. *AE ESTELLA PROJECT*

PATRICK B. NEWENS: Estonian born, U.S. Citizen. Duties: Principal agent type, agent trainer, consultant. FY 1958 Accomplishments: Supported SA&E program in Western Europe. Salary \$6390 per annum.

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The following two contract agents are employed under the DOB SA&E program:

CONRAD G. VACONTE: U.S. Citizen - works as part-time contract agent, operating out of the New York area and specializing in the recruitment of Ukrainians and Byelorussians without emigre connection. Salary: \$75.00 per month.

PHILIP E. LAUNIS: Stateless - Acts as contact with an emigre organization on package program and in addition supplies intelligence for FI activity. Salary: \$150.00 per month.

g. In addition, the SA&E structure of contract personnel is expected to include the following as yet unfilled positions:

3 U.S. Part-Time Spotters: Would supplement Launis and Vaconte, performing essentially the same duties in different areas of the United States.

2 Field Part-Time Spotters: It is expected that Principal Agent Type NEWENS will supply candidates for these positions to enhance our scope in Western Europe.

3. Operational Expenses

These expenses are definable as those which must be divorced from normal station support responsibilities. They are reasonably divided as follows:

a. Purchase of information and REDSOX Developmental: Although normally categorized individually, it is felt that funds for these activities should be interchangeable, mainly because it is not practical to attempt to foretell where emphasis will be placed during the operational year. These funds must be available for procurement of information and for such developmental facts as, for example, a mechanism to secure information from individuals for relatively short periods without benefit of contract, individuals who might very well be contracted at a later date. This would be essentially a testing mechanism, so to speak, of source and ability pending development of our overall or specialized use of these individuals.

b. Special Functions: Holding, dispatch, disposal, processing. Of these, holding and processing are usually not provided for in individual projects, and likewise would not be considered a normal function of a field station, at least insofar as use of station funds is concerned. Such expenditures would be made during periods of holding prior to and upon completion of a training period and while undergoing assessment and pre-training testing. Dispatch and disposal are generally provided for in individual projects. Expenses of this nature would involve that additional support which a staff employee might have to render. Holding, dispatch, and disposal presently apply to REDSOX projects rather than to the AEDEPOT Program, but this same AEDEPOT Program incurs a good deal of expense in the processing category, primarily due to the number of candidates who must be put through assessment procedures in order to insure a full class for each course.

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c. Recreation and entertainment of agents: An expense necessary for the morale of trainees or potential agent candidates, not generally covered under individual projects. These expenses may be paid for by either staff or contract personnel or on a reimbursable basis to certain trainees under specific conditions.

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AEACRE -- Budget for Fiscal Year 1959

17.1 Category -- SALARIES OF CONTRACT EMPLOYEES AND CONTRACT AGENTS

\$ [] - 9 trainers/translators/consultants at approx. average of 6 per annum. See Reference 2 c & d.

4,080.00 - 1 Typist - per annum. - now on duty. See Reference 2 c

8,400.00 - 2 housekeeping couples @ 4200.00 per annum - on duty.
See reference 2 e

3,900.00 - 1 housekeeping couple - per annum - on duty. See Reference 2 e

2,700.00 - 1 housekeeping couple - for 9 months @ 300.00 per month -
proposed. See reference 2 e.

21,700.00 - 3 Principal Agent types - full time U.S. per annum -
on duty. See Reference 2 f.

6,390.00 - 1 full time field Principal Agent - per annum - on duty.
See Reference 2 f.

900.00 - 1 U.S. part-time spotter - \$75.00 per month - on duty.
See Reference 2 f.

1,800.00 - 1 U.S. part-time contract agent - \$150.00 per month -
on duty. See Reference 2 f.

1,800.00 - 3 U.S. part-time spotters - \$100 per month for 6 months -
proposed. See Reference 2 g.

1,800.00 - 2 field part-time spotters - \$100.00 per month for 9 months -
proposed. See Reference 2 g.

11,000.00 - Expected 10% pay raise factor based on salaries above
which might be covered

\$122,970.00 TOTAL 17.1

17.9 Category -- MISCELLANEOUS - OPS EXPENSES

\$ 3,000.00 - Recreation and entertainment of agents

5,000.00 - Special Functions - holding, dispatch, disposal, processing

~~8,000.00~~ - REDSOX Development and Purchase of Information

17.1 ----- [

17.9

16,000.00]

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Per C.O.
R.H.R.