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10 October 1957

MEMORANDUM FOR: Chief, SR Division

ATTENTION: Chief, SR/FI/ [ ]

SUBJECT: Project AEMANNER

1. Project AEMANNER is returned for a requested reconsideration and additional information as earlier discussed with [ ] [ ], SR/2. A review by the FI/OPS Division points up the following items which need additional clarification:

- a. An escrow account is asked to be continued for [ ] [ ] who departed for the Soviet Union without notifying his case officer or accepting a communication system, and who apparently has cooperated with the Soviets since arriving in the U.S.S.R. The money in the escrow account should be recovered and further payments discontinued. If [ ] [ ] ever returns to the West any consideration of payment should be on the basis of intelligence he furnishes of proven worth, and a satisfactory explanation of his activities, and a thorough CI review of the case.
- b. The project states that CIA is committed to resettle [ ] [ ]. This commitment should be evaluated and conditioned upon [ ] [ ] explanation and satisfaction of conduct per paragraph 1 a above.
- c. What has [ ] [ ] done that merits a \$500 bonus?
- d. How does [ ] [ ] fit into this project? What has [ ] [ ] done in the past year? What are his qualifications that merit a salary of \$5200?
- e. The accomplishments outlined in paragraph 4 a appear meagre--mostly contacts and spotting--in view of the \$37,700 expenditure. The project does not indicate intelligence production or the value of the "mail channels" established.
- f. The operational expenses requested seem high in view of accomplishments listed.

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2. A retroactive amendment to project AEMANNER, dated 12 August 1957, covering an \$11,650 overexpenditure of funds under AEMANNER, was recently approved with something less than enthusiasm. The basis for this approval was the desire not to penalize personnel in the field with additional paperwork. What apparently happened was that the field charged project AEMANNER with expenses that should have been charged to PP project AEPOLE. This mistake was apparently made in good faith and in the belief that the project had sufficient funds to cover. However, the field should have been informed in April 1956 that the proposed use of [redacted] (whose expenses were mistakenly charged to AEMANNER) had been discussed between the FI/OPS/Projects Branch and the Headquarters case officer, at which time it was agreed by the case officer that [redacted] was actually a PP asset and should be charged to PP. All papers concerning the agent had been approved by the PP Staff. In May of 1956 AEMANNER was submitted for extension and the case officer, in providing an explanation of the funds desired, listed the personnel to be covered and made no mention of [redacted]. Likewise, in the project renewal request of 20 August 1956, [redacted] was not included and in a statement it was stated that "An amendment to the project will be made when his transfer is effected." Apparently at no time did the case officer inform the field of these decisions. We earnestly request SR/FI to take positive steps within the division to ensure that coordination practices between Headquarters and field are improved and that lapses of the above sort do not occur. A retroactive allotment is difficult to justify and is a most serious offense against regulations and policy.

[redacted] Chief  
FI Operations Division

cc: FI/OPS/Projects Branch

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