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DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHODSEXEMPTION 3828
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2007

13 November 1957

MEMORANDUM FOR: Chief, FI/Operations Division

SUBJECT : Response to Questions Concerning Project AEMANNER

1. Reference is made to your memorandum to Chief, SR Division, dated 10 October 1957, and to the discussion held on 22 October 1957 between Messrs. [] and [], of SR/2, and Messrs. [] and [], of FI/OPS. The purpose of this memorandum is to clarify points raised by you. The sub-paragraphs below are keyed to the sub-paragraphs of your memorandum.

- a. The escrow account which had been arranged for [] will be discontinued and the money in the account will be recovered. If [] should return to the West, or otherwise become of use to CIA, he will be paid only in accordance with his established worth and after a CE review of his case.
- b. In the same manner, the commitment to resettle [] in the West will be reviewed, if he returns to the West, in light of his service and loyalty to us.
- c. [], formerly [], has been employed by CIA since 1950. He was originally recruited as a REDSOX agent for an air infiltration into the Lithuanian SSR. During training he received an injury which disqualified him as an active agent for the mission, after which he became a trainer and a jump master for the same REDSOX mission. In 1954 while [] was a principal agent for Project AECANVASBACK, he again demonstrated his loyalty. Using his wife as a lure, the RIS persuaded [] to come to East Berlin, where it used his wife and son in a futile attempt to turn him operationally against us. Although he was subjected to great emotional stress, he did not succumb to RIS pressure and when he returned, he reported the incident in detail to his CIA case officer and submitted to a polygraph. This episode not only demonstrated his loyalty, but enabled us to obtain information on RIS techniques. At our request [] postponed his immigration

SECRET

SECRET

-2-

to the United States in 1954, in order to remain in Europe to continue to assist us in Lithuanian operations. He finally immigrated to the United States in July 1955. In August 1955, when the field case officer requested his services on an emergency basis, he disrupted his normal life at our request and returned to Europe to assist us in the interrogation of [redacted], [redacted], [redacted], and [redacted]. [redacted] returned to the United States in December 1955. Since January 1956 he has been paid \$25 a month for translating, for furnishing REDSKIN leads, and for consulting in AECHAMP operations. [redacted]'s annual salary from CIA in the years of 1950 to 1955 averaged \$1500. In summary, [redacted] has always carried out his instructions promptly and unquestioningly, no matter how great the personal inconvenience. At the same time he has never asked for special favors or considerations of any type. Because of his apical loyalty to CIA and his past experience in REDSOX operations, he would be an unusually well-qualified agent trainer in "hot war". Therefore, it is earnestly requested that favorable approval be granted to the \$500 net bonus planned for [redacted] in Project AEMANNER renewal for 1957-1958.

d. [redacted] is a former Lithuanian underground resistance fighter during World War II. He entered on duty with CIA as a contract agent in March 1956 and was dispatched to Germany in July 1956. It took him approximately seven months to establish his cover as a representative of a notional firm that gathers material for tourist agencies. Since April 1957 he has spent not more than 20% of his time for the cover firm. While he was in the Hamburg area his principal operational assignment was to develop leads for maritime operations leading into Baltic states of USSR. In addition, he provided accommodation addresses and safehouse facilities for Baltic operations, debriefed refugees, assessed REDSOX agent candidates in Belgium, and exploited his past contacts among Lithuanian emigres for REDSKIN leads. Because it was felt he would do his best work only under conditions where close supervision of a case officer was available he has been transferred to Frankfurt where he is performing very well. A fitness report written by [redacted]'s case officer on 20 June 1957 testifies to this fact.

e. By "mail channels" we mean "accommodation addresses" in Western Germany for the receipt of mail from the USSR. Accommodation addresses developed by Project AEMANNER are used for other projects, too, for example Project AESAURUS.

NOT MENTIONED
IN 9 SEPT 57 RE-
NEWAL REQUEST
EXCEPT FOR
\$5200 COMP.
WHICH IS AN INCREASE
OF \$200 PER ANNUM

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SECRET

-3-

f. Project AEMANNER is officially listed as having produced 47 raw reports, although over 50 raw reports were received at Headquarters. This discrepancy is explained by the fact that not all reports coming in from the field indicate which project should receive credit for having produced it. Project AEMANNER is also officially credited with fifteen disseminations, but for technicalities it could not be credited with an additional twenty reports which were given to OO/Contacts Division for dissemination.

2. Since August 1957 the following operation has been accomplished under Project AEMANNER. [] returned from a thirty-day legal traveler mission to the Lithuanian SSR. While there, [] recruited and trained an agent who lives in one of the principal industrial cities. Material obtained in debriefing [] is being studied in order to evaluate the potential and reliability of the agent.

3. Because of operational developments since 1 August 1957, it has become necessary to revise the financial and commitment paragraphs of the Request for Renewal of Project AEMANNER, dated 9 September 1957. The following sub-paragraphs replace entirely paragraphs 4d and 4e of the Request for Renewal of Project AEMANNER.

a. A total of \$37,701 was disbursed on Project AEMANNER between 1 August 1956 and 31 July 1957. This is \$11,650 in excess of the amount originally approved for FY 1957. This over-expenditure resulted from the fact that the field charged AEMANNER with expenditures incurred in operations involving [], which Headquarters had approved under AEPOLE, a PP Project. This discrepancy which was discovered after the close of FY 1957, is being corrected by amendment to AEMANNER.

b. The financial requirement for the renewal period 1 August 1957 to 31 July 1958 is as follows:

SECRET

SECRET

(1) Agent Compensation:

□
□
□

□	□	(at \$4650 per annum) . . .	\$3,300 ¹	
□	□	□	300	(+ \$500 term bonus)
□	□	(to be terminated w/ Davis - \$500)	5,200	(at \$5000 per annum)
□	□	□	143	
□	□	□	143	
□	□	□	86	
□	□	□	86	
□	□	□	475 ²	
□	□	(PRESENTLY GETTING \$2570 per annum)	4,000 ³	
		Total	\$13,733	\$13,733

(2) Travel for Agents:

Movement of □ his family, and household effects from Chicago, Illinois, to Frankfurt, Germany, and per diem until suitable quarters are located. . . \$2,500

¹ This figure includes the \$25 monthly retainer fee for the months of August through December 1957. If there is any change in the above figures, an amendment will be submitted. AEMANNER/1 will be transferred to Frankfurt, Germany, sometime between December 1957 and March 1958.

² This money represents the US dollar equivalent of 2000 DMW given to □ as compensation for the mission described in paragraph 2, above, on 7 October 1957. □ is not under contract at the present time, and will be compensated only for operations actually accomplished and after these have been reviewed, assessed and approved by Headquarters.

³ Since □'s activities and contacts are so varied and numerous, the field case officer will be requested to present an outline for a new project employing □ as the principal agent. It is requested that this figure, representing □'s salary for one year, be approved to allow the Field sufficient time to prepare and submit a new project without affecting adversely current operations.

SECRET

(3) Operational Expenses for Agents:

Purchase of information and expenses for entertainment connected with spotting, developing, recruiting, briefing, and debriefing. \$4,000

Maintenance and operation of one vehicle at \$50 a month. 600

Operational travel for agents 4,000

Expected rental of two housing units at \$2,050 each per annum. ¹4,100

~~Cover expenses for [] ²6,000~~

Deleted in conf. w/ FI/OPS & Div PERS. OM & FI/PB

(4) Termination bonus for [] not to exceed \$500 net. 500

Total operations expenses ~~\$21,700~~ ^{15,700}

GRAND TOTAL ~~\$35,433~~ 29,433

¹ These units will be used by [] who will arrive in Frankfurt, Germany, sometime between December 1957 and March 1958, and by [] who has been transferred from Hamburg to Frankfurt, Germany. The housing units will, when the need arises, be used as safehouses and the dwellers becoming safehouse keepers for which they are or will be cleared. The sum is calculated at a cost of \$150 per month for each unit, plus \$250 key money for each unit.

² This amount of money is requested to support []'s cover for FY 1957-1958. The \$500 for each month's expenses is broken down as follows:

Salaries for cleared, but unwitting office personnel . \$300

Office Rent. \$100

Purchase of equipment and supplies, periodical publications subscriptions, and other office expenses . . \$100

(continued on page 6)

SECRET

SECRET

-6-

c. Contemplated Commitment:

□ will be terminated with a \$500 net bonus during the forthcoming period covered by this request for renewal.

4. For any additional information in this matter, please contact □
□ or □, 1058 "J" Building, extension 8545.

(continuation of footnote 2 from page 5) In order to give □ a legitimate source for this amount, plus other money needed for operational expenses, funds will be transmitted to his cover company through notional customers being set up by Central Cover Division. □'s cover consists of a press clipping and reporting service which he established in Bonn in June and July 1957. The service has real customers in Europe and the United States and turns out a genuine product. To date it is proving to be a satisfactory cover because (1) it has been accepted as bona fide by offices of the Federal Republic of Germany, including the information section of the Foreign Ministry; (2) it provides □ with access to persons engaged in maritime activity in the Baltic; (3) it offers sufficient reason to contact and debrief repatriates, defectors, escapees and others who have information on the USSR; (4) it provides a legitimate reason for □ to travel. Before this cover was set up, □ used the cover of local employee of the U. S. Consulate in Germany. Because he was located in Frankfurt, the center of American activity in Germany, first the emigres and later the RIS began to suspect that he might be engaged in American espionage activity. The move away from Frankfurt and his dissociation with the Americans was undertaken to reduce this suspicion and to establish his legitimacy with the West German government. Although the RIS will probably continue to suspect him, his cover appears to have succeeded in establishing his severance of relations with the Americans. It is expected that the reports turned out by □'s cover mechanism will also have intelligence value.

□
□
Chief, SR Division

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