

**SECRET**

14 DEC 1953

**MEMORANDUM**

**TO :** Deputy Director (Plans)

**SUBJECT:** Administrative Plan for SR Division  
Subsidy Project AEBASIN-FI

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

**I. Objectives:**

1. The purpose of this project is to utilize all possible means to penetrate the target area in the procurement of operational and strategic intelligence on the Soviet regime, and to provide assistance in agent infiltration and exfiltration. In order to carry out these objectives, the following specific tasks will be undertaken:

- (a) Establishment and utilization of support points in the target area;
- (b) Furnishing of communication support including the purchase of special communication equipment and training of agents;
- (c) Establishment of infiltrated agent personnel as legal residents;
- (d) Finding of suitable locations and means of infiltration and exfiltration from the target area of non-American personnel;
- (e) Location of resistance nuclei that may exist in the target area which may be utilized in support of FI operations.

**II. Background**

2. Prior to the activation of this project, recruitment of FI agent personnel in certain Baltic areas was not too successful. However, by elimination of certain past mistakes and compartmentation of agent recruitment from local political activity, the plan providing for the recruitment of AEBASIN candidates was carried out in an efficient and secure manner.

3. The principal agent is at the present time in the United States under appropriate commercial cover. In addition, this agent holds an important post in AERATTLE in New York City and he has contacts and connections with other emigre organizations which provide him with access to the potential agent pool for this project.

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4. During Fiscal Year 1954, the Agency will furnish financial support to AERATTLE for the purpose of utilizing the organization in agent recruitment and to serve as a backstop for certain activities engaged in by project personnel. The main sources of income of AERATTLE has been from membership dues, contributions, profits from organized social functions, etc. Attention is invited to the fact that a large portion of the budget for this project involves monies of operational use for compensation of agents, purchase of special equipment, travel, transportation, etc., which will not be transmitted by or through AERATTLE.

**III. Budget and Project Approval**

5. On 13 May 1953 the Chief, FI, authorized the sum of \$73,900.00 for the project for the period 1 March 1953 to 28 February 1954, inclusive.

**IV. Administrative Plan**

6. This Administrative Plan has been concurred in by all the interested staffs and divisions, as evidenced by the attached concurrence sheet, and is recommended for your approval.

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Chief

Project Administrative Planning Staff, DD/A

[ \_\_\_\_\_ ]

Project Officer

PAPS/DD/A:AAB:mlo  
( December 14, 1953)

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**AEBASIN-FI**

**Concurrence Sheet**

SR Division

November 12, 1953  
Date

Office of the General Counsel

14 December 1953  
Date

Office of the Comptroller

11 December 1953  
Date

Cover Division

11 December 1953  
Date

Personnel Division

11 December 1953  
Date

Staff C

11 December 1953  
Date

Security Office

11 December 1953  
Date

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**AEBASIN-FI  
Subsidy Project  
Administrative Plan**

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**I. Funding**

1. Funds shall be made available to the project on the basis of an approved budget. The budget shall be prepared by the SR Division and shall conform with the terms of the project approval. The concurrence of the Office of the Comptroller in the budget shall be obtained in the event the project is not to be referred to the PRC; however, if the project is referred to the PRC, no further concurrence in the budget is required.

2. Upon the appropriate request of the SR Division, the Finance Division will advance funds for the project within the amount of the approved allotment.

3. Agency funds will be made available to AERATTLE in an amount not in excess of the amount provided for in the project approval. These funds advanced to AERATTLE shall be introduced as ostensible donations in sterile form via a cleared cut-out in a manner approved by the Cover Division with the concurrence of the Finance Division, Office of the Comptroller.

**II. Accounting and Reporting**

4. The basic reports of AERATTLE, with respect to the subsidy payments, shall consist of a quarterly statement of cash receipts and disbursements of Agency funds showing the purposes of expenditures. These statements of the organization shall be certified by the Project Case Officer and approved by the SR Division. Copies of these reports shall be furnished to the SR Division, Cover Division, and the Finance Division.

**III. Writeoff and Financial Control**

5. The Finance Division shall, at the time the advance is made, establish a memorandum control account to reflect all funds transmitted to AERATTLE (subsidy phase of the project). The memorandum account will be cleared on the basis of the utilization of such funds by AERATTLE as evidenced by the statements of cash receipts and disbursements of AERATTLE.

6. All funds advanced for the project (other than to AERATTLE) by

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the Finance Division shall be recorded as an advance and an expenditure against the allotment to the project at the time the advance is made. When receipts or accountings are received from the payees covering such advances, or when certifications in lieu thereof are received from the individuals accountable, the amounts involved will be cleared by the Finance Division from the advance account and charged to project cost.

**IV. Protection of U. S. Government Interest**

7. All witting members of AERATTLE shall be under contract or agreement with the Agency. The Agency contract(s) shall be prepared by the Special Contracting Officer and concurred in by the SR Division and the Office of the General Counsel.

8. Prior to use or employment under this project, all persons who will be made witting of either this Agency or the United States government's backing, shall be previously cleared by Staff C or the Security Office. Available data on all other persons, who are deemed to be in a position to become witting of the operational details, or to compromise, embarrass or interfere with the project, must be submitted through Staff C for security review.

**V. Audit**

9. An audit program shall be determined and carried out in accordance with Agency regulations.

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RECOMMEND APPROVAL

/S/                       
DD/P-A&Mn.

15 December 1953  
Date

AUTHORIZED

/S/ L. K. White  
A/DD/A

6 January 1954  
Date

APPROVED

/S/ Richard Helms  
DD/P

8 January 1954  
Date

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