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REF ID: A66898

28 NOV 1958

MEMORANDUM FOR: Chief of Operations, DD/P
SUBJECT : Project AERROOT (Extension)
SR - Estonian SSR

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

1. The attached project, originating in the SR Division, was originally approved to support REDSKIN operations against Estonian SSR. Since the initiation of the project, two agents who were dispatched to denied areas have been lost. The Agency is committed to the payment of death benefits of \$10,000 for each of these agents. In view of the loss of the agents, and the failure of the project in achieving its objectives, SR Division is contemplating the termination of the operation with the transfer of remaining useful assets to separate projects. Project AERROOT is presented for your approval of a 10-month extension retroactively for the period 1 April 1958 through 31 January 1959 and for the payment of the death benefits concerned. These actions are in accord with conclusions reached at a conference in September 1958 between SR/2 personnel and FI/OPS/Projects Branch with regard to the SR/2 Baltic projects.

2. Authority is requested to obligate [] from the DD/P-SR Division budget: [] for the fiscal year 1958, and [] for the current fiscal year. *RETROACTIVELY*

3. Memoranda prepared in the SR Division requesting these actions are attached. These summarize the important factors involved, and present a detailed explanation of the funds requested.

4. I recommend approval of renewal of Project AERROOT for the retroactive period requested and for payment of the death benefits as stipulated. This recommendation is subject to the stipulations that prior to 31 January 1959 appropriate actions will be submitted by the Division to complete the individual

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actions indicated with regard to the agent personnel now in the project and that the project will be terminated or a new project outline prepared indicating its redirection.

fr
Chief
FI Operations Division

Chief
Foreign Intelligence

Approved:
A-DD/P

28 NOV 1958

Date

Attachment:
Project Outline AEROOT

Staff Coordination:

For C/FI/OPS

For C/CI

For RQM/RE

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28 OCT 1958

Review of Project AEROOT SR/Estonian SSR

1. Two reports produced by AEROOT sources were disseminated in July 1957 and one each in February and March 1958. The two earlier disseminations reported personality information on an Estonian employee of the Soviet Government in East Berlin and the comments of a Soviet visitor to West Germany regarding changes in the Presidium of the CC/CPSU and the status of prominent members of the Estonian Communist Party. One of the 1958 reports concerned the political situation in Memel (Klaipeda); the other described prohibited areas along the Estonian coast and uranium mining in Estonia. The latter report, evaluated by ORR was rated of considerable value.

2. Rating of Production: C

3. Since for administrative and operational reasons AEROOT sources are being terminated or incorporated into other projects, RQM makes no recommendation.

A rectangular box containing a handwritten signature, which is mostly illegible but appears to be a name in capital letters.

Chief, FI, RQM/RE

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25 September 1958

MEMORANDUM FOR: Chief, FI

SUBJECT : Request for Amendment to Project AEROOT

1. Reference is made to Project AEROOT, (formerly AEBASIN FI), approved by Chief, FI, February 1954, which provided for payment of \$10,000 death benefits to agents dispatched into denied areas.

2. Agents Alden K. NEIGHBARGER (p) and Jerome N. GAVESTONE (p) were dispatched on 7 May 1954. The last messages received from NEIGHBARGER and GAVESTONE were on 17 July 1954 and 2 January 1955 respectively. On 15 January 1955 Moscow radio carried a broadcast describing the apprehension of these two agents, one of whom, (NEIGHBARGER), was killed while resisting capture. No further word has been received concerning them.

3. According to the terms of the agents' contracts the death benefits were to be paid in the event that no information regarding their existence was brought to the attention of the U.S. Government for two years after the date of the agents' last contact with appropriate Government representatives.

4. It is therefore requested that an amendment to Project AEROOT be approved authorizing \$20,000 for payment of death benefits to the beneficiaries designated by NEIGHBARGER and GAVESTONE. The amendment should be incorporated in the request for retroactive renewal of Project AEROOT for the period 1 April 1958-31 January 1959, which was submitted on 22 September 1958.

CSR/2

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UNCLASSIFIED

INTERNAL ONLY

CONFIDENTIAL

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R-153

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM:

SR/2/Baltic/Estonia

X8545

NO.

DATE

22 September 1958

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S INITIALS

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

1. C/SR/2

JS

je

HAND CARRY
.call []
X 8545

2.

3.

4.

5.

SR/BP

myk

6.

7.

SR/LOB

SP

8.

SR/Pers

mch

9.

SR/SS

9/29 JTB

10.

11.

SR/COP/FI

30 Sept 30 Sept

Q

12.

13.

C/SR

CU

14.

15.

FI/OPS/Project Branch

2 Oct 58

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22 September 1958

MEMORANDUM FOR: Chief, FI

SUBJECT : Renewal of Project AEROOT

1. It is requested that Project AEROOT be renewed retroactively for the period 1 April 1958 to 31 January 1959. This extension is requested to cover the funds that have been spent or obligated under AEROOT for the period 1 April 1958 to 30 September 1958, and to provide funds for the redirection or termination of two agents who will be active after 30 September 1958. The Project will be terminated by 31 January 1959.

2. Background:

Project AEROOT was first approved in March 1953 as AEBASIN/FI as a roof project. The cryptonym was changed to AEROOT in August of 1953. The original project was designed to support REDSOX activity into the Estonian SSR. The Project was renewed in June 1955 and again on 6 July 1957. The last renewal covered the period from 1 November 1956 to 31 March 1958. This last renewal also redirected the Project to support REDSKIN operations against the Estonian SSR.

3. Reference: EGFA 23123 dated 20 August 1958

4. Objective:

The objective of the AEROOT Project under the last renewal was to establish resident agents in the Estonian SSR through REDSKIN operations. In view of the failure of the Project to obtain its objective, a critical review of the Project was made by Headquarters. The review indicated that the agents under the Project should either be terminated or redirected in their efforts. The objective of the Project during this renewal period is to provide for the termination or redirection of the agent personnel of the AEROOT Project.

5. Summary of AEROOT activity during the period 1 November 1956 to 1 July 1958:

- a. Recruited, trained and sent AENEON/14 to Finland to take advantage of an expected increase in cultural relations and exchanges between Finland and the Estonian SSR. This increase did not materialize due to sudden and unexpected Soviet restrictions on travel to and from Soviet Estonia.

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- b. Recruited AENEON/35 to serve as a REDSKIN spotter in Finland.
- c. Recruited and partially trained AENEON/21 for a repatriation mission to the Estonian SSR.
- d. Contacted a member of the Soviet Trade Delegation in East Berlin through AEROOT/5.
- e. Sent AENEON/24 to Stockholm to contact and assess an old friend of his who was stationed in the Soviet Embassy in Stockholm.

6. The following agent personnel are presently active in the AEROOT Project:

- a. AENEON/16 is a Baltic German. Operational approval C-53567 was granted 14 December 1956. He has made one trip to the USSR on a merchant vessel. He will be transferred to *a separate project.*
- ✓ b. AEROOT/5 is the editor of an emigre Estonian newspaper in West Germany. Operational approval C-35273 was granted 1 June 1955. He will be continued in the Project until 31 January. If his performance during the next five months indicates that he can be successfully used as a REDSKIN spotter, the field will prepare a separate project to cover his activities. If his performance does not warrant continuation of his services, he will be terminated before 31 January 1959.
- c. AENEON/27 is an editorial assistant on AEROOT/5's newspaper. Operational approval C-61883 was granted 24 March 1958. Since he works under AEROOT/5's supervision, his termination or redirection will be decided simultaneously with that of AEROOT/5.
- d. AENEON/35 is an Estonian emigre residing in Finland. Operational approval C-68425 was granted 17 June 1958. He is being considered as a REDSKIN spotter in Helsinki. He receives no salary at present. If he is placed under salary, a separate project will be written to cover his activities.

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- e. AENEON/24 is an Estonian emigre residing in West Germany. Operational approval C-62656 was granted 23 January 1958. He receives no regular salary. He made one trip to Stockholm to contact and assess a former friend of his who is now stationed in the Soviet Embassy in Stockholm. Any future operations based on AENEON/24 will be financed either through SR/OOA funds or through a separate project written around his activities.
- f. AEROOT/8 is an Estonian resident of Ireland, employed as a captain or first mate on ocean going vessels. Operational approval C-48197 was granted 10 September 1956. He receives no salary. Any operations which develop from his activities will be financed either through SR/OOA funds or through a separate project.

7. The following personnel have been terminated:

- a. AEROOT/7 was an Estonian resident in West Germany. He has emigrated to the United States and is no longer of operational interest to the Project. He was terminated 14 April 1957.
- b. AENEON/14, an Estonian by birth is a naturalized U.S. citizen. Operational approval C-48197 was granted 10 September 1956. He served as a contract agent in Helsinki, Finland, under academic cover. AENEON/14 left Finland in September 1958. His contract expired 14 September 1958 and was not renewed.
- c. AENEON/15, an Estonian resident in Germany, was under consideration for a repatriation mission. He was terminated in December 1956.
- d. AENEON/19 is an Estonian resident in West Germany. Operational approval C-56790 was granted 7 May 1957 as a spotter and recruiter of Soviet and German sailors. He will be transferred to AECOMPASS Project upon its approval.
- e. AENEON/21 is an Estonian emigre residing in Germany. Operational approval C-62656 was granted 21 January 1958. Since he declined the mission, he was terminated in January 1958. (See 5.c. above.)
- f. AEROOT/3 who was being held in operational reserve in Sweden for a REDSOX mission was terminated in June 1956.

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8. Cost of Project:

- a. The cost of the Project from 1 November 1956 through 31 March 1958 was compared with approved for the period. The cost of the Project for the period 1 April 1958 to 30 June 1958 was
- b. Estimated costs for the period 1 April 1958 through 31 January 1959 are as follows:

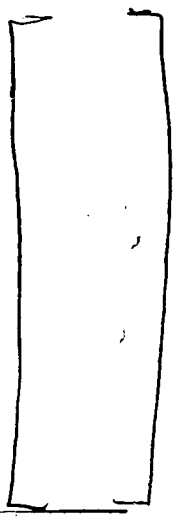
Salaries:

AENEON/14 (6 months)	\$ 4,400.00	✓
AENEON/16 (6 months)	1,200.00	✓
AENEON/27 (10 months)	725.00	✓
AEROOT/ 5 (10 months)	1,700.00	✓

Cost of living differential
for AENEON/14 (6 months) 500.00 \$ 8,525.00

Operational Expenses:

- Quarters for AENEON/14 (6 months)
- Termination bonus for AEROOT/5
- Termination bonus for AENEON/27
- Allowance for safehouse in Frankfurt (6 months)
- Death ben. fit payments*
Case Officer and Agent travel
- Entertainment
- Supplies and other operational expenses including spotting, assessing, purchase of information



TOTAL

APPROVED:

[Signature]
Chief, SR Division

Chief, FI

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25 September 1958

MATERIEL AND FACILITIES REQUIREMENTS ANNEX

PROJECT - AEROOT - FI

I. MATERIEL

	<u>FY 1958</u>	<u>FY 1959</u>	<u>Total</u>
A. ZI - None			
B. Offshore - None			

II. FACILITIES

- A. ZI - None
- B. Offshore

- 1. Rental of Safehouse, including utilities (6 months)

\$ \$ \$

III. SUMMARY - The logistics support of project AEROOT-FI as submitted for renewal retroactively for the period 1 April 1958 through 31 January 1959 is estimated to be for facilities.

Chief, SR/Logistics

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(When Filled In)

FI OPERATIONAL AUTHORIZATION

TO : FINANCE DIVISION

THROUGH: FI/PLANS/PROJECTS BRANCH, FI/ADMIN/BF

SUBJECT: ANNIOT ; 9-3400-89-145 ; Munich SR
APPROVAL OF PROJECT ACCOUNT NO. COUNTRY, AREA DIVISION

SECTION 1. TO BE COMPLETED BY PROJECTS BRANCH

THE ABOVE PROJECT HAS BEEN APPROVED FROM 1 April 1958 TO 31 January 1959 IN THE TOTAL AMOUNT OF \$ _____ AS BROKEN DOWN BELOW.

EXTENSION AND TERMINATION

E m H 1 Dec 58
FI/PLANS/PROJECTS BRANCH DATE

SECTION 2. TO BE COMPLETED BY CASE OFFICER

BREAKDOWN OF REQUESTED TOTAL	FISCAL YEAR	
	1958	1959
COMPENSATION	\$ 3,528	\$ 4,497
ALLOWANCES	[]	[]
TRAVEL	[]	[]
OPERATIONAL EXPENSES	[]	[]
OTHER: <u>Bonus & Death Benefit</u>	[]	[]
TOTAL	[]	[]

ACCOUNTING DETAILS

TYPE OF PROJECT (Check one) REGULAR SUBSIDY PROPRIETARY

METHOD BY WHICH PAYMENTS ARE TO BE MADE
Eq. and [] []

FUNDS TO BE ACCOUNTED FOR BY: (Check one)
 REGULAR FINANCIAL ACCOUNTINGS (AFR 30-10)
 RECEIPTS ONLY (CFR 9.4)
 OTHER (Explain):

SECTION 3. TO BE COMPLETED BY DIVISION BUDGET OFFICER

I HEREBY CERTIFY THAT THE SR DIVISION BUDGET FOR THE FISCAL YEAR 1959 CONTAINS SUFFICIENT FUNDS TO MEET THE OBLIGATIONS OUTLINED ABOVE.

mjk 23 Sept 58
DIVISION BUDGET OFFICER DATE

SECTION 4. OTHER APPROVALS

FINANCE DIVISION MUST HAVE, IN ADDITION TO FI PROJECT APPROVAL, SPECIFIC WRITTEN APPROVAL ON CERTAIN TYPES OF EXPENDITURES BEFORE FUNDS CAN BE ADVANCED. INDICATE BELOW ANY APPROVALS IN THIS CATEGORY THAT HAVE BEEN SECURED:

<input type="checkbox"/> PURCHASE OF AUTOMOBILE	<input type="checkbox"/> APPROVAL OF ADMINISTRATIVE PLAN WHEN REQUIRED OTHER (Explain):
<input type="checkbox"/> PURCHASE OF MAJOR ITEMS OF EQUIPMENT	
<input type="checkbox"/> RENTALS IN EXCESS OF THAT PERMITTED BY REGULATION	

SECTION 5. ADDITIONAL CRYPTONYMS, PSEUDONYMS, ETC.

SIGNATURE OF CASE OFFICER <u>[] SR/2</u>	EXTENSION <u>8575</u>	SIGNATURE OF DIVISION CHIEF OR DESIGNEE	DATE
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