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EGMA-8492

Chief, EE (ATTN: Chief, SR)

Chief of Base, Munich

INFO: EE
COM

REDSOX/CACCOLA/Operational

Disposal and Redeployment of CACCOLA A and B Staff Personnel.

REF: A. DIR 20583
B. EGMA 8224

The disposal and redeployment of CACCOLA A and B staff personnel is herewith submitted.

Encl: 1 als

27 October 1953

Distribution:

- 2 - SR (w/2 atts.)
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SECRET

SECURITY INFORMATION

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SECURITY INFORMATION

SUBJECT: Disposal and Redeployment of CACCOLA A and B Staff Personnel.

1. The decision to postpone the third CACCOLA cycle (C) has posed the problem of the disposal or redeployment (whether temporary or permanent) of a number of CAPABLE 1 people who had been connected with Cycle B or who were to take part in C. We should like to retain certain individuals on the CACCOLA payroll for use in the C cycle (unless a decision is made to postpone this cycle indefinitely). These will be temporarily employed on other AESAURUS work as noted, but, cannot be transferred to the AESAURUS Frankfurt budget since the latter has no provision for them. Of the others, we wish to use two individuals in work on CACCOLA's behalf in Germany. The rest are marked for disposal, with individual provisions for the terminal sums which are necessary for their re-settlement.

a. Personnel to be Retained for CACCOLA C Training.

(1) It is proposed that CACCOLAs 8 and 9, a married couple, be continued at a reduced salary (from 750 DM) of 500 DM per month, while living in an apartment furnished by MOB. CACCOLA 8 will continue to work on training materials to be used in the radio course until the time arrives for transfer to a training site in the U.S. If a decoy radio school is set up in the Cadre School, CACCOLA 8 can be used to set this up.

(2) CAPABLE 42 has shown not only great ability as a radio instructor, but has demonstrated the general intelligence, personality and western orientation which make him a likely candidate for more extensive training in the U.S. It is recommended that he be continued at a reduced salary rate of 350 DM per month (from 400 DM) with a living allowance of 100 DM per month (since he is living on the German economy and is not provided with quarters) until the time when, if approved, he can be sent for training to the U.S. Meanwhile he can continue to work with CAPABLE 1 either in Frankfurt or possibly on the radio in Berlin if the latter project is approved.

(3) CACCOLA 31 is proposed as headmaster of the CACCOLA "C" school in the U.S. Since all matters of policy and traffic will be handled by a senior CAPABLE 1 representative, CACCOLA 31 appears to be a very good candidate for the position at the school. Along with CAPABLE 42 he might also be a candidate for the intensive training of "key" men (See Ref B) in the U.S. prior to the next session at the CACCOLA school. His wife, CACCOLA 33, is qualified to act as secretary of the CACCOLA school. It is therefore recommended that CACCOLAs 31 and 33 be continued (from 1 September) since they began working for us at the rate of 500 DM per month, their regular salary, without extra rental allowance since they are already established at CAPABLE 1 headquarters. In the meantime CACCOLA 31 will continue in his present position at the CAPABLE 1 Cadre School and will work on training material for the next CACCOLA cycle.

b. Personnel to be Retained in Germany on CACCOLA Funds.

(1) CACCOLA 3, ruled out as a continuing instructor after the CACCOLA B investigation, poses a special problem. On the one hand,

SECRET
SECURITY INFORMATION

it is important for security and GE reasons to support his seriously injured morale; on the other hand, CACCOLA 3 can be most useful to the CACCOLA Project indirectly, without in any way being given further access to information affecting CACCOLA security. CACCOLA 3 is, of course, extremely knowledgeable about the B cycle. Well identified by RIS (through interrogation of the captured agents), and with his sister a hostage (because of the presumably captured letter given to CACCOLA 10), CACCOLA 3 appears a logical target for blackmail by RIS. At Rabney's request, he has been instructed through CAPABLE 7 how to conduct himself in the event that he is approached. Since his removal from the instructor staff, however well merited, has had a serious effect on CACCOLA 3's morale, it is most important for us to bolster it as much as possible.

Whatever his shortcomings, CACCOLA 3 has the detailed knowledge and ability to collect and collate legend material in quantity, for which there is enormous need, and which would be made available to the CACCOLA school. Needless to say, CACCOLA 3 need never know what material precisely is used in the briefing of agents.

CAPABLE 1 has made arrangements for CACCOLA 3 to meet, under RIA or non-CAPABLE 1 cover, with a number of recently released German war prisoners, whose questioning is already yielding a great deal of information. CACCOLA 3 can also question Russian emigres of the later vintage. Since this involves a good deal of travel, the following budget for this "Operation Legend" is recommended:

	<u>Monthly</u>	
CACCOLA 5 subsistence (including his wife, CACCOLA 13)	500	DM
Travel	250	DM
Per diem @ 20 DM (including hotels, food and local transportation)	160	DM
Fees, or operational entertainment of persons interviewed	<u>150</u>	DM
Total Monthly	1060	DM

This could permit travel for eight days out of the month - a bare minimum to do the job effectively.

(2) CAPABLE 14's health has been rapidly failing of late. Despite this fact and his disappointment at having been turned down as chief of the CACCOLA "C" school, he is deeply interested in continuing his work with CACCOLA. CAPABLE 7 has proposed that he replace CACCOLA 2 as his assistant in charge of CACCOLA matters. CAPABLE 14 will be charged with the responsibility of correlating CACCOLA personnel needs with the CAPABLE 1 Cadre School. He would be the pivotal figure of the recruiting system. In this charge would be the personnel records and communications lines with CACCOLA candidates. A close but secret liaison between CAPABLE 13 and the proposed clandestine recruiter (See Ref B) would be a necessity. Provided proposals are accepted we recommend that CAPABLE 14 be continued at his present salary, 500 DM per month, in the position described above.

SECRET
SECURITY INFORMATION

SECRET
SECURITY INFORMATION

As previously mentioned CAPABLE 14's health has been failing due to an acute arthritic condition, among other things. Although it does not effect a cure, the method of treatment used in Germany (baths, steam, etc.) has greatly eased his pain when applied in the past. We therefore recommend that as a token of our satisfaction with his past service, rendered despite great physical handicap, we contribute 800 DM as a one-time expenditure to aid in enabling him to undergo medical treatment which he could otherwise not afford.

c. Personnel to be Dropped from the CACCOLA Budget.

(1) CACCOLA 14 has a home to which to return. It is recommended that she be paid at her present rate of salary, 300 DM per month, through December or until she can find a new job. CACCOLA 14's family lives on an extremely marginal level and it is felt that such an extension would greatly help in resettling her.

(2) CACCOLA 25 is a real disposal problem because his documents have lapsed and because he has no permanent quarters here. It is, therefore, recommended that he be paid 350 DM per month with which to live either through December or until he can be resettled either in Germany or somewhere else, whichever is earlier.

(3) CACCOLA 32 is another resettlement problem. In order to take part in CACCOLA "C" as an instructor he resigned his position at the USAREUR Intelligence School where he was employed as a language instructor. For security reasons he can not return to the Oberammergau school even if they were to take him back. His salary there was 674 DM per month in addition to quarters. His wife also worked and received an additional salary. He has two other dependents, a mother-in-law and an adopted son. CACCOLA 32 is a well-educated and intelligent man but CAPABLE 1 has nothing in prospect for him. He is at present applying for radio work with Radio Liberation, RFE and stations in London and Rome. If he is accepted by one of these agencies he will provide no further problem. In the meantime it is requested that we be authorized to pay him his regular salary of 674 DM per month through November (beginning 1 September since he worked on CACCOLA assessment throughout that month) or until he obtains a new job, whichever happens first. In addition, since he has lost his quarters, it is requested that we be authorized to pay him 300 DM per month beginning 1 October and ending 30 November, or earlier should he find a job, which appears at present to be very probable.

2. In considering the living allowances requested in certain instances above it should be considered that overcrowding in Germany makes it very difficult to secure quarters. A waiting period of months and/or the downpayment of a large sum in the form of "key" money is always required. In the interim living is costly.

3. The above requirements are tabulated below:

a. <u>1 October 1953 thru 30 June 1953</u>	<u>DM Monthly</u>
(1) CACCOLA 8 and 9. Subsistence	500.00

SECRET
SECURITY INFORMATION

SECRET

SECURITY INFORMATION

- (2) CAPABLE 13. Subsistence 350.00
Living allowance. 100.00
- (3) CACCOLA 31 and 33. Subsistence. 500.00
- (4) CACCOLA 3. Subsistence. 500.00
- (5) "Operation Legend". Travel. 250.00
Per diem. 160.00
Fees. 150.00
- (6) CAPABLE 14 500.00

Total Monthly. 3010.00 DM

Total for remainder FY 54. . . 27,090.00 DM

b. Disposal subsistence payments and one-time expenditures. (Total subject to revision downwards if disposal accomplished sooner.):

- (1) CACCOLA 14
Subsistence 1 Oct. thru 31 Dec.
@ 300 DM per month 900.00 DM
- (2) CACCOLA 25
Subsistence 1 Oct. thru 31 Dec.
@ 350 DM per month 1050.00
- (3) CACCOLA 32 (three dependents)
Subsistence 1 Oct. thru 31 Dec.
@ 674 DM per month 2022.00
Living Allowance 1 Oct. thru 30 Nov.
@ 300 DM per month 600.00
- (4) CAPABLE 14
Medical expenses 800.00

Total. 5372.00 DM

Total for disposal, employment and redeployment of CACCOLA B and C staffs thru Fiscal Year 1954. 32,462.00 DM

or at 1:42 \$7,729.00

4. As a separate problem, there remains the insurance due CACCOLA 10's wife, on which Headquarters action is pending. Until such time as the insurance money is made available, we are committed to pay her subsistence (400 DM per month) out of CACCOLA funds. It is, of course, highly desirable that action on the insurance be expedited, in order to relieve the CACCOLA budget of this item. The total in Para 3 above should therefore be adjusted by Headquarters accordingly.

SECRET

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