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8 December 1954

TO: Chief of Operations, DD/P

VIA: Chief, FI
Chief, PP

SUBJECT: NTS Penetration Operations into the USSR

- REFERENCES: A. EGQW 11939, 11 December 1953 from Chief, SR to
COM, Frankfurt
Subject: Headquarters Position on the Future of
NTS Infiltration Sub-project
- B. Memorandum 17 September 1954 from [] []
and [] [] to Chief, FI
Subject: Review of NTS Operations in Germany

1. PROBLEM:

Acceptance of the recommendations of a SIS-CIA review that CIA and SIS run joint penetration operations into the Soviet Union using NTS personnel.

2. ASSUMPTIONS:

- a. That CIA, in implementing NSC 5412, desires to continue and intensify covert activity capable of creating resistance to the Soviet regime and increasing tensions inherent in the Soviet system.
- b. That CIA, in implementing NSC/ID 5, desires to continue and intensify the covert collection of intelligence on the Soviet target.

3. FACTS BEARING ON THE PROBLEM:

- a. Despite losses sustained, previous NTS infiltration operations run by both CIA and SIS have been of substantial PP, CE, and FI value:

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

1) Three agents

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- 1) Three agents believed to be uncontrolled are legally resident in different cities in the USSR, are in regular W/T and S/W contact, and are regular producers of positive and operational intelligence.
 - 2) Two agents operated successfully for a year before their capture, maintained regular contact, and provided a good deal of valuable intelligence.
 - 3) One agent, known to be under RIS control, is in regular W/T and S/W contact. Because this agent gave clear warning that he was under control in his initial message, this case has been of considerable CE value, and has also provided some valuable operational intelligence.
 - 4) Four other agents, long legal residents of the USSR, are in less frequent contact by S/W only. All are presumed to be under RIS control. Besides their CE interest, these cases have all produced worthwhile intelligence.
 - 5) An operation involving two high level NTS resident agents produced good intelligence before the case was doubled by the RIS, and resulted in the apprehension of an RIS agent, SHMELEV, before the operation was terminated.
 - 6) The attempted assassination of OKOLOVICH which resulted in the defection of KHOKHLOV is attributed to the Soviet desire to hamstring NTS operations in the USSR by removing the chief of NTS internal ops.
- b. The establishment of the Joint Center in Frankfurt has already resulted in improved operational security and firmer CIA-SIS control over the NTS project as a whole, and provides a much better mechanism for the spotting, assessing, recruiting, and pre-training of agent candidates, and for the planning and mounting of USSR operations than was available to either service heretofore. This should eliminate the uncoordinated crossing of internal operations that caused trouble in the past, and facilitate implementation of the objectives and techniques of infiltration operations as presented in Reference A.
- c. NTS is eager to continue an infiltration program and is able to produce agent candidates who are considerably above the average calibre of independent REDSOX agents.
- d. SIS has already approved the recommendations of the review, and has expressed a willingness to support the project by providing

training facilities

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training facilities in the United Kingdom. It should be noted that for CIA this means a substantially smaller investment of money and personnel, without any decrease in the take. Furthermore, the risk of embarrassment from publicity following the capture of agents or security breaches during training would be carried by SIS alone.

4. DISCUSSION:

- ✓ a. It is our opinion that the NTS project as a whole requires an infiltration arm to be fully effective: tangible signs that NTS continues to be active inside the USSR do a great deal to increase the effectiveness of NTS propaganda, and are necessary if we are to exploit the controlled operations as a means of tying up and harassing Soviet security organs through the use of deception.
- ✓ b. NTS represents the best pool of REDSOX agent material available in the Russian emigration today, and in the conduct of their fight against the Soviet regime, they are willing and able within our capability of training and dispatch to carry out FI missions.
- L c. The most recent MVD defectors have all confirmed independently that the Soviet Government considers NTS to be one of the most dangerous emigre anti-Soviet organizations, and this largely because of their belief that NTS has the capacity to operate within the USSR, and that the U. S. is supporting NTS in order to develop and exploit this capacity. As was pointed out in the [] report (Reference B), it is the fear of NTS activities on Russian territory that has driven the Soviet Government to such drastic and unusual measures as diplomatic protests, blasts against NTS in the Soviet press, and, in the KUDRYAVTSEV-YAKUTA case, to what amounted to an amnesty offer to outstanding NTS agents in the Soviet Union. To quote the report, "Should it therefore be our decision to abandon the /infiltration/ project, this step would not merely constitute a victory for the RIS, but a political victory for the USSR as well."

5. CONCLUSION:

That NTS penetration operations are of proved value. That the experience acquired in previous years, and the improved operational control and security provided by the Joint Center mechanism make it reasonable to expect that the efficiency of these operations can be improved and the losses minimized.


6. ACTION RECOMMENDED:

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6. ACTION RECOMMENDED:

- a. That the recommendations of the attached review be accepted in principle, and that SIS, London, be so informed.
- b. That a CIA-SIS conference be held at the Joint Center in Frankfurt to work out a detailed protocol for the conduct of such operations, with particular emphasis on the areas of responsibility of CIA and SIS in the mounting of such operations, and the personnel and support facilities to be provided by each service.
- c. That an effort be made to mount at least one operation for dispatch in 1955.


Chief, SR Division

ANNEX:

1. Joint CIA-SIS Review on NTS Penetration Operations

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Attachment to EGFA-3938

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C O N T E N T S

SHURA 100 PENETRATION OPERATIONS

ATTACHMENTS:

(A)	SHURA	802	
(B)	SHURA	803	
(C)	SHURAS	804, 805, 806, 807	
(D)	SHURAS	808, 809	
(E)	SHURA	810	
(F)	SHURA	811	
(G)	SHURA	812	
(H)	SHURA	813	
(I)	SHURA	814	
(J)	SHURA	815	
(K)	SHURA	817	
(L)	SHURA	819	
(N)	SHURAS	820, 821	

ATTACHMENTS for LONDON ONLY:

(N)	SHURA	802	Biographical Data
(O)	SHURA	803	Biographical Data
(P)	SHURA	808	Biographical Data
(Q)	SHURA	809	Biographical Data
(R)	SHURA	810	Biographical Data
(S)	SHURA	811	Biographical Data
(T)	SHURAS	801, - 811	Training, Briefing, Equipment

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SHUBA 100 PENETRATION OPERATIONS

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1. In studying the CIA-SIS cases of SHUBA 100 agents within the USSR it is evident that the two services have, for a variety of reasons, been approaching the problem of penetration into the USSR from different angles. Whilst SIS have concentrated on developing existing SHUBA 100 members in the USSR and on recruiting Soviets in the West prior to their return, CIA have, almost exclusively, carried out their penetration by means of physical infiltration.

2. The joint operations of the two services in ^{BERLIN} ~~KOSTYA-4~~ had, in fact, resulted in the recruitment of some returning Soviet personnel, but in none of these cases have two-way communications been established, which makes it difficult to assess these operations for the purposes of this review.

3. The great advantage of the SIS method is that the individuals recruited or developed by them were already in a legal status and had no need to build up and live up to elaborate cover stories. On the other hand, such recruits could not be given adequate training for their roles as secret agents nor was it possible to give them detailed intelligence briefing.

4. CIA, on the other hand, was able to train and brief its infiltrees, who were sent in as fully prepared agents with an additional loyalty to CIA as well as to SHUBA 100.

5. It has been generally accepted by SIS that an infiltree had little chance of survival unless given a contact within the

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USSR who could render assistance with documentation, work, lodgings, etc. Whilst this may be true in theory, in practice the success of such a plan is dependent on the contact being almost one hundred percent clean, a prerequisite which is seldom capable of fulfillment. In CIA's experience, the infiltrees who succeeded in establishing themselves satisfactorily were those who were without contacts and had to rely on their own resourcefulness to start a new life.

6. It may be argued that an infiltree who is primarily concerned with his own survival has little prospect of quickly gaining a position with access to good intelligence. As against this, if we are to select candidates with at least semi-skilled qualifications in the fields where shortages are known to exist in the USSR, their prospects of survival and of obtaining good access are greatly improved. In any case, any well-trained infiltree can provide valuable de visu and operational intelligence.

7. It is also true that a "legal" resident with good access has possibilities of becoming a reporting source at an early stage. In fact, however, his preliminary briefing is generally inadequate and he has to be educated by means of tenuous communication links to a stage where he can report adequately.

8. On evidence examined by us it is impossible to say that one or the other type of agent has produced more valuable intelligence, and we are forced to conclude that the intelligence potential of such agents depends more on the man's personality, suitability for his work, and intelligence awareness than on any other factors, although, of course, the importance of access on

the one hand, and training on the other, remain paramount.

9. Of the eleven CIA infiltrees, four were captured on landing, one was captured early on, possibly while contacting an SIS controlled resident, two were captured after operating for a year and providing some fairly valuable intelligence, and four survive to this date. Of the latter, one is certainly controlled but has provided a valuable study of RIS technique, chicken feed, etc., one is possibly controlled, and two are believed to be "clean" and are regular producers of reasonably valuable intelligence though not having any special access. In assessing the two agents captured after a year of successful operation, it should be noted that although one year is far short of what we feel the life expectancy of an infiltree to be provided he survives the rigorous, initial "breaking-in" phase, their performance over the year of operation was valuable and compares favorably to many war-time operations.

10. The casualty rate has undoubtedly been high but this is not surprising, considering the difficulty of the target. Furthermore, the experience gained in mounting and launching these operations should serve to minimize casualties in the future.

11. Of the SIS cases, only four can be regarded as being even possibly clean, and they have yet to be developed as regular producers of intelligence (one of these is incidentally an SIS infiltree, giving that service a fifty percent casualty rate).

12. It is perhaps significant that SHUBA 811 is the only agent who has given, and continues to give, "working under

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pressure" signals. We feel that his tenacious use of these warnings can be largely attributed to his training which again emphasizes the need for lengthy training of agents destined to operate in the USSR.

13. It would be a mistake to underestimate the value of the "controlled" cases, be they infiltrees or old residents. As noted above, SHUBA 811 has provided a great deal of insight into RIS techniques in handling D.A.'s, and the same has been true in the SHUBA 820/21 case. If we can jointly develop our skill in detecting and running such cases, we can probably succeed in tying up and controlling a considerable portion of the RIS effort against SHUBA 100, and thereby offer at least indirect protection to other operations. It should also be noted that the RIS has shown itself willing to pass reasonably valuable intelligence as "chicken food" to build up those D.A.'s they consider promising.

14. The SHUBA 820/821 case in particular points up the importance the RIS attaches to SHUBA 100 internal operations and the elaborate lengths they are willing to go to in order to build up a case - even to the extent of sending out a SHUBA 822. SHUBA 814 may well be another example of this. It is clear that the RIS considerably overestimates the internal assets of SHUBA 100 - witness SHUBA 243's belief that they could extricate his wife and child - and in this belief they must be particularly vulnerable to a plan of attack aimed at building up the bogey of SHUBA 100 strength within the USSR. This can be done through clever handling of those present cases which we believe to be

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under control, properly coordinated with measures such as the BREMEN plan.

15. SHUBA 243's testimony, and our own bitter experience, indicate that the MVD has made a particular effort to round up the old SHUBA 100 stay-behind agents, as well as relatives of SHUBA 100 members in the West, and to activate them in the hope that they will be used as contacts for infiltrees or other residents. It is clear that a great deal of damage was done by the uncoordinated crossing of some of the SIS-CIA cases, particularly SHUBA 801 and SHUBA 820, and that we should exercise considerable caution in the use of old residents as support points. Nevertheless, it is probable that the full operational and intelligence potential of SHUBA 100 in the USSR has to date not been fully realized, for a number of reasons, one of the more important being that in the past we have not had an opportunity to coordinate the different approaches used by the two Services. Without necessarily crossing operations directly, a legal resident can be used to support an infiltree, and vice versa. It is unfortunate that in 1949 and 1951 we were not prepared to launch a coordinated program of infiltration and development of legal residents. If such had been the case, we venture to say that neither SIS or CIA would have suffered as many casualties as in fact occurred. Although the losses have been severe, we nevertheless feel that an adequate basis for a coordinated program still exists.

16. It is assumed that both Services regard penetration of the USSR as a primary task and that the sole point in dispute is

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the effectiveness of a given method or methods. It is our considered opinion that in our attempts to penetrate the Soviet Union it is preferable to continue to endeavour to achieve this by all available methods, i.e.:

- a) development of leads to persons already within the USSR;
- b) recruitment of Soviet personnel in the West (this includes Soviet personnel in the Soviet Zones of Austria and Germany, including Berlin and Vienna);
- c) continuation of a perhaps reduced infiltration program.

17. We feel that, whereas those in categories (a) and (b) above may well be more valuable because of their natural access and lack of documentation problems, it is essential to have a nucleus of fully trained personnel for infiltration purposes who may be given the following tasks:

- a) short-term penetration (i.e. infiltration and quick exfiltration) to obtain specific information or for specific missions such as making resupply caches for other infiltrates or resident agents.
- b) long-term penetration with no, or minor, immediate intelligence tasks, with a view to their ultimately becoming reasonably high-grade agents.
- c) establishment of "rat-lines" into, and out of the USSR.

18. It is improbable that suitable personnel in sufficient numbers can be found for infiltration purposes on a mercenary or even a generally anti-Soviet sentiment basis and we are, therefore,

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obliged to continue to explore the emigre field for men with the necessary motivation. It has been our common experience that the SHUBA 100 ideology does succeed in capturing the imagination of suitable candidates to a degree where they are prepared to risk their lives for the "Cause." It is important to note in particular, that SHUBA 100 members have been virtually the only infiltrees sufficiently motivated to undertake long-term residence assignments. Although the intelligence production of these infiltrees may be mediocre by peacetime standards, the value of residents in the USSR who are equipped with W/T communications would become enormous upon the outbreak of war.

19. With our previous operational experience, and with improved SHUBA 100 discipline, we feel that we are justified in recommending the continuation of the use of SHUBA 100 for further infiltration operations. Now that SHUBA 100 is being supported by CIA in a large scale, long-distance balloon propaganda operation, we feel that we can instill the SHUBA 100 infiltration candidates more firmly than before the need for them to act as "Eyes and Ears of the Revolution," rather than as disseminators of propaganda.

20. If our above recommendations are accepted, we would further recommend that all future recruitment, training, etc., of SHUBA 100 infiltration candidates should be undertaken in close cooperation with the Joint Center since we can thus best ensure the maintenance of both their operational discipline and ideological motivation at the highest pitch throughout their training.

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21. Since our review has shown that most of the CIA-SIS cases are closely and, in some cases, inextricably, entwined (i.e. SHUBA 802 and the SHUBA 814 complex) we recommend that basic control of all existing as well as future penetration operations be vested in the Joint Center with the guidance and support of both Service HQS.

22. Since security reasons forbid that, at any rate, later stages of infiltration training should be carried out in Germany, we would recommend that a training base be established in the United Kingdom as this would enable the Joint Center in conjunction with the CIA/SIS training staff to participate directly in the training, operational planning and briefing of infiltration candidates, thus facilitating later control of these agents through the Joint Center. It would further insure that infiltration training and plans would be conducted within the general framework of the joint CIA/SIS operational policy for SHUBA 100 as a whole. Such a location of training establishment would also enable the infiltrates to be visited whenever deemed advisable by authorized SHUBA 100 personnel, and would not give the trainees a feeling of separation from their organisation.

23. In the event that the above recommendations are approved, it is envisaged that the communications and despatch support for any given penetration operation would be the responsibility of either CIA or SIS, and that there will be no need for an interchange of specific information on the technical details of this support.

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