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TO INFO	Chief, SR Attn: [ ] Chief of Station, Germany Chief, EE		HEADQUARTERS FILE NO. <b>74-126-27/3</b>
FROM	Chief of Base, Frankfurt		DATE <b>26 June 1962</b>
SUBJECT	<b>REDWOOD AEVIRGIL</b> Transmittal of Notes on AEVIRGIL		RE: "43-3" — (CHECK "X" ONE)
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REFERENCE(S)

During the recent examination of Project AEVIRGIL by [ ] and [ ] made rather extensive notes, most of which were seen by [ ] during his TDY in May. Two copies of these notes are herewith transmitted for [ ]

[ ]

Attachment:  
AEVIRGIL notes h/w

Distribution:  
2 - C/SR w/att  
2 - C/S/G w/o/att  
1 - C/EE w/o/att

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AEVIRGIL PROJECT REVIEW

15 March - 30 April 1962

1. The current review of AEVIRGIL began about a year ago, prompted by growing doubts about the security, probity and efficacy of the Project and particularly about its increasing involvement in REDSKIN. An urgent need for a better understanding of its men and methods prompted extensive local investigation, culminating in the review installments of EGMW-55658, dated 9 August 1961. This activity was followed by discussion with [ ] in Frankfurt in late February 1962.

2. Headquarters' belated response (EGMW-11561, dated 12 Mar 1962) to the field's initiative was a major improvement in the policy handling of the project. The clear-cut decision to terminate the project's involvement in REDSKIN received special acclaim, while the budget cutback and the commencement of a search for a new CA case officer were thought excellent steps. With the new policy guidance providing a basis for accord on the direction of the project, FOB decided to maintain the momentum of the review in order to implement Headquarters' decision, clarify issues that still needed resolution and make recommendations in response to Headquarters' request.

3. This dispatch summarizes the FOB review as continued after receipt of EGMW-11561 and before the arrival of [ ] in Frankfurt on TDY on 2 May. The comments and recommendations here are based largely on evidence in the admittedly incomplete MOG files, supplemented by conversations and panel discussions with knowledgeable MOG staffers, plus varying degrees of independent interpretation and analysis. We attempted to distill the evidence and opinions into concise working-level "positions" which could be used as ready reference for further development or argumentation. Because the findings and recommendations are accompanied by only limited supporting data, they are here prefaced with an explanation of how they were reached:

4. There were found to be strong differences about the project among officers of differing professional backgrounds. The range of these differences narrowed perceptibly, however, with each new fact or bit of evidence subjected to common examination. This suggested that perfect knowledge of the project as related to its objectives would give us perfect unanimity of views concerning it. The primary method, then, was simply to gather as many facts as possible and subject them to varying viewpoints until there was achieved a commonly acceptable "position." In such a manner the key agent personnel and the various assets were examined individually and a statement on each was formulated according to a uniform pattern.

5. There were major regions of the project that could not be adequately researched with the time and tools at hand. Some of these, such as the country branches, are the largest bones of contention so it was not possible to get a unanimous verdict on them. In areas where unanimity of staff officer opinion could not be achieved, the reviewing personnel studied conflicting viewpoints and then applied their own interpretation and judgment, utilizing where possible an ideological "template" which, when applied over a portion

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of the project, supposedly revealed how well that particular function or asset fit the acceptable pattern. The template was constructed of these explicit points:

(a) SR Division believes that Project AEVIRGIL can contribute constructively to the fulfillment of a major CA mission imposed upon the Division by higher authority. (ECMW-11561)

(b) The current approved objective of AEVIRGIL is to use a controlled anti-communist emigre organization and its assets to create or intensify and exploit evolutionary changes in the USSR favorable to ODYOKE policy objectives. (FY-61 Project Renewal)

(c) The AEVIRGIL Project does not, nor is it designed to, possess any overt or covert peacetime military capability, or to pose a peacetime revolutionary threat to the Soviet regime.

(d) In the event of war or serious deterioration of relations with the USSR, AEVIRGIL objectives could be rapidly enlarged to include violent revolutionary agitation and activity. Administrative and personnel practices of the project should recognize and preserve this potential.

(e) AEVIRGIL has no covert intelligence function, other than possible use as a spotting mechanism.

(f) CA activity directed at Germans or the German Government is not a legitimate task of AEVIRGIL.

(g) Despite changes in Soviet attitudes or actions, however motivated, the long-range ideological struggle between the free world, led by the United States, and the Communist-dominated world will continue over the foreseeable future.

(h) Communication with citizens of the USSR should be encouraged if it nets revelations about conditions in the Soviet Union or fosters liberal, democratic views there.

(i) Russian emigres can communicate with Soviets, as can Americans and other nationalities, but who communicates best depends on individuals, not categories.

(j) AEVIRGIL is widely known as an ODYOKE project and ODYOKE is therefore judged, to some extent, by the personnel and policies of AEVIRGIL.

(k) An acceptable LCFLUTTER, properly documented by biographic research, is acceptable confirmation of bona fides for AEVIRGIL personnel, under existing project objectives.

Early History:

6. [redacted] was the case officer who actually started this project. He met [redacted] an S-2 employee, in Munich in March 1950 and by April 1950 he had [redacted] contacting emigres for the purpose of building a "Free Russian Congress." One of those contacted by [redacted] was AEVIRGIL-6, whom he had known since their 1943 meeting in Riga, Lat via,

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and who in 1950 was living in the Schleissheim DP Camp. [ ] gave AEVIRGIL-6 a leading role in GARBER's new organization. Another with whom [ ] was in very close contact in 1950 was one of his CE sources, Sergei FROELICH, a well-known intelligence operative whom [ ] had met in 1930 in Riga and with whom he had later associated when [ ] was a journalist with the Vlassov Army and FROELICH was an assistant of General Vlassov, apparently his secretary. FROELICH appears to have played a significant behind-the-scenes role in the early history of AEVIRGIL, providing leads and advice to [ ] After having worked for AIS, BIS and GIS, FROELICH was reported to have left intelligence work in 1956 to enter private business in Munich.

7. By the summer of 1950 the American Committee for Liberation began organizing its program in Munich and [ ] efforts were found to be incompatible with that program. [ ] therefore gave up the attempt to establish a "Free Russian Congress," but he held a group of emigres under AEVIRGIL-6 together to collect and prepare propaganda. In May 1951 they produced the first issue of the magazine SATIRIKON.

8. About June 1952 [ ] began to expand again when [ ] proposed that an organization of post-war emigres should be formed to which propaganda could be attributed, rather than continuing the prevailing practice of attributing it to notional groups. AEVIRGIL-6 was part of the brain-trust that fashioned the new organization, even though he was not a post-war emigre. The first issue of AEVIRGIL-70 appeared prior to November 1952 and in November<sup>32</sup> a congress was held founding the new organization, AEVIRGIL-1, and adopting AEVIRGIL-70 as its official publication. [ ] as the direct contact and controller of this group and he met with its leaders regularly in the group's offices. AEVIRGIL-6 worked closely with the new organization, but he could not officially belong because he was not a post-war emigre.

9. Chairman of the Praesidium of AEVIRGIL-1, elected at the November 1952 congress, was James N. DUSSARDIER, who was at the time under fairly tight KUBARK control. The election had been hotly contested, however, and in the maneuverings that brought DUSSARDIER to victory, [ ] acting from his cover position as a U.S. S-2 employee, had openly intervened to manipulate this presumably all-emigre affair. This incident effectively "blew" the organization as U.S.-sponsored from the start and according to a statement by [ ] the leak received at least sporadic public mention thereafter.

10. The main activities of the group until 1957 were the publication of AEVIRGIL-70 and the preparation of anti-Soviet leaflets for distribution in the Soviet-occupied zone of Germany. The propaganda was delivered by other KUBARK organizations, as well as directly by AEVIRGIL ballooning and rocketing teams. An office was established in Berlin and a chapter organized in the U.S.A. SATIRIKON was dropped in 1954 because Headquarters decided that its main impact was in the West rather than in Soviet-controlled territory. Almost all of the activities of the group were KUBARK-inspired and controlled throughout, although an effort gradually got under way to give it a modicum of political autonomy. Since 1957 activities have been broadened to include publication of AEVIRGIL-74 and 75 and of books and brochures for direct distribution to Soviet citizens. Contact operations were initiated as the group gained in strength and experience and in 1960 the AEVIRGIL-1 was directed to engage in intelligence, specifically in REDSKON.

11. The concept of limiting membership to post-war emigres was found to be unworkable, mainly because there were not enough defectors to fill the ranks, but also because many of [ ] early recruits, the stalwart founders of the organization who continued to do the bulk of the work on the project, were not post-war defectors and therefore could not officially belong to AEVIRGIL-1. The charter was therefore broadened in 1957 to include all political emigres from the Soviet Union, and the working staff which is in power today began to take up their posts. DUBSARDIER went to the U.S. and broke off with the group, denouncing it roundly in the process.

12. The present group has adopted a political line that is almost all-embracing, to the extent that it can accept on its roles emigres with almost any kind of political colorations that are anti-Soviet. It has especially broad views on the nationality problem and although it is supposedly a Russian group, it embraces all of the nationalities without discrimination. AEVIRGIL-6, the president, is of Ukrainian extraction and actually stems from the Baltic regions. Many other members are Balts. There were 305 names on the group's roster on 1 May 1962, but somewhat less than one hundred of those take an active role. Only ten are supposedly witting of U.S. intelligence backing and control.

13. Personnel: (General) There are about seventy persons receiving payment from AEVIRGIL every month, about one half on salaries and one half being paid for services rendered, usually authorship. This review looked carefully only at those salaried who are officially witting of U.S. participation; i.e., the leadership of the project-- nine persons. An attempt is under way to gather more information on the remainder of the personnel, *by the case officer.*

14. The nine witting agents as a body create a rather favorable impression. With the exception of one, or possibly two members, the leaders are adequately educated, rather highly cultured and widely experienced men who usually handle themselves well in public and at least give an impression of solidity and stability. Enough of them are sufficiently creative to insure that the group has ample imaginative direction, and these are nicely balanced by persons competent to handle daily routine business.

15. Assets: (General) To dispense its propaganda this project has a variety of assets which, when displayed altogether, provide abundant evidence of accomplishment over the years. Three regular publications are aimed at different reading circles: AEVIRGIL-70 is a monthly aimed primarily at the Russian emigration; AEVIRGIL-74 seeks influential German readers, and AEVIRGIL-75 is a literary effort suitable for safe possession in the Soviet Union. In addition to the regular publications, there is a continuing program for the publication of supplementary literature, such as brochures on specific subjects of current interest and the reprinting of books that would have a propaganda impact in the Soviet Union. A Mailing Section transmits printed material to the Soviet Union. It is based in Munich, as are all of the publications, but it utilizes several national affiliates to help forward propaganda to Soviets. Spoken propaganda also receives attention from the project through a Radio Section that provides scripts for broadcast from Madrid, Rome, and Taiwan. Finally, the project's Operational Section, utilizing both staff personnel and members of national affiliates, is capable of contacting personally both Soviet nationals in the West and western travelers to the Soviet Union. A capsule review of the various assets and the witting personnel who manage them follows:

16. The Presidency: The President, AEVIRGIL-6, is actually the Principal Agent of the project through whom almost all instruction and funding is accomplished. Here is our capsule view of the President:

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- a. Name: AEVIRGIL-6
- b. DPOB: 25 September 1898 in Gdov, Russia; lived as a child in Estonia and most of adult life also.
- c. Documentation: Formerly Estonian citizen; now stateless.
- d. Education: Forestry Institute, St. Petersburg; two years. University in Tartu; two years. No degree. Worked as journalist, bookkeeper and tutor of students.
- e. Marital Status: Married Estonian woman in 1934; believed very happy relationship.
- f. Route to West: When the Germans occupied Estonia, Subject edited a Russian nationality group paper for territories occupied by the Germans, under German auspices. When the Germans evacuated in 1944, Subject and wife went to Berlin, arriving December 1944.
- g. When and By Whom Recruited: By [ ] in Spring of 1950.
- h. Duties: President. He directs and supervises all activities of AEVIRGIL.
- i. Professional Competence and Performance: He is reputed by the most knowledgeable case officers to be the only man in the Headquarters of the organization who has shown a decided flair for administration and management. He is an expert writer and an effective, thoughtful speaker when in good health, but recently his faculties seem to have diminished due to poor health, and his performance has been only sporadically as good as formerly. He was found particularly wanting in budgetary discipline.
- j. Character and Personality: He is dictatorial and sometimes tactless-- a strong executive who demands obedience. He is intelligent and shrewd, makes a good impression on the public and commands respect. He is also, however, vain and inordinately desirous of recognition. He is somewhat lazy and lacking in initiative. He plays favorites among his subordinates and he bears grudges for long periods. While he is usually very pleasant and polite, he can, on occasion, become very abusive. He has a history of heavy drinking and he has appeared in the AEVIRGIL-1 offices in an intoxicated condition. He worries about his work and does not take adequate vacation time. His health is poor and he looks much older than his 64 years. His memory and perhaps other faculties may be failing. He is very active in the Russian Orthodox Church.
- k. Security Background: Subject had a series of five LCFLUTTER examinations in six months in 1957. During these, successively more incriminating information regarding his forced RIS activity in 1940 and 1941 came to light-- information which he tried to conceal from us. The last LCFLUTTER was fairly clean with respect to any postwar RIS ties, but the operator suggested that he be tested again at appropriate intervals. This has not been done.
- l. Remuneration from All Sources: Subject's gross salary is DM 1800 and he has no other known income.
- m. Employability Outside the Project: Subject has for several years been the Chairman of NATSPRE, an organization created at the request of the German government to represent all of the Russian emigration before the German government. This would probably be his only lead to employment outside the project.
- n. Recommendations re Suitability: Subject performs his job effectively when well. However, his failing health and diminishing faculties suggest that the burden is too great for him to bear alone. A more diffused power complex, within which the case officer plays the dominant role, assisted to a considerable degree by AEVIRGIL-6, would not only ease the inevitable transition of power, but would also aid Subject's health and, more importantly, encourage democracy in the group.

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17. AEVIRGIL-70:

a. Type of Asset: A very attractive monthly magazine in Russian language, 32 pages, about 15 pictures or illustrations.

b. Objectives or Use: It is the "house organ" of AEVIRGIL-1 and is directed primarily at the group itself and at the Russian emigration, with the intent to stimulate interest in AEVIRGIL-1's program and to attract to active roles personnel who can be effective in propaganda and contact operations. A few copies find their way to the USSR.

c. Personnel: Chief is AEVIRGIL-7; he is assisted by AEVIRGIL-32, who spends most of his time on the magazine, and by AEVIRGIL-129, who spends a small part of his time on it.

d. Plant: For technical reasons the printing of AEVIRGIL-70 is done outside of the AEVIRGIL printing plant by commercial firms. AEVIRGIL-1 has been instructed to provide a written explanation of the reasons for this and to explore the feasibility of doing all printing in their own plant.

e. Operational Methods: A total of about 3,500 copies are distributed monthly to about 45 countries. About 1/3 of the total is distributed in Germany. The magazine is not good propaganda for internal Soviet consumption because of its extreme anti-Soviet line. The magazine costs 50 pfennigs per issue, and about 700 copies are sold monthly. The remainder are sent to libraries, universities, individuals, etc.

f. Control: The case officer receives a monthly report of all activities, expenditures, etc., of AEVIRGIL-70. He can order changes to be made in the magazine, its rate of expenditures, or its target. The case officer normally is expected to review all of the contents of AEVIRGIL-70 and make appropriate criticism. He can have special material inserted into the magazine if desired.

g. Relationship to Host Government Organs: There is no indication that AEVIRGIL-70 has aroused the displeasure of any country outside the Iron Curtain. The magazine is directed to a number of universities and libraries so there have been ample opportunities for governments to react had they so desired. The magazine is not in demand by Western governmental organs.

h. Costs: The magazine costs an average of about \$1,250 per issue, a total of \$15,000 per year, not including the salaries of the staff personnel employed on it. These are: AEVIRGIL-7, \$5,100; AEVIRGIL-32, Approximately \$1,500 (3/4 of gross); AEVIRGIL-129, Approximately \$600 (1/4 of gross).

i. Evaluation of Effectiveness: A single item is available in MOG files which, if true, reflects very much to the project's credit: A 21-year old Russian Jew who escaped from the Soviet Union in 1961 wrote to AEVIRGIL-70 that he had been an anti-Communist for some time in the Soviet Union because as a Jew he had had more sad experiences than an ordinary Russian, but that his final decision was made after he picked up a magazine in a Kharkov restaurant and discovered that it was AEVIRGIL-70. Somebody had left it on the table where the writer sat down. He says that having taken it, he read it through and made up his mind to flee from the Soviet Union.

The magazine has also been useful as a ploy in striking up conversations with Soviets visiting the West. At least one operation of some interest was started in this way (AESTAMMER).

j. Continuing Validity of Objectives: The creditable items above could have been effected without publishing a monthly magazine. While it is unquestionably true that the maintenance of a "house organ" is an aid to

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communication, a stimulus to morale, and an attraction to like-minded outsiders, the publication's objectives are valid only to the extent that the emigration is considered an appropriate target, for this is an emigre publication written especially for emigres. If an appeal to emigres adds measurably to the strength of AEVIRGIL-1 as an anti-Soviet weapon, the publication is justified. Evidence that such an accrual of strength is taking place did not come to the attention of this review. Rather, the review concluded that the attraction of large numbers of emigres to AEVIRGIL is not a valid objective.

k. Recommendations:

(1) Since its main appeal is outside the USSR, it is believed that this publication takes a disproportionately large percentage of the AEVIRGIL budget. Its costs should be cut by altering its present "slick" format and by reducing its dimensions.

(2) If investigation indicates that printing can be done more cheaply in the AEVIRGIL plant, the use of commercial printers should be terminated.

(3) Should further substantial budget cuts be required of the project, it is recommended that the publication of AEVIRGIL-70 be reduced or discontinued and that its functions be absorbed to the extent possible by specially prepared brochures which are tailored to fit specific needs and occasions and, to a limited extent, by AEVIRGIL-75.

18. AEVIRGIL-7:

a. DPOB: 17 February 1905; Ismail, Bessarabia. (He is Ukrainian.)

b. Documentation: Processing for U.S. citizenship.

c. Education: Graduate of Kiev Veterinary Zootechnical Institute; degree from Kiev Agricultural Institute; Higher degree from Kiev Agropedagogical Institute; has published eight scientific papers in his field.

d. Marital Status: Married a Russian in August 1940; a seemingly very happy relationship; no children.

e. Route to West: When the Germans over-ran Kiev, Subject and his wife were moved to Berlin where he was employed by a German firm while doing propaganda work for the German Ostministerium.

f. When and By Whom Recruited: Hired by AEVIRGIL-6 in May 1951.

g. Duties: Editor of AEVIRGIL-70; member of the Ideological Council; member of Radio Section; member of Publishing Section. Chief project consultant on ideological and propaganda questions.

h. Professional Competence and Performance: Subject is invaluable in any discussion of policies and propaganda lines. He has a well organized mind, is exceptionally well read and can handle his topics in great depth. On the other hand, he is not an outstanding editor, mainly because he is too slow, meticulous and prone to be lazy. He likes to manage all aspects of AEVIRGIL-70, not only editing but also laying out each page and doing his own proofreading. His somewhat pedantic methods handicap him as a manager.



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i. Character and Personality: Subject is first and foremost an intellectual and has little proclivity for action. He reads voluminously both eastern and western material and is highly cultured. His speeches are very thought provoking. He has a quiet, pleasant personality and a very good, typically Ukrainian sense of humor. He is devoted to his wife, who is an attractive lady. He once had a real drinking problem, but seems to have conquered it, except for rare binges. He has a history of interest in scouting, water sports, and nature-watching.

j. Security Background: Subject produced a good LCFLUTTER test in January 1957. He has no known RIS background.

k. Remuneration from all Sources: Gross salary DM 1700. No other known income.

l. Employability Outside the Project: Subject will eventually go to the U.S. where he will probably seek a position as Russian language instructor at a small college. He should have no difficulty finding one.

m. Recommendation re Suitability:

(1) Subject is a valuable asset to the project and should be retained as long as feasible, considering his intention to settle eventually in the USA.

(2) In the event that AEVIRGIL-6, the President, is lost to the project because of poor health, Subject would have to take a larger role in overall management. An effort should be made to orient his thoughts and activities to some extent towards the problems of management.

19. AEVIRGIL-74: This is a bi-monthly German language publication devoted to political articles and comment on Soviet and Communist problems. It is directed at a relatively elite audience of German officials and intellectuals and indirectly serves to give the AEVIRGIL organization face with German officialdom and to bring AEVIRGIL personnel in contact with Germans who are interested in anti-Communist work.

a. Personnel: AEVIRGIL-30 is editor; AEVIRGIL-3 who formerly ran the publication is now an "advisor" to it; AEVIRGIL-129, a German national, actually manages the magazine and contributes frequently to it; the wife of AEVIRGIL-32 is the varitype setter.

b. Physical Facilities: Printing is done in the AEVIRGIL printing plant. Office space is located in the headquarters "villa."

c. Operational Methods: Articles are solicited; some are submitted on a free-lance basis; some material is obtained from PBAPFIRM. Distribution is as follows: 274 copies are sent to private subscribers of whom 250 are located in Germany; 275 copies are sent unsolicited to private addresses, of which about one half are in Germany; about 225 government offices, libraries, and universities receive copies, of which about 200 are located in Germany. About 30 bookstores in Germany receive copies for resale. A normal issue of the magazine runs 4000 copies. Excess copies are often mailed on a random basis.

d. Control: The case officer receives regular reports of all activities and expenditures of AEVIRGIL-74. He can order changes to be made in the magazine, its rate of expenditures or its target. He is expected to review the contents and make appropriate criticisms. He can insert special

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material if desired. In actual practice, these responsibilities have been delegated to members of the organization and there has been very little before-the-fact KUBARK control of anything appearing in this publication. There has been no independent check of the claimed distribution of the publication, although the mailing list is available and this could be done if warranted.

e. Security: No particular security problems are noted. Since the publication is directed at a West Germany audience it is probably of less interest to the Soviets than some of the other activities of the organization.

f. Flap Potential: This appears to be negligible as long as AEVIRGIL-74 continues to maintain a middle of the road position vis a viz German and American policy.

g. Relationship to Host Government: The publication appears to have won the favor of Prof. Gerhard von MENDE of the "Buero fuer Heimatlose Auslaender." This is the only significant semi-official notice that has been taken of the magazine.

h. Cost: Identifiable costs are approximately \$11,500 per annum, including the salaries of AEVIRGIL-129, Mrs. AEVIRGIL-32, and a layout specialist and a distribution man. The subscription cost is DM 4.80 per annum and the price per issue is DM 1. In the last 12 months about \$350 has been brought in from over the counter sales and paid subscriptions. This money is turned back into the AEVIRGIL public accounts.

i. Evaluation of Effectiveness: Insofar as propagandizing the FRG on the evils of Soviet Communism, there is little doubt but what AEVIRGIL-74 is of less than marginal value. The FRG is saturated with solid political writing and reporting, much of which is better than the material put out in AEVIRGIL-74. Although the publication has served to bring the AEVIRGIL organization to the favorable attention of Prof. Gerhard von MENDE, Chief of the Buero fuer Heimatlose Auslaender, and probably a few others within the FRG, its low circulation and essentially redundant content indicate that its impact is probably slight.

j. Validity of Objectives:

(1) There is no further purpose to be served by AEVIRGIL attempting to alert the FRG to the dangers of Communism.

(2) Although AEVIRGIL-74 has to some degree probably brought the AEVIRGIL organization to the favorable attention of some West Germans, and it may have served as an entree to anti-Communist elements in the FRG, this objective could be accomplished by other, far less expensive, means.

k. Recommendations:

(1) Request Headquarters for authority to drop AEVIRGIL-74 after the next issue (done in MUNI-0597);

(2) Release personnel made surplus by the termination of the magazine.

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1. Witting Personnel Associated with AEVIRGIL-74: AEVIRGIL-3;  
AEVIRGIL-30.

20. AEVIRGIL-3:

a. DPOB: 28 December 1919, St. Petersburg, Russia.

b. Documentation: German citizen.

c. Education: Studied acting and theatrical production at Leningrad Theatrical Institute for 2½ years; studied economics at Frankfurt and Munich Universities; will receive Ph. D. from Free University of Berlin in June 1962. Heavy emphasis on Soviet Studies; recently published book, "Der Revolutionäre Krieg," said by MLB to be required reading for UPHILL staffers.

d. Marital Status: In 1953 married a German girl who formerly worked as secretary for [ ] has one child by her; was considering divorce in 1958 but marriage seems more stable now, if not based on deep feeling; he had a girl friend during his AEVIRGIL assignment in Berlin.

e. Route to West: Originally a Soviet soldier, he surrendered to the Germans, fought against the Soviets, was captured by the Soviets and successfully posed as a German; was released to Germany in May 1950.

f. When and By Whom Recruited: In December 1952 by [ ]

g. Duties: Chief of the Ideological Council; member of the Publications and Radio Sections; provides articles for periodicals; was formerly chief of the Berlin office. "Advisor" to AEVIRGIL-74.

h. Professional Competence and Performance: An energetic, voluble, ambitious man capable of original thought and of communicating his ideas impressively. He studied acting and has retained a flair for it. His speeches are well received and have created a wide circle of acceptance for him in German academic and official circles. His well integrated personality reflects self-confidence and poise. He has a good sense of humor and is well liked by his associates. He is somewhat of a careerist and opportunist, not above using his position to further his personal goals; he is prone to promise more than he can deliver and frequently comes under criticism for failure to meet deadlines. His work is well conceived and thorough.

i. Security Background: He had a clean LCFLUTTER in February 1958 and he has frequently voiced an aversion for intelligence activities of any kind. His pre-war record included KOMSOMOL activity; while a Soviet PW he was required to act as a secret collaborator of camp authorities, a task which he claims to have performed poorly; he was the target of RIS recruitment and harassment approaches in 1960 and 61.

j. Remuneration from all Sources: Salary DM 1400; unknown income from lectures and book; his wife is believed to be well paid in film sales work.

k. Employability Outside the Project: His attractive personality, purposeful and effective conduct and thorough knowledge of the Soviet scene practically insure that he will occupy a leading role in East-West developments. He has been offered a position as head of the Russian section of the "Deutsche Welle" at a salary of DM 2,200 per month.

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1. Recommendations re Suitability:

- (1) Connections with Subject should be preserved;
- (2) He should be retained as a consultant on AEVIRGIL even if he takes the Deutsche Welle job;
- (3) Because of his bright career possibilities in German politics, consideration should be given to recruiting him as a long-term AIS singleton.

21. AEVIRGIL-30:

- a. DPOB: 14 June 1919; Romny, Ukraine.
- b. Documentation: Stateless.
- c. Education: Two years college for Industry in Leningrad; Aviation signal school in Kharkov.
- d. Marital Status: Married in 1952 a Russian who was born in Far East; one child.
- e. Route to West: Defected from Potsdam in 1948, where he had been in charge of a Soviet officers mess.
- f. When and By Whom Recruited: By [ ] in 1952; he had known [ ] since his defection.
- g. Duties: Executive assistant to the President. Editor AEVIRGIL-7. In charge of Social Affairs.
- h. Professional Competence and Performance: Lacks initiative and drive but diligently and punctually executes all assignments given him by AEVIRGIL-6 or the case officer, if supervised. He shows no operational promise, nor does he possess depth of knowledge in politics or culture. He is useful as a reporter on happenings within the organization, especially personality clashes and misconduct.
- i. Character and Personality: He is a pleasant, polite man who jumps around and acts nervous but is actually very mild. He is very popular in the group, but not highly respected because of his limited education and only average intelligence; also, there is probably some suspicion that he informs on the members to the case officer (which he does). He is very compassionate and wants to help everybody, not recognizing that some suppliants are scoundrels. He is the only Jewish key member of the group and is rather sensitive about it. He seems to have no vices aside from gossip; he doesn't drink and has a very stable family life.
- j. Security Background: Subject had a clean LCFLUTTER in March 1957. The RIS has maintained an interest in him, querying DA's. In March 1960 he indicated to AESAVVY-27 that he would like to send a communication to friends or relatives in the USSR. It is not known if he actually sent such communications. In October 1960 Subject's wife got a letter from her father in Israel saying that her half brother was to visit Paris from the Soviet Union and asking her to visit him. The file does not show if she did.

k. Remuneration from all Sources: Gross salary of DM 1400; no other known income.

l. Employability Outside the Project: He has many friends at TPLINGO and is well liked there. His ambition is to open a Russian restaurant in Munich.

m. Recommendation re Suitability:

(1) Subject is a useful member of the project because of his ability to take some the President's workload. He should be carefully cultivated as a source of personality information within the project.

(2) His file should contain more information about the Paris trip of his wife's half brother.

(3) AEVIRGIL-30 should replace AEVIRGIL-5 as Chief of Mailing Operations.

22. AEVIRGIL-75: This is a Russian language journal of 350 to 400 pages coming out irregularly about three times a year. Two thousand copies of each issue are printed.

a. Objectives: AEVIRGIL-75 is aimed at highly intellectual Soviets. It deals with cultural developments in the free world and attempts subtly to use themes which will foster memories and create new interest in the pre-revolutionary struggles in Russia for freedom and democracy. The propaganda content is deliberately kept on a very low key in order to insure the safety of its readers and a wider circulation inside the USSR.

b. Personnel: AEVIRGIL-132 is the chief editor; he is assisted by AEVIRGIL-6 and 7 and a three-man editorial board in New York.

c. Plant: Office space in the Headquarters "villa". The actual printing is done by commercial facilities.

d. Operational Methods: Articles are both solicited and prepared by staff members. One half of the copies of the magazine are prepared on thin tissue paper for easy mailing and carrying to the Soviet Union. These are passed out to travellers and mailed as appropriate. Some copies are sold from book stores and kiosks, while others are distributed free of charge. Exact figures on distribution are not available.

e. Control: As with the other AEVIRGIL publications, the case officer can exercise completed control if he so desires; in practice this control is delegated to the organization.

f. Security: There are no special security problems.

g. Flap Potential: Practically none.

h. Relationship to Host Government: No evidence of any recognition or difficulty.

i. Cost: The magazine costs from \$4,500 to \$5,000 per issue and it comes out about three times per year. In 1960 the sale of the magazine brought in about \$450.

j. Evaluation of Effectiveness: EGMA-56206 contains the only available evidence of effectiveness. Excerpts follow: "At first he (AEVIRGIL-222 in Paris) mailed only non-political and non-propaganda literature requested by the correspondents (in the USSR) and then began to add AEVIRGIL-75 and AEVIRGIL brochures of interest to intellectuals. Soon a lively direct correspondence developed between AEVIRGIL-222 and some of the recipients. Afterwards, others began to write to AEVIRGIL-222 either requesting books or mentioning the fact that they had read some of the books AEVIRGIL-222 had sent to their friends. AEVIRGIL-75 is often mentioned. We have quite a few reports that AEVIRGIL-75 is widely read in Moscow and Leningrad. For instance, not long ago when through AEVIRGIL-225 a well known Soviet writer visiting Paris had been offered a copy of AEVIRGIL-75, he said that he had seen copies of the magazine in Moscow, but unfortunately the copies were so used up that parts were unreadable and

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and some pages missing. He accepted a copy and requested that future copies be mailed to him. We had already reported to you that Professor Vinogradov had asked for copies of AEVIRGIL-75 from the Paris Eastern-European Language Library and had requested that future issues be mailed to him. Mail requests for AEVIRGIL-75 from the USSR have also been received by AEVIRGIL-222."

k. Continuing Validity of Objectives: The objectives of this publication are thought to be excellent and they should remain valid indefinitely.

l. Recommendations:

(1) It is recommended that AEVIRGIL-75 receive first priority in the disbursement of AEVIRGIL publications funds and that special efforts be made to insure its quality and to increase its distribution inside the USSR.

(2) The propaganda level should be kept on a very low key; we should capitalize on its distribution primarily by entering into correspondence with its readers.

m. Personnel Associated with AEVIRGIL-75: AEVIRGIL-132.

23. AEVIRGIL-132:

- a. DPOB: 8 February 1906; Stalingrad, Russia
- b. Documentation: Processing for U.S. citizenship.
- c. Education: Two years Institute for Economics, Saratov; did not graduate.
- d. Marital Status: Married a Pole in 1946.
- e. Route to West: Captured by German Army in 1942.
- f. When and By Whom Recruited: In 1958 by AEVIRGIL-6.
- g. Duties: Chief Editor of AEVIRGIL-75.
- h. Professional Competence and Performance: He is doing a good, professional job. He is a hard and devoted worker. His cultural background is narrower than that required for his position but the product has maintained high standards. He writes well but is a very poor speaker.
  - i. Character and Personality: Subject has a quiet, introverted personality. He keeps mostly aloof from the others in the group, except for those who share his strictly intellectual interests. He has a distinguished appearance and looks like a successful business man. He gives the impression of being self-contained and hard, and probably is. He resents any interference in his work and he can become unpleasant if not treated with respect. His family life seems to be happy. He is processing for U.S. citizenship.
- j. Security Background: Subject was imprisoned in the Soviet Union for opposing the Communist Party and spent almost eight years in a concentration camp. He spent several postwar years working for the NTS. There is no record in his file of an LCFLUTTER, although this has probably been accomplished.
- k. Remuneration from all Sources: Gross salary DM 1550; no other known income.
  - l. Employability Outside the Project: PECHORD once wanted him very badly. He would probably go to the U.S. and attempt to get a teaching job if we dropped him.
- m. Recommendations re Suitability:
  - (1) Subject appears to be well qualified and an asset to the project. However, he is one of the easier disposal cases due to his processing for U.S. citizenship, and if the project is out down he would be a prime candidate for resettlement.
  - (2) His file should be expanded with biographic information and an LCFLUTTER.

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24. AEVIRGIL MAILING SECTION: This is a small staff that handles the direct mailing of AEVIRGIL propaganda, mostly to the Soviet Union.

a. Objectives: A systematic attempt to influence Soviet nationals politically by demonstrating the existence of a well-organized emigration that is dedicated to liberal humanitarian principles of government. An effort is made to bring the western interpretation of current major political issues to selected Soviet nationals. Topics handled include the Berlin question, atomic testing, Party Congresses, etc. A secondary objective is to create an added burden for Soviet security and censorship organs.

b. Personnel: Chief is AEVIRGIL-5. His assistant, AEVIRGIL-37 whose file contains derogatory information relating to criminal tendencies, is being terminated; Mrs. AEVIRGIL-37 has been a part time assistant. AEVIRGIL-222 in France, one man in Australia, several persons in Sweden, AEVIRGIL-203, 204 and 206 in Belgium, AEVIRGIL 89 in Austria and one member in America.

c. Plant: Office space in the Headquarters building for preparing letters and packages and for maintaining both card and book files.

d. Operational Methods: Printed material is posted to Soviet nationals. The bulk of the addresses are collected from the Soviet press and the "Return to the Homeland" paper. A number of addresses are obtained from the Institute for the Study of the USSR, which is compiling a biographical dictionary of important Soviets. Addresses are also obtained from the foreign branches; Sweden recently supplied 150 addresses. Letters and books are addressed using a variety of inks and envelopes. Some are addressed and sent to Soviets outside the USSR. This is done from Belgium and the United States and little information is available in Munich on this activity. Most of the mail, however, is sent to the USSR after being prepared in Munich and dispatched from there to 26 points in Germany, and to Belgium, Sweden, Austria, France and Australia for forwarding. Return addresses are in some cases the true names of people who have given their consent, but most are notional addresses or cover addresses. According to reports provided by AEVIRGIL-1, in the first six months of 1961 there were 8,000 pieces mailed; in the three months thereafter, 9,000 pieces were sent. Since December 1961, however, mailing has been curtailed as an economy measure to a level of about 1,500 pieces per month. An unknown quantity of mail is hidden aboard railway cars destined for the Soviet Union from Belgium.

e. Control: A monthly report is provided by the Mailing Section listing work accomplished. A three-man committee of AEVIRGILITES monitors the handling of money by AEVIRGIL-5, the chief of mailing. There is no formal control or check on the actual sending of pieces of mail, other than occasional evidence of receipt.

f. Security:

(1) A cover return address that is often used by AEVIRGIL-1 is being used for an exchange of periodicals with the Library of the Soviet Academy of Sciences. The latter is sending Communist Party and literary publications in exchange for overt German periodicals such as Biochemische Zeitschrift and Zeitschrift fuer Wissenschaftliche Mikroskopie und Mikroskopische Technik. It cannot yet be ascertained if this exchange is a mounted operation of the RIS.

(2) In mid-1961 several European book firms received large orders for various books to be delivered to AEVIRGIL-1. Apparently this was a planned Soviet harrassment action, as AEVIRGIL-1 had not ordered the books.

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(3) The mailing files are maintained in AEVIRGIL-1 headquarters and conceivably constitute a threat to Soviet recipients who have failed to report receipt of AEVIRGIL-1 materials to their government.

g. Flap Potential: The mailing operations have been protested by the Soviets to the Government of Belgium and further protests from the Soviets are to be expected. However, since the activity is legal, there is no basis for a major flap.

h. Relationship to Host Government Organs: When the Soviets protested the mailing operations in Belgium, it was an opportunity for the Belgium Government to display its real attitude toward AEVIRGIL-1. In this instance the Belgians gave friendliness and mild encouragement. Belgium refused to order the mailing operations stopped as long as they were ostensibly being conducted by private individuals. The attitude of the Swedish Government has been similar. It appears that their intention is to keep hand off the group so long as its operations are conducted "without too much zeal." The West German Government has been quite friendly. It is undoubtedly knowledgeable of most of the group's activities and important members and it has not indicated official displeasure with either.

i. Cost: The direct costs of the mailing operations for printing, paper, etc. is quite difficult to sort out of the overall printing and mailing costs of other activities of the project. A prorating of salaries, postage, printing, and paper that can be attributed to mailing operations aggregates approximately \$12,000 per year.

j. Evaluation of Effectiveness: That the mailing operations are hurting the Soviets somewhat, or at least constitute a threat in their eyes, is indicated by the action of the Soviet Ministry of Foreign Affairs in protesting to the Belgium Embassy in Moscow in 1961 and demanding that the mail be stopped. Another indication of effectiveness was the attack on the AEVIRGIL-1 cover organization published in the newspaper, Sovetskaya Latvija in 1961. Individual correspondence, especially from France, has produced several lively channels of direct exchange with Soviet writers and scholars and some evidence that AEVIRGIL literature is circulating in Moscow. An exchange has also developed between the AEVIRGIL-1 Munich cover organization and the Library of the Soviet Academy of Science. Though there have been no measurable returns as yet from the mail operations, there are definite indications that a small degree of effectiveness is probably being achieved and there appear to be good prospects for an increase in effectiveness.

k. Continuing Validity of Objectives: The objectives of this effort conform to accepted CA requirements and they are expected to remain valid indefinitely.

l. Recommendations:

(1) It is recommended that the mailing operations be continued at least on their present scale and, if the budget permits, that they be expanded to the scale in effect prior to December 1961.

(2) Attention should be given to the wider utilization of AEVIRGIL mailing operations against Soviets residing in Western Europe, as a supplementary REDCAP tool.

(3) In view of his reprehensible conduct, it is recommended that AEVIRGIL-5 be terminated.

(4) AEVIRGIL-30 is recommended as his replacement.



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(5) Mrs. AEVIRGIL-37 should be terminated with her husband.

(6) The files of the Mailing Section should be checked to determine the danger they might pose to recipients of mail in the USSR.

(7) Corrective measures re the security of the files should be taken if warranted.

m. Witting Personnel Associated with Mailing Section: AEVIRGIL-5.

25. AEVIRGIL-5.

a. DPOB: 21 September 1919, Moscow.

b. Documentation: Stateless.

c. Education: Two years at State Institute of Dramatic Arts, Moscow, where he studied stage direction. Did not complete course. Studied radio in Navy.

d. Marital Status: Married to a Russian emigre who was formerly the mistress of a man engaged in black market activities and friendly to an RIS agent. AEVIRGIL-5's wife is now employed by TPLINGO.

e. Route to West: Defected 1 March 1948 from East Germany, where he had been training RIS agents for work in West Germany. He had been recalled to Moscow and apparently feared disciplinary action. He went directly to a girlfriend in Munich.

f. When and By Whom Recruited: Met [redacted] shortly after his defection in March 1948; hired by [redacted] in fall of 1951 after having worked for CIC and S-2 in interim.

g. Duties: In charge of mailing operations; has been used rather extensively for contact operations abroad.

h. Professional Competence and Performance: He is intelligent and attempts to make up for his lack of formal education by reading. He has a flair for operations second only to AEVIRGIL-115 among the Category A members. He has a good appearance and a friendly, polite manner that makes it easy for him to establish contacts and he has performed specific, limited contact tasks well on occasion. However, there are numerous derogatory reports regarding his operational effectiveness, especially on his trips abroad. Most of these center on his personal vices, especially drinking, and they provide ample evidence that he cannot be trusted to perform serious operational work without close supervision. [redacted] reports that Subject's drinking is not the problem that it was up to two years ago and that he seems to be doing a competent job in running the mail operations. Prudence suggests, however, that the mail operations should be closely scrutinized if Subject is in charge of them.

i. Character and Personality: With regard to his personal habits, Subject's file is alarming. He has, by any rational standard, an intolerable record of drunkenness while on duty to the degree that his conduct was seriously detrimental to the project. This trait is so blatant and so oft demonstrated in Subject's history that there can be no reasonable doubt that he is professionally unfit because of it. His record in this regard is a matter of wide public and official knowledge and the project undoubtedly has suffered in esteem because of him. In addition to drinking, he is a notorious skirt chaser and he cannot manage his financial affairs sensibly. He has been involved in numerous scandalous incidents and several brushes with the law;

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he admitted one incident of malfeasance of funds. To his credit, it appears that his conduct is improving; there have been no recent derogatory reports on him. He has a pleasant personality, is polite and well-mannered when sober.

j. Security Background: Subject was a member of the Communist Party and had a long record of employment by the RIS prior to his defection. His LCFLUTTER in 1957 gave him a fairly clean report, but indicated that he is a weak reactor and difficult to analyze. The operator suggested that he be retested one year from the date of the interview, which has not been done. Subject was accused of loose, insecure talk by an associate on the project.

k. Remuneration from all Sources: Gross salary DM 1350. His wife's salary at TPLINGO is DM 700.

l. Employability Outside the Project: Subject has no specific trade or profession. He has done some photographic work and has written short articles. He has good German and might fit into sales work, but at a much lower salary than he is getting.

m. Recommendation re Suitability:

(1) Subject's oft repeated deplorable personal conduct on duty has disqualified him for serious, unsupervised operational duties. It is recommended that he not be sent outside Munich operationally unless accompanied by a trustworthy agent.

(2) He should be LCFLUTTERED as soon as practicable, in accordance with the suggestion made by the operator in 1957.

(3) Thereafter, a schedule should be determined for his early release from the project, bearing in mind his thorough knowledgeability and providing for a generous settlement and adequate time to prepare for a new career.

26. Radio Section:

a. Type of Asset: A working relationship with three established radio sending stations: Radio Madrid, Radio Rome (Vatican) and Radio Corporation of China (Taiwan). Scripts are prepared in the AEVIRGIL Radio Section for broadcast over these senders.

b. Objectives: To collect and prepare anti-Soviet propoganda for broadcast to the Soviet Union, China and other countries in the Soviet orbit.

c. Personnel: AEVIRGIL-46 is the head of the Radio Section. AEVIRGIL-129 spends part of each day reading and editing scripts. A secretary works part time typing and part time speaking for recording sessions. AEVIRGIL-106 and his wife man the Madrid post.

d. Plant: Aside from office space in the headquarters building, a recording studio of a Munich commercial concern is utilized.

e. Operational Methods: About 70 to 75 scripts are accepted monthly from a variety of authors all over the world. These are edited, translated when necessary, and then posted to the respective radios for broadcast. In addition to Russian, both English and Spanish languages are used on the tapes.

f. Control: The AEVIRGIL-1 group, and through it KUBARK, have complete control of the content of submitted material. Of course, the stations themselves have final say on what shall be broadcast.

g. Security: No security precautions are observed.

h. Flap Potential: None.

i. Relationship to Host Government Organs: The fact that the group is dealing with "official" government radios insures good relations with the respective government.

j. Cost: This activity, not including salaries, costs about \$900 per month, of which over \$600 is for payment of authors fees. There has been a recent reduction in the amount paid per page of material so the overall figures are expected to decrease. AEVIRGIL-46 receives \$312. AEVIRGIL-129 receives \$225, most of which is for his work on AEVIRGIL-74. AEVIRGIL-106 and his wife receive \$260 plus a free apartment and per diem aggregating about \$135 per month.

k. Evaluation of Effectiveness: There is no solid evidence of effectiveness in Munich files. The judgment on this subject should be made by Headquarters.

l. Continuing Validity of Objectives: The task of getting our message across the Iron Curtain will remain with us indefinitely.

m. Recommendations:

(1) It is felt that Headquarters is in the best position to make recommendations regarding the substantive content of the radio propaganda material, the selection of audiences and the impact of the material on those audiences.

(2) It is believed that AEVIRGIL-129 should be released from the project when his primary job, that of editing AEVIRGIL-74, disappears.

(3) The per diem arrangement with AEVIRGIL-106 and his wife should be investigated to determine if it is actually warranted by costs and his duties in Spain.

n. Witting Personnel Associated with Radio Section: AEVIRGIL-46.

27. AEVIRGIL-46.

a. DPOB: 1 March 1914; Gomel, Byelorussia.

b. Documentation: Stateless.

c. Education: Degree from Pedagogical Institute, specialty is literature; attended Moscow University but didn't graduate.

d. Marital Status: Married a Latvian; two children.

e. Route to West: Not clear from the files.

f. When and By Whom Recruited: In fall of 1955; not clear by whom.

g. Duties: Vice President; Chief of the Radio Section; member of the Ideological Council.

h. Professional Competence and Performance: A very well qualified propagandist with wide experience in the field. He is the most ideologically oriented member of the group. A clear thinker and a hard worker, with expert knowledge of the Soviet Union. His professional drawbacks are insufficient education in western affairs and lack of languages.

i. Character and Personality: Subject has a very pleasant personality; has no known vices and doesn't drink at all. He is strongly motivated and is apt to be intolerant of those who are less so. He is in very poor health and often incapacitated.

j. Security Background: He had a good LCFLUTTER examination in September 1959. The files do not reveal other significant details.

k. Remuneration from all Sources: Gross salary is DM 1250; no other known income.

l. Employability outside the Project: Probably no chance whatsoever for him to find another job because of poor health.

m. Recommendations re Suitability: An asset to the project. However, his file is very skimpy and should be considerably expanded with biographical information. Perhaps this material is already available at Headquarters.

28. Operations Section:

a. Type of Asset: A body of experience and prepared literature which is brought to bear in direct contacts with Soviets in the West and travellers to the USSR by AEVIRGIL-1 members on a planned basis.

b. Objectives: To contact Soviet citizens in the west and to brief travellers to the Soviet Union:

(1) to disseminate AEVIRGIL-1 propaganda, both written and oral;

(2) to procure information on conditions in the USSR;

(3) to acquire vulnerability data on Soviet nationals, such as evidence of dissatisfaction or disaffection with the Soviet regime.

c. Personnel: AEVIRGIL-115 is Chief of Section.

d. Plant: Office space at Munich Headquarters of AEVIRGIL-1.

e. Operational Methods: Most contacts are made with Soviets at fairs, expositions and public performances at which they are in attendance in the west. However, many are also made within the Soviet Union by travellers. Particularly active in the Soviet Union have been interpreters accompanying French delegations. Standard propaganda themes are prepared in advance for use in the encounters with Soviets. Recent examples of subjects treated are the Berlin crisis and the unilateral resumption of Soviet atomic testing. Oral presentations are buttressed with advertisements in newspapers that Soviets are likely to read in the west and by brochures which are either mailed or given to the Soviets or left in places where they will have easy access to them. Every effort is made to expand encounters into social relationships with some basis for permanency.

f. Control: Major contact undertakings, such as AEPIQUE, are carried out under direct case officer supervision but isolated cases are handled by the senior AEVIRGIL-1 member on the scene, who is required to submit a contact report on each encounter.

g. Security: The security of these operations varies from very loose to only fair; they cannot be considered clandestine operations in the orthodox sense, particularly those in the west. At the AEPIQUE the Soviet security personnel in attendance systematically photographed the majority of the emigres who were engaged in contacting Soviets, and thereafter a decided falling off was noticed in the encounters made by AEVIRGIL personnel. On the other hand, some of the contacts made in the Soviet Union have been quite discreetly handled and might have escaped the notice of the KGB. The personnel engaged in these contacts are not, however, cleared KUBARK agents and therefore the security of the cases cannot be presumed good.

h. Flap Potential: The Soviets know that this activity is under way and they can do nothing but protest it in the west where, being legal, it

cannot be suppressed. Since none of the agents going into the Soviet Union can be attributed to KUBARK, the flap potential is minimal.

i. Relationship to Host Government Organs: Paris is the most active contact ground and there the group's relations with the security forces of France are seemingly excellent. This is demonstrated by the group's success in getting a complete list of Soviets in attendance at AEPIQUE from the French security service. Relations are also good in Belgium and Sweden, where contact operations are under way; also, there appears to be no cause for concern in Austria.

j. Cost: This has been one of the most expensive activities of the AEVIRGIL-1 during the past year. It is estimated that the various expeditions to Paris cost between \$10,000 and \$12,000. Most of the money went for travel costs, lodging and food, although a sizeable amount was spent for advertisements and printed material. The new budget for FY 63 simply will not allow for expenditures on that scale; therefore, special allotments will have to be requested if such outlays are to be repeated. The only regular salary involved is AEVIRGIL-115 at \$312 per month.

k. Evaluation of Effectiveness: Most of the reports on this activity have gone to Headquarters untranslated so it is impossible to assess them. However, there is no evidence that the activity has produced agents. This lack of recruitments is not considered detrimental since the objective is propaganda. The exact number of encounters for propaganda purposes during the first six months of FY 62 is estimated at 200 to 300. Just how much the Soviets were impressed by these contacts cannot be judged but it is obvious that the AEVIRGILITES learned a lot in the process of making the contacts, and their propaganda is beginning to reflect their new knowledge about Soviet attitudes and mentality. The activity then has paid substantial dividends, but probably not \$12,000 worth, unless the off chance of a defection or recruitment is considered to have been worth the difference.

l. Continuing Validity of Objectives: Contact operations will remain valid indefinitely.

m. Recommendations:

(1) It is recommended that contact activity be reduced to fit the AEVIRGIL-1 budget, but that the mission remain in effect and that every possible encouragement be given to AEVIRGIL-1 to perfect its methods and increase its aggressiveness selectively in this field.

(2) Care must be taken, however, that the activities of this group do not interfere with intelligence collection activities being conducted by other elements of KUBARK. Cases must be well reported and should require advance approval where possible.

(3) Headquarters should be asked for special allotments of funds for extraordinarily worthy cases.

n. Witting Personnel Associated with Operations Section: AEVIRGIL-115.

29. AEVIRGIL-115.

a. DPOB: 1 October 1911

b. Documentation: Stateless

c. Education: Russian Technical Institute; credit certificate in general engineering.

d. Marital Status: Married in 1938; divorced in 1950 with one child; married again.

e. Route to West: Left Estonia for Germany in 1940 as a stowaway on ship because he feared arrest for NTS activity.

f. When and By Whom Recruited: By [ ] in 1957; recommended by Froelich, whose good friend he is.

g. Duties: Chief of Operations Section; makes contacts.

h. Professional Competence and Performance: Extensive operational experience with NTS, BIS and KUBARK which definitely has shown in his AEVIRGIL-1 job. However, there is a very damaging report on him from a KUBARK staffer in Austria, where Subject worked for NTS, which indicates that his operations there were amateurish and unsuccessful. At AEPINQUE, Subject did a good job contacting Soviets and impressed his case officer quite favorably. He is said to be far above anybody else in the project as an operator, and he is respected by the other project members for this reason.

i. Character and Personality: Subject is intelligent, calm and mature. He is a realistic, cool thinker who reads extensively in philosophy and politics. He is distinguished looking and commands trust and respect. He is somewhat inarticulate--a poor communicator and he himself says that it is hard for him to approach an operational contact, particularly a Soviet. He is quite highly motivated, but there is some question as to the origin of this motivation--whether materialistic or idealistic. He often displays lack of enthusiasm and he complains about lack of direction. He must respect his superiors or he can be very difficult to supervise. He has been known to "egg on" AEVIRGIL-6, to drink intoxicants, and there is doubt about whether this is meant to be deliberately destructive to the project. Subject gives the impression of being a good family man and very religious; he attends church regularly wherever he happens to be. He is a boating and mountain climbing enthusiast.

j. Security Background: Subject ran a clean LOFLUTTER in July 1961. This test failed, however, to include questions relating to some important points in his very complex intelligence history; e.g., "Were you in any way responsible for the disappearance of the several thousand dollars worth of Austrian schillings from dead drops in the Salzburg area?" Subject is in close touch with Serge Froelich, referred to by TAPHORN as an "intelligence whore", and with Bruno Kauschen, an known UPHILL agent.

k. Remuneration from all Sources: Gross salary DM 1250; his wife has a salary from TPLINGO.

l. Employability outside the Project: If dismissed, he would probably find another intelligence job, perhaps with the Germans.

m. Recommendations re: Suitability: It is correct that, without Subject, the project would have no reasonably good operations man, but it is felt that a man of Subject's background is not necessary to the execution of the project's primarily propaganda mission. Required are articulate people who can circulate among Soviets with ease and impress them with logic and conviction. Subject does not qualify as an articulate person with strong convictions. Moreover, the possibility that he exerts a debilitating influence on AEVIRGIL-6 appears very strong and if this were to continue and AEVIRGIL-6 were to be prematurely lost to the project, the consequences could be serious. It is therefore recommended that consideration be given to terminating Subject in the forthcoming payroll cut. X

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30. Country Branches or Chapters:

As of 1 May 1962, there were 305 members on the AEVIRGIL-1 roster distributed as follows:

ZOPE Members as of 1 May 1962

Germany	132 Members
Belgium	97
Israel	19
U.S.A.	24
France	10
Spain	3
England	1
Ireland	1
Greece	1
Australia	3
Sweden	9
Chile	1
Brazil	1
Argentina	1
Africa	1
Canada	<u>1</u>
<b>TOTAL MEMBERSHIP</b>	<b>305</b>

31. Information on these Chapters in MOG files is inadequate to support a definitive review but an effort was never the less made to examine three of the Chapters in order to provide a basis for further study. In addition, financial outlay was determined for three other Chapters not included in this review: (a) U.S.A. circa \$500 per month; (b) Israel \$175 per month; (c) Austria \$25 - \$35 per month irregularly.

32. Country Chapter - Sweden:

a. Type of Asset: An affiliate of AEVIRGIL consisting of 17 persons under the leadership of AEVIRGIL-701 who conduct anti-Soviet activities in Sweden.

b. Objectives: To contact Soviet nationals traveling in Sweden and interview them along PP lines; to mail propaganda to the Soviet Union, particularly to the Baltic countries; to distribute anti-Soviet literature where it will find its way into the hands of Soviets.

c. Personnel: Nine members, about half of the Chapter, lives in Stockholm and the remainder in seaport cities elsewhere in Sweden. The entire group formerly was affiliated with AEGIDEON but broke the relationship ostensibly for two reasons: (1) Since most members of the Chapter are Latvians or Estonians, they had ideological differences with the AEGIDEONS who follow a strong line of Russian nationalism; (2) the AEGIDEON budget was inadequate.

d. Plant: No information.

e. Operational Methods: The leader, AEVIRGIL-701, works for a shipping company in Stockholm where he has access to the schedules and docking plans of Soviet ships. Most of these ships come from Baltic countries and their sailors are Balts. The group has found Baltic and Polish sailors quite easy to contact, as contrasted with other Soviet nationalities. PP interviews and literature distribution have been accomplished mainly among Balts. The Baltic countries also

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receive most of the mail of the Chapter; the addresses to which this mail is sent were obtained by the Chapter and supplied to the Munich Headquarters of AEVIRGIL.

f. Control: AEVIRGIL-701 is the leader and all control is exerted through him. This is a voluntary association in all respects and it could be terminated by the Chapter just as that with AEGIDEON was terminated.

g. Security: The Chapter members signed AEVIRGIL membership applications. Traces were requested and it appears that one member has a derogatory background indicating possible RIS connections. There is a large Latvian community in Sweden and it is a prime target for the RIS, which recently attempted to recruit AEVIRGIL-701's assistant. The ties between this Chapter and AEGIDEON are said to have been broken but it is conceivable that the "break" was only a ruse to obtain better financing for the branch. All of the contact reports of the branch are transmitted to AEVIRGIL Headquarters in Munich through the open mail, with the use of aliases the only security protection. The addresses inside the USSR which were provided to AEVIRGIL Headquarters by this Chapter deserve careful protection, but it is doubtful if the security procedures and the building layout in Munich can actually supply that. It is probable that AEVIRGIL-701 is witting of ODYOKE participation.

h. Flap Potential: Minimal.

i. Relationship to Host Government: AEVIRGIL-701, the leader, has a contact with a member of the Swedish secret police who is aware of the Chapter's activities. This contact has assured AEVIRGIL-701 that the Chapter will not be molested if they carry on their work with judgment and moderation.

j. Cost: A flat subsidy of \$625 per month is paid to AEVIRGIL-701. How he uses the money is not known. This is a probationary arrangement and AEVIRGIL-701 is supposed to understand that it will be reviewed when his production can be evaluated.

k. Evaluation of Effectiveness: About 40 or 50 contact reports supplied by this Chapter have been transmitted to Washington. No evaluation has been received yet.

l. Continuing Validity of Objectives: They will remain valid indefinitely.

m. Recommendations:

(1) An evaluation of the contact reports supplied by this Chapter should be requested from Headquarters. Based on such an evaluation, the probationary arrangement should be adjusted. This is the only country Chapter which receives a stipulated flat sum per month and the sum is too high if all or most of it is being retained by AEVIRGIL-701 and the reporting is marginal. A better arrangement would be to defray the costs of specific activities on a monthly basis and to require an accounting which could be measured against production.

(2) Since AEVIRGIL-701 probably realizes that the financing is coming from the U.S.A., and therefore can be considered witting, his file should contain a recent LCFLUTTER and material relating to his status.

(3) Precautions should be taken to protect the list of internal Soviet addresses provided by this Chapter. If AEVIRGIL-5 is to be terminated, it would be prudent to remove any access he might have to them.

(4) The practice of transmitting contact reports through the open mail should be subjected to further review; an arrangement for dispatching through KUBARK channels might be substituted if the material warrants.



- (5) An attempt should be made to enlist [ ]  
to participate in the management of this Chapter.

33. Country Chapter - France:

a. Type of Asset: An affiliate of AEVIRGIL consisting of seven active persons and an undetermined number of inactives.

b. Objectives: To contact Soviet nationals traveling in France and interview them along PP lines; to mail propaganda to the Soviet Union; to distribute anti-Soviet literature where it will find its way into the hands of Soviets.

c. Personnel: Ten members. AEVIRGIL-221 is chief; he is a distinguished, highly respected person who is not very active because of war wounds. AEVIRGIL-222 has a number of interesting mail exchanges going with persons in Moscow. AEVIRGIL-225 is the most active man in the branch. He is a journalist who works for a Russian emigre newspaper (which is supported [ ]). In his work he contacts many individuals of interest, but he has not produced anything of operational importance. AEVIRGIL-227 is to be dropped because he talks and invents too much. He has been given notice. AEVIRGIL-224 is a non-practising priest with wide contacts, especially among emigres in Syria and Lebanon, and an attractive daughter who has been several times to the USSR, where she once worked for the Viet Nam embassy in Moscow. AEVIRGIL-238 is an official Russian interpreter for the French Government on an irregular basis. He has a long intelligence history. He is very friendly with the Soviet representative in UNESCO on whom he reports. He introduced AEVIRGIL-115 to DeGaulle's private Russian-French interpreter. One additional member sends mail to addresses which we provide.

d. Operational Methods: AEVIRGIL-6 and AEVIRGIL-115 handle almost all of the contacts with the personnel in France. Cases which appear to be particularly sensitive are supposed to be held closely by them so that they do not get into the regular operational channels of AEVIRGIL-1. There was until recently direct contact between the Chapter and [ ] but that has been terminated. Reporting is handled in the open mail using assumed names. AEVIRGIL-115 makes frequent trips to France. On occasion, (AEPIQUE) numbers of AEVIRGIL-1 personnel are sent to France for special purposes.

e. Control: Other than the modest pay which they receive from the Munich Headquarters, there is no form of control over the French members of AEVIRGIL-1.

f. Security: The French activity is fairly open and there do not appear to be any meaningful security practices in effect. The background and occupations of the personnel suggests that a great deal of investigation would be required to establish their bona fides sufficiently to qualify them for KUBARK intelligence roles.

g. Flap Potential: AEVIRGIL-115's contact with DeGaulle's private Russian-French interpreter possibly contains the ingredients of a flap. If the Soviets were to publicize the fact that an operative of a U.S. sponsored organization is in "clandestine" contact with one of DeGaulle's aides, the General might take offense.

h. Relationship to Host Government Organs: Through AEVIRGIL-221 there is contact maintained with the French security service. Relations are apparently quite good because through this contact the French provided a list of names and addresses of all Soviet officials who visited the AEPIQUE fair.

i. Cost: The Chapter itself is provided from \$125 to \$225 monthly, depending on expenses. Three of the active members receive about \$75 per person regularly, but one of these is to be discontinued. Two others received from \$50 to \$150 irregularly. The man who mails letters received \$12.50 per month. The total outlay averages about \$400 per month for France.

j. Evaluation of Effectiveness: There is strong evidence that the mailing operation of AEVIRGIL-222 are successfully infiltrating copies of AEVIRGIL-75 and books and brochures into Moscow and Leningrad. Paris has also been the scene of many successful AEVIRGIL-1 propaganda contacts with Soviets and with travelers to the Soviet Union.

k. Continuing Validity of Objectives: The objectives will remain valid indefinitely.

l. Recommendations:

(1) The French chapter has considerable propaganda and contact operation potential and it should therefore remain active.

(2) Increased efforts should be made to investigate the security backgrounds of its personnel and to establish their bona fides. This is especially important in the Paris group because there are some potentially sensitive operations developing there.

(3) The method of transmitting operational information should be closely examined to determine how it can be made more secure.

(4) The possibility of reestablishing contact directly between the chapter and [ ] should be investigated.

(5) The reported relationship with one of DeGaulle's personal interpreters should be subjected to close scrutiny and control by MOG and the details should be coordinated [ ]

34. Country Chapter - Belgium:

a. Type of Asset: Group of 97, mostly miners, in Belgium, of whom about 10 are operationally active.

b. Objectives: Send propaganda to the Soviet Union; contact Soviets for PP interviews and Belgium nationals who travel to the Soviet Union for debriefing; counter the efforts of the very active Soviet program among the Soviet emigration in Belgium.

c. Personnel: Ninety-seven members. The personnel of the Belgium Chapter are very ideologically motivated but uniformly low in intellect. They devote much energy to fighting and bickering among themselves; no individual has emerged as leader and the Munich headquarters is often in the dark as to the exact state of affairs in the Belgium Chapter. Frequent trips to Belgium by the Munich staff are required for the Headquarters to insure order. On the other hand, the Chapter has a record of measurable accomplishment.

d. Plant: There are chapters in Liege, Charleroi and Mons, with Brussels and Antwerp the centers of occasional activity.

e. Operating Methods: The main activity of the branch seems to be to fight the Soviet-sponsored Union of Soviet Patriots. This is done by the holding of public meetings, the direct mailing of literature to members of the Soviet group and by the maintenance of a clubhouse in competition with similar Soviet-sponsored installations. The Chapter also sends considerable mail to the Soviet Union via the open mail and by packing it into transport destined for there. The branch was especially active during the Brussels Fair, where it came into contact with numerous Soviets. Chapter personnel provide contact reports through the open mail on all meetings. There have been two or three rather interesting operational developments emerging from the Chapter's activities.

f. Control: AEVIRGIL-203 is the nominal leader but he doesn't really run anything. He is a mild man who is unable to suppress the desires of the other members to be chief. AEVIRGIL-1 headquarters exerts their control by frequent trips to Belgium. There is no actual control, however, in the sense that that term is understood in FI operations, except for a very small financial contribution that is made to the Chapter.

g. Security: Name traces have been obtained on the operationally active persons but otherwise the security of this Chapter is an unknown factor. Their reports are sent through the open mail with no camouflage whatsoever.

h. Flap Potential: Minimal; nothing of significance to create a flap.

i. Relationship to Host Government Organs: The Belgium government is fully aware of the activities of the Chapter and has given it tacit support. According to a recent dispatch from [ ] the Belgium security service is glad that AEVIRGIL and AEGIDEON conduct propaganda and information activities to off-set those of the East.

j. Cost: The subsidy to the Belgium Chapter averages about \$200 per month. This money is supposedly used for expenses. No individuals there are receiving pay from AEVIRGIL-1. They work free.

k. Evaluation of Effectiveness: The Chapter is displaying considerable energy and, considering the cost involved, this operation appears to be paying good dividends. The Chapter is in an uphill battle against the Soviet sponsored organization and cannot hope to match their attainments with current funding and membership yet the fight is being continued and the Belgium government seems to feel that it is worthwhile. The mailing operations are also believed to be effective because the Soviet Government took the pains to protest them officially to the Belgium Government. [ ] "does not think the USSR would object to Belgium if the AEVIRGIL and AEGIDEON mailing programs were not meeting with success". At least one good operational lead stemmed from this branch, AESTAMMER, and two or three others appear to be in the making.

l. Continuing Validity of Objectives: Objectives will remain valid indefinitely.

m. Recommendations:

- (1) Continue attempts to unify the personnel under a qualified leader.
- (2) Continue support.
- (3) Attempt to interest [ ] to participate in the management of the Chapter.

35. Financial Aspects of AEVIRGIL: In order to determine the pattern of AEVIRGIL financial practices, their records for the first eight months of FY 62 were rather carefully reviewed. We were particularly interested in locating evidence of malfeasance but nothing of significance was found and the chances of finding such evidence appear to be slim. The project's spending and accounting practices seem to have been conducted within acceptable tolerances, and the money was spread among so many people for so many things that no person could have gained much illicitly.

36. The group's budgetary practices were, however, found to be wanting in discipline. Far too much money was spent in the early part of the FY, so that a forced curtailment of activities has resulted which will extend over the last five months of the FY. This uneven performance will probably materially reduce the group's propaganda effectiveness during FY 62 and it naturally raises questions about the ability and responsibility of the man who exercised budgetary control, AEVIRGIL-6. To illustrate the point, here are approximate figures for income and outgo in FY 62:

	INCOME	OUTGO
July		
Aug		
Sept		
Oct		
Nov		
Dec		
Jan		
Feb		

37. These figures do not reflect the substantial debt, estimated at about \$6,000, but possibly more, that was obligated during the same eight months. To help to balance its expenditures the group had a reserve carried over from FY 61, the size of which seemed overly large to us: it will be very difficult to determine its exact amount because that will depend upon the amount of outstanding debt at the end of FY 61, but the range is at least on the order of \$25,000 to \$30,000. The fund has now been used up, except for a small amount to keep the accounts open.

38. In addition to their regular income, other monies came to the group during FY 62 which they could not legitimately have expected: \$5,000 was transferred to the Munich account from Berlin when AEVIRGIL operations were terminated there; \$3,000 was obtained from the sale of surplus ballooning equipment. Thus the income of the group swelled to [ ] and they used up their large reserve to spend [ ] cash.

39. The exact size of the current debt is not yet known, but the group has felt the pinch and has had insufficient funds to make prompt payments. Their tactic has been to delay payments as long as possible while awaiting new monthly increments of funds from the USA. Naturally, operations have suffered because of this pinch; activities have been curtailed rather sharply in order to try to make financial ends meet.

40. Of the [ ] which the group is yet to receive from the USA this FY, they had planned to devote a substantial portion to the reduction of debt. Considering the fact that the payroll runs somewhat over \$6,000 per month, or half of their income for remainder of the FY, it can be seen that using any significant portion of the remaining [ ] for debt reduction would leave only a pittance for operational expenditures, compared to those made during the first seven or eight months of the FY.

41. There is still another reserve, however, which is available to Base management for use on the project during the next four months. This is the "black fund", which contains somewhat over \$8,000. Normal expenditures from this fund average about \$550 per month, mostly for housing and safehouse expenses. If \$5,000 of the fund were transferred to the group for their white fund, there would still be sufficient money for normal black expenses, the project would complete the FY in fairly sound financial shape, albeit with no reserve, and reduced operational activity could continue.

42. Cutbacks and curtailments are still necessary and desirable, not only to wipe out the debt, but to adjust to the reduced rate of expenditures provided for in the FY 63 budget. Rapid action is to be taken in this regard, but the leadership of the group has been asked to submit proposals before any final decisions are taken on further cuts. Almost sure to be decided:

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- (1) suspend AEVIRGIL-74 (done);
- (2) delay the next issue of AEVIRGIL-75;
- (3) terminate the services of AEVIRGIL-108, 37, 111 and 110 (notice already given to these four);
- (4) Cut back travel and contact operations (done);
- (5) Maintain the recently reduced rates for writer's fees;
- (6) keep mailing operations on a reduced tempo. Other probable areas of outback;
- (7) Terminate AEVIRGIL-5 and possibly AEVIRGIL-115;
- (8) terminate two or three smaller salaried people;
- (9) cut printing costs by doing all work in AEVIRGIL-1 printing plant;
- (10) cut the expenses of publishing AEVIRGIL-70 by accepting a poorer format and possibly fewer issues per year;
- (11) cut salaries selectively;
- (12) find a smaller safehouse;
- (13) determine if a smaller headquarters building can be procured.

43. The various categories of expenditures for the first six months of the FY were reviewed. A summary of the pertinent findings is presented here:

44. Salaries: This is the largest outlay, and of course it is relatively fixed. Thirty-five people at the Munich headquarters received a total of just under \$6,000 per month of white money and another \$450 per month of black money. The lowest pay went to a part-time secretary, \$65.50 per month, and the highest to the President, \$450 per month. Normal pay for secretaries, bookkeepers, telephone operator and the like was from \$100 to \$150 per month. Pay for professional workers averaged about \$350 per month. It is believed that the salary scale is lower than the German normals. This is best illustrated by the case of AEVIRGIL-3 who is paid at the rate of \$87 per week by the group, but who is to receive \$187 per week for similar work for a German organ. A table of the personnel, their duties and pay rates is as follows:

	<u>Monthly Wages</u>		
	<u>White</u>	<u>Incl. Black</u>	
1. AEVIRGIL-113	500.00 DM		Heidelberg Representative
2. AEVIRGIL-105	650.00 DM		Printer
3. AEVIRGIL-3	1250.00 DM	- 1400.00 DM	Advisor
4. Wife of AEVIRGIL-106	400.00 DM		Madrid Representative
5. AEVIRGIL-106	650.00 DM		Madrid Representative
6. AEVIRGIL-30	1250.00 DM	- 1400.00 DM	Asst to Pres. Editor AEVIRGIL-74
7. AEVIRGIL-127	660.00 DM		Writer
8. AEVIRGIL-116	600.00 DM		Secretary
9. AEVIRGIL-114	550.00 DM		Bookkeeper
10. AEVIRGIL-109	1000.00 DM		Bookkeeper
11. AEVIRGIL-132	1300.00 DM	- 1550.00 DM	Editor - AEVIRGIL-75
12.	250.00 DM		Part-time Secretary for Radio
13. AEVIRGIL-135	400.00 DM		Writer-Translator
14.	320.00 DM		Putzfrau
15. AEVIRGIL-46	1100.00 DM	- 1250.00 DM	Chief - Radio
16. AEVIRGIL-34	350.00 DM		Janitor
17. AEVIRGIL-110	1000.00 DM		Chief Printer
18. AEVIRGIL-5	1200.00 DM	- 1350.00 DM	Chief Mail Section
19. AEVIRGIL-6	1400.00 DM	- 1800.00 DM	President

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Monthly Wages (Cont'd)

	<u>White</u>	<u>Incl. Black</u>	
20. AEVIRGIL-20	600.00 DM		Secretary
21. AEVIRGIL-108	900.00 DM		(on way out)
22. AEVIRGIL-138	450.00 DM		Telephone Operator
23. <i>Mrs. Phuong</i>	400.00 DM		Part-time Secretary <i>(on way out)</i>
24. AEVIRGIL-10	660.00 DM		Proof Reader
25. AEVIRGIL-7	1300.00 DM - 1700.00 DM		Editor AEVIRGIL-70
26. AEVIRGIL-37	550.00 DM		(on way out)
27. AEVIRGIL-129	900.00 DM	<i>out as of 31 Dec 62</i>	German editor AEVIRGIL-74
28. AEVIRGIL-	500.00 DM	<i>out as of 31 June 1962</i>	Varitype editor-AEVIRGIL-74
29. AEVIRGIL-32	660.00 DM		Assistant to AEVIRGIL-7
30.	350.00 DM		Watchman <i>(being let go as of 1 June 1962)</i>
31. AEVIRGIL-115	1100.00 DM - 1250.00 DM		Chief Operations
32. AEVIRGIL-111	750.00 DM		(on way out)
33. AEVIRGIL-131	400.00 DM		Part-time Secretary
34. AEVIRGIL-130	500.00 DM		Printer
35.	350.00 DM		Watchman <i>(being let go as of 1 June 1962)</i>

Note: There are approximately seven members of foreign chapters who receive regular stipends in addition to the above list.

45. There are undoubtedly some unproductive people on the payroll, at least two of whom, according to AEVIRGIL-109 are charity cases. These are AEVIRGIL-10 who receives \$165 per month as a proof reader but is an old man who hasn't actually worked for a long while, and the widow of AEVIRGIL-124 who receives \$100 per month as a part-time secretary, but who actually does not qualify for the job and who has been too sick to work for several months. AEVIRGIL-109 is himself in a rather weak position as his wife is on the payroll performing as cashier at \$137 per month, while he receives \$250 as bookkeeper. It is believed that one person could perform these two jobs unless the object in keeping them separate is to provide embezzlement protection, and a husband-wife team hardly qualifies as such a protective feature.

46. Four individuals have already been given notice of termination, including: AEVIRGIL-37 at \$137 per month; AEVIRGIL-108 at \$225 per month; AEVIRGIL-111 at \$187 per month, and AEVIRGIL-110 at about \$125 per month. Others will probably have to go: AEVIRGIL-5 at \$337 per month is almost a sure choice; AEVIRGIL-129, the German editor of AEVIRGIL-74 at \$225 per month, and AEVIRGIL-32's wife, the varitype editor of AEVIRGIL-74 at \$125 per month are candidates. Further suggestions for a payroll cutback have been requested from the group.

47. Organizational Cost: These include the major expenditures of inspection and recruiting junkets, such as the mass expedition to Paris for AEPIQUE. About \$10,000 was spent during six months, of which about \$2,000 was for advertisements and printed material. The all-expense trip to Paris of nine people for one month seems in retrospect, and considering the rewards to KUBARK, to have been something of a boondoggle, or at best an unnecessary concentration of AEVIRGIL assets. But considering the temper of the times and particularly the great pressure that was on the group to produce agents, the effort can be rationalized. AEVIRGIL-109, the bookkeeper who usually takes a very skeptical view of financial outlays, has alleged that the expenses of the nine persons in Paris were probably about 40% in excess of what they would have been if the money had come out of their own pockets. We suspect that his implications, if not his calculations, are correct. On the other hand, a certain amount of "living it up" is almost always associated

with the convention atmosphere of a fair or exposition; this is especially observable among businessmen who are on an expense account and attempting to impress prospective customers. The AEVIRGILITES fell into an analogous category and we therefore conclude that their total expenditure of \$22 per person per day for the entire Paris operation was reasonable. On future such trips, however, the per diem allowance should be precisely stipulated and clearly separated from local transportation and organizational costs.

48. Rents: The group is headquartered in a pretentious villa in Munich, the expenses of which averaged about \$1,500 per month for six months under review. There is general agreement that less pretentious office space would adequately serve the needs of the group and might even be more in keeping with its cover. However, Munich landlords are traditionally, and understandably wary of taking emigre groups as tenants because of the constant harrassment to which such groups are subjected by violent opposition elements, and it is therefore certain to be very difficult to find suitable new quarters. A safehouse is maintained for meetings between the group leaders and KUBARK personnel, for which \$100 per month of "black" money is spent out of the project's allotment. Considering the amount of use given this safehouse, it is believed to be somewhat more expensive than warranted. A smaller apartment would suffice for the present frequency and type of usage.

49. Travel Costs: The total expenditure for travel for six months was approximately \$3,000. About 15 people participated in this travel, making the average outlay per traveller per month circa \$33, certainly a figure in which there is little room for fraud. The largest single consumer of travel money was an individual who got about \$600 for organizational trips to Switzerland. In view of the tight budget prevailing at the time and the lack of accomplishment by him, it is believed that his expenses should have been halved, if not limited to the first payment that he received in July of \$205. Another important item which is carried as a travel cost on AEVIRGIL books, but which is not considered in the figures above is \$830 for six months paid to AEVIRGIL-106, the representative in Spain for per diem. Since both he and his wife are permanently employed there at a combined salary of \$260 per month, the practice of paying him another \$140 per month per diem should be clearly justified by the group, particularly in view of generally lower living costs in Spain.

50. Honoraries: These are fees for services rendered, usually writers fees. A total of eighty-six persons and three companies received an aggregate of just over \$10,000 for the six months. This is an average of roughly \$18 per person per month. Thirty of the people receiving this money are scattered in ten countries other than Germany. The largest account is that of a writer of scripts and articles who received \$839 over the six months for a variety of works. The smallest amount went to a Belgium national who received \$2.50. The radio operation is the heaviest user of honoraries; their scripts cost almost \$5,000 for six months, or one-half of the total expenditure. AEVIRGIL-74, which will be eliminated, paid out \$1,000 in honoraries.

51. The question of salaried members who accept honoraries in addition to their salary was reviewed. There were five such cases: AEVIRGIL-116 who receives \$150 per month as a secretary was paid an additional \$50 in July for recording radio scripts. She is said to have an extraordinarily fine voice which is saleable. The nightwatchman, who normally receives \$87 per month was paid an extra \$25 in December for extra work on AEVIRGIL-74. AEVIRGIL-32 who normally gets \$165 per month as Assistant Editor of AEVIRGIL-70 received an extra \$25 in July and \$50 in September ostensibly for the writing of brochures, but actually as an unofficial pay raise. AEVIRGIL-3, who normally receives \$350 per month got a \$150 payment in July from AEVIRGIL-74. He was in Berlin at the time and his salary had been temporarily interrupted, although he continued to produce material. The putzfrau who normally gets \$80 per month got an extra \$15 in August, \$22 in September and \$15 in October. These amounts were said to be in payment for work done by her daughter. The above five cases are the only ones

that are evident from the records. We are informed, however, that there may be others. AEVIRGIL-109 reported that AEVIRGIL-32 had received an unofficial pay raise in July of \$25 per month which, except for the amounts noted above, has been buried in the honoraries account. He further stated that other honoraries have been given out occasionally to salaried members under assumed names. The details on this practice are to be procured. Based on our present information, however, it appears that the payment of honoraries to salaried members has not gotten out of hand, but that the practice should be carefully audited in order to avoid abuse. If any pseudonyms are to be used by the members of the group for any purpose whatsoever, especially the receipt of project funds, they should be recorded in our files.

52. Witting Personnel Associated with Bookkeeping Section:

- a. Name: AEVIRGIL-109
- b. DPOB: 12 February 1909; Riga, Latvia
- c. Documentation: Became German citizen in 1940; released from Latvian citizenship.
- d. Education: University of Latvia, Master of Natural Sciences in Zoology; Pedagogical Institute in Riga. Background as teacher.
- e. Marital Status: Married a Russian in 1938; she now has German citizenship too.
- f. Route to West: Subject moved to Posen in 1939 and fled westward to Munich from there in 1945, to avoid Soviet takeover.
- g. When and By Whom Recruited: Was a personal acquaintance of AEVIRGIL-39; contacted by AEVIRGIL-5 in January 1957 and hired soon after.
- h. Duties: Bookkeeper.
- i. Professional Competence and Performance: Subject, although not a professional bookkeeper, has learned his job well. He is efficient, accurate and critical of loose methods. He feels that AEVIRGIL would be a better organization if it were operated more along commercial lines.
- j. Character and Personality: Subject was a Nazi (lightest degree) and an officer in the Waffen SS. He is extremely friendly and cooperative with Americans, but he looks down on Russians and is probably anti-Semitic. He likes to talk and he is ever ready to discourse at length about the lax practices in the AEVIRGIL project. AEVIRGIL-6 has complained that he is too nosy and sticks his nose in other peoples business. He gives the impression of being a sincere, honest, intelligent individual.
- k. Security Background: His background is uncomplicated and he had a clean LCFLUTTER in March 1958.
- l. Remuneration from all Sources: His gross salary is DM 1000 and his wife, who also works for the project, earns DM 550.
- m. Employability Outside the Project: He could probably find employment as a teacher or bookkeeper, but at a much lower salary than the combined gross of him and his wife.
- n. Recommendations re Suitability: It appears that Subject has just the kind of an eagle eye that is needed to watch this project. He should be further developed as a source of "inside" information on expenditures.



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53. Recommendations on Finances: The budget cutback to \$139,000 for FY 63 is thought to have been a sound move but it will have major effects on the project. To pare down to that figure is going to be the biggest job of the project management for the next few months. It will require a rather rapid cutback of payroll and to a lesser extent of activities. The size of the task is best illustrated by the magnitude of the cut necessary between the first six months of FY 62 and the like period in FY 63, a cut of almost 60%. The actual expenditure figure was [ ] 0 for the first half of FY 62 and the projected outlay is [ ] for the same period in FY 63.

54. It is recommended that a further budget reduction, e.g. to the oft proposed [ ] figure, be delayed pending a careful assessment of the effects of this last one. It would be uneconomic to reduce costs to the point where the propaganda produced is ineffective or cannot be distributed. The author's fee per page have already been reduced and as a result we are warned of a deterioration in the level and amounts of material being submitted. If this trend is confirmed, we might be forced to up the author's pay again, and a lower budget simply would not permit that.

55. Perhaps most important of our conclusions is that a careful and professional examination must be made of the accounting methods of this project. While the present reviewers were rather favorably impressed with some aspects of the project's bookkeeping, it was found impossible to base reasonably accurate cost accounting on them and there were found areas where the practices were looser than warranted by the nature of the project. Particularly slack was the handling of income which the project has from various sources other than KUBARK, such as amounts paid for magazines and for surplus hardware. A study should be made of these practices from an accountant's viewpoint and recommendations submitted for their improvement.

[ ]