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SUBJECT CATARSI/CABATON/Operations CABATON Progress Report (1 October-31 December 62)	NO. PAGES - CHECKED CARRIED FOR INDEXING NO INDEXING REQUIRED XX	
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EGPA-38084, 10 October 1962

SUMMARY:

During the period 1 October - 31 December, seven additional live-letter drops were recruited, they are CABATONS 97, 98, 99, 100, 101, 102 and 103. These Agents are now being tested and will be proposed for operational use when and if they prove reliable. During this same period CABATONS 1a, 9, 32, 33, 39, 56, 59, 60, 64, 65, 67, 73, 83, 85 and 93 were, for various reasons, terminated. As of 31 December 1962 there are available 47 active CABATON assets. During the reporting period a new procedure has been instituted whereby operational mail from the LLD to the case officer is received by FOB military cover units through the German Post Office system and the APO. This system has been thoroughly tested and found to be secure and reliable. This use of the APO is also cutting down the amount of staff officer time required to assemble and forward operational mail at FOB.

STATUS OF AGENTS:

CABATON-1a: This agent was terminated by [] on 24 October 1962. Agent Service Record has been submitted. (See EGPA-38188, 2 November 1962) Despite her termination, subject has agreed to forward any operational mail which might arrive.

CABATON-5: Subject, who is receiving mail from HILMORHOR, DIEBACH, CARLI-1, CARET and CAROL, has been met four times by [] and has received three pieces of operational mail. Since this agent lives in the Frankfurt area, Agent meetings are set by having the case officer call the Agent or the Agent can also call the case officer if operational mail has been received.

CABATON-9: This Agent is terminated and will not be reported upon again.

CABATON-21: Agent remains the channel to two unwitting LLDs, CABATONS 91 and 92, and has been met five times during the reporting period by his case officer. [] This Agent is assigned to EOB as an LLD and has received four letters from CAVILLA. Mail from this agent to his case officer is now transmitted through the Army Postal Service to the Opinion Research Group military cover address instead of through a German post office box as had previously been the case.

CABATON-25: During the reporting period Agent was met four times by his case officer [] Agent has been assigned to receive mail from DIKING and [] and has received four operational letters. A cable (PARI 4522) reporting that [] may have been doubled, caused a security review to be made of all past CABATON-25 activities. This security review has brought us to the conclusion that CABATON-25 has been overused and when his current [] assignment is completed he probably will not be reassigned.

CABATON-26: On 19 November 1962 FOB once again assumed responsibility for CABATON-26. The turn-over was made in Stuttgart with []

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taking over as case officer from [redacted] of the Stuttgart Operations Group. [redacted] met this agent twice during the reporting period and at the second meeting gave the agent the address of the Opinion Research Group to which he would forward the operational mail instead of to the Central Post Office Box previously used. During this period the agent received the operational letters from CASPUR-2.

CABATON-27: During the reporting period this agent was terminated by [redacted] and an Agent Service Record was forwarded to Headquarters in EGPA-38776, 2 February 1963.

CABATON-29: This agent was not met during the reporting period. Agent is being kept for the safehouse he has rented on behalf of the FOB/CE section. All expenses of this apartment are borne by FOB/CE. He is paid by postal money order to his personal checking account. No operational mail has been received by this agent during the reporting period but he continues to be assigned to Berlin Base agent CATHYROID-1. Agent's true name was used in acquiring a Post Office Box in the Frankfurt area which is still in use but will be cancelled in March 1963.

CABATON-32: Subject was terminated by [redacted] on 8 October 1962. She was terminated because her move from Worms to Bad Godesberg made her unsuitable as an LID for mail from the DDR. Subject signed a Quit Claim and a Secrecy Agreement. An Agent Service Record was transmitted to Headquarters in EGPA-38171, 19 October 1962. Termination was accomplished in a friendly fashion and, since Subject had served as an LID since 1959, she was given two months' salary as a termination bonus. Subject had been assigned as an LID for the Berlin based operation, CAGAVEL-2, and operational mail from this agent will henceforth be going to CABATON-74. CABATON-32 had also been offered to Berlin for use of CATHYROID-3 but was never activated. With the termination of CABATON-32, the unwitting LID recruited by her, CABATON-67, may also be considered terminated (see below). No further contact is expected with CABATON-32 although she offered to undertake any additional assignments within her capability.

CABATON-33: Stuttgart Operations Group was queried regarding agent and they stated they have not recontacted this agent and do not plan to recontact him in the future. FOB's last contact with agent was on a "don't call us, we'll call you" basis, since Subject was leaving Germany to study in England. Subject has returned to Germany but we have no plans to recontact him. Although there will be no formal termination of this agent, he is no longer an asset and will not be reported upon again (see EGPA-38661, 10 January 1962).

CABATON-35: This agent was met by [redacted] of US on 14 December 1962 at CABATON-35's residence in Heidelberg. Agent has received no mail during the reporting period but continues to be assigned as a standby accommodation address for two [redacted] principle agents of the [redacted] Project.

CABATON-37 & CABATON-37A: Agents continue to run, as an unwitting LID, CABATON-64 (see reporting below). During the reporting period, Subjects received no mail but acted as a transmission channel for one letter from CABATON-64. Agents have, however, been given the additional assignment as a telephone out-out from CADASTRE to FOB vice CABATON-29 and have transmitted one message. Agents have been given a series of code words that will be used by CADASTRE so that they will be in a position to more readily recognize the message when it comes. Subjects continue to act as a stand-by address for two agents of the [redacted] but no mail has been received from this source during the reporting period. Also during the reporting period, Subjects continue to handwrite letters for the HICLAPMY operation and have now been given the additional task of typing, but not addressing, a series of 100 test letters to be used by the CABATON operation in operationally testing new agents. During the reporting period agents were met five times by [redacted]

CABATON-38: Agents job in the Uelzen refugee camp has come to an end but he has found another with the Bundesdienststelle fuer die Anerkennung auslands Fluechtlinge in Zirndorf/Thurnberg. Agent will be doing the same job.

of work but will be dealing more with refugees from the Eastern countries than heretofore. Some contact will be maintained with this Agent at least until it can be determined if his new position contains any duties of interest to other elements of KUBARK.

He will also temporarily maintain his two remaining active but unwitting LID's, CABATON-43 and 57. Agent still believes his entire stable of six unwitting LIDs, CABATONS-41, 42, 43, 48, 57 and 59, are still carried as active agents but we have cut his travel funds to the point where he can only visit CABATONS-43 and 57. It remains our intention to terminate CABATON-38 and the remainder of his unwitting LIDs just as soon as both active unwitting members can have their mail transmitted to other addresses. (See appropriate paragraphs below concerning details of operational assignments.) Agent was met once during the reporting period by his case officer, who will temporarily retain contact. CABATON-38's two active unwitting LIDs have transmitted nine operational letters to FOB during the reporting period.

CABATON-39: This asset was terminated by [redacted] on 17 October 1962 because of the CAERG compromise outlined in EGPA-66876, 5 January 1961 and the cancellation of his assignment to the [redacted] case. Agent Service Record was transmitted in EGPA-38171, 19 October 1962. Additionally FOB now has sufficient assets to enable us to dispense with the services of an LID who is restricted to receiving only non- bloc mail. Agent had the additional duty of serving as a telephone cut-out between CADASTRE and FOB but this function has now been successfully transferred to CABATON-37 and 37A.

CABATON-41: This agent is now considered terminated and will not be reported upon again. Agent has been an unwitting agent of CABATON-38 and, while CABATON-38 is not aware of her termination, we do not plan to make any further operational use of her. Since Agent was never in contact with a staff officer and was never made witting of PEPRIME interest, there will be no Agent Service Record transmitted.

CABATON-42: Agent is to be considered terminated and will not be reported upon again. Subject is another of CABATON-38's unwitting LIDs who have been in effect terminated without his knowledge. This Agent's last operational assignment was the BOB CASHAG operation. CASHAG has not reported to FOB for almost two years and is considered a lost Agent. However, if CASHAG should by some chance write, his mail will be forwarded through CABATON-43. Additionally, CABATON-42's address was given to CALERIA-17 who has since been identified as an MFS controlled double agent. Since this Agent has never met a KUBARK staff officer and has never been witting of PEPRIME interest in any form, an Agent Service Record will not be transmitted.

CABATON-43: This Agent is one of the two remaining active unwitting LIDs still being run by CABATON-38. Subject is met and run by CABATON-38 only and has not met a KUBARK case officer nor is he aware of PEPRIME interest. Subject believes he is receiving mail from the DDR as a personal favor for CABATON-38, who is a DDR refugee. This Agent has been assigned to the CAMU-1 operation being run by BOB, and has received six pieces of operational mail from this inside agent. In this particular case, the operational mail from the DDR agent is mailed to CABATON-43, who gives it to CABATON-38, who in turn mails it to an FOB-maintained post office box in the Frankfurt area. After this piece of mail is picked up by an FOB staff officer, it is again remailed, this time through the Army Postal Service via Registered Air Mail, to the BOB case officer. Needless to say, this procedure is cumbersome and time-consuming both in case officer time and time required for BOB to receive operational mail from their agent. This procedure was instituted during time of operational emergency but it is now our intention to terminate such time-consuming and relatively inefficient agents as soon as more viable assets can be recruited. This agent will be continued until February 1963 when we plan to transfer the CAMU-1 operational mail to another, and this time with LID.

CABATON-44: This Agent is still being run by Heidelberg Base but copies of contact reports are forwarded to FOB so that we are informed of the progress of this Agent and, in turn, are able to report upon his activities to Headquarters. Agent is being run by [redacted] of UIO who has met Agent once during the reporting period. Although this Agent is met by a UIO officer, operational mail is forwarded to an FOB post box where it is picked up and forwarded to BOB via Army Postal Service registered air mail. During the reporting period this Agent has received ten pieces of operational mail, making him one of our most active CABATON agents. Despite the heavy volume of mail received by this agent, he is one of the very few CABATON agents who are not paid for their services.

CABATON-47: This Agent has transmitted three operational letters from CATHMP during the reporting period which were picked up at an SOB German post office box and sent to Berlin via Army Postal Service registered air mail. Agent was not met during the reporting period.

CABATON-50: Agent has not been met during the reporting period and has transmitted no operational mail. RGFW-14559, 7 November 1962 informed FOB that AENBON-25, who had been using Agent as an ILD, is considered blown to the KGB. Agent will not be used for any other operation and will be terminated as soon as possible. Since Agent has moved from the place of residence at which she had been receiving operational mail from AENBON-25 and the mail will only be forwarded to her new address for a six months period (which has now ended), there is very little chance of Agent receiving any additional mail from AENBON-25, even if the KGB should choose to continue this play.

CABATON-56: There is no activity to report on this Agent during the reporting period. Agent was terminated in January 1963 and full termination report and Agent Service Record has been transmitted in EGFA-38664, 17 January 1963. Agent is no longer to be considered an asset and will no longer be reported upon in CABATON progress reports.

CABATON-57: Agent is the second of the two remaining active unwitting ILDs run by CABATON-38. Agent has not been met by a KUBARK case officer and is unwitting of PEPRIME interest in his reception of mail from the DDR on behalf of CABATON-38. We plan to drop this agent, along with CABATON-43 in February 1963. Agent believes he is receiving mail as a personal favor for CABATON-38. During the reporting period Agent has received one operational letter from CADEFIANT.

CABATON-59: There is no operational activity to report concerning this Agent. Agent has never met a KUBARK case officer and is not witting of PEPRIME interest in his proposed operational use as an ILD. Therefore no Agent Service Record will be submitted to Headquarters. Actually Agent has never received any operational mail and was given no assignment. Agent is no longer to be considered as an asset of the CABATON Project and will not be reported upon again.

CABATON-60: This Agent was terminated by [redacted] on 17 August 1962 and Agent Service Record submitted in EGFA-36107, 25 October 1962.

CABATON-61: It remains our intention to terminate this Agent just as soon as we are able to re-contact her. Agent still receives no operational mail and no further operational use is contemplated. Agent Service Record and Quit Claim will be submitted as soon as she has been terminated.

CABATON-64: This asset is an unwitting LLD run through CABATON-37 and has been assigned to the BOB agent CATHYROID-2. Agent is unwitting of PEPRIME interest in the mail for CABATON-37 and has never met a KUBARK case officer. In line with our stated objective of terminating unwitting LLDs, we intend to terminate CABATON-64 as soon as a replacement acceptable to BOB can be found.

CABATON-65: Agent was terminated on 26 October 1962 by [] Agent Service Record was transmitted to Headquarters in EOWA-38190, 8 November 1962. Subject was terminated due to a possible conflict of interest between his classified job with the Bundesverweidigung and his work for KUBARK as an LLD. Since Agent was the only link to the unwitting LLD, CABATON-73, (not CABATON-83 as reported in EOWA-38084, 10 October 1962) it was necessary to terminate CABATON-73 as well. Agent had never received operational mail or been tested as an LLD. (see below)

CABATON-66: This Agent has been returned to the operational control of FOE, and [] is his present case officer. [] took over the agent from [] in a meeting in Pforzheim on 19 November 1962. The transfer took place with no problems, and [] met CABATON-66 again on 19 December 1962. During the reporting period agent received four operational letters from CASAFY-27, which were sent to Berlin via Army Postal Service registered air mail.

CABATON-67: This Agent has been terminated with the final termination of CABATON-32 effective 8 October 1962 (see above). CABATON-67 was never assigned any operational tasks, was never made witting of PEPRIME interest and has never met a KUBARK case officer. For the above reasons, no Agent Service Record will be sent to Headquarters.

CABATON-68: Subject was met three times during the reporting period by his case officer, [] and has received three pieces of operational mail from Berlin Base Agent, CANALIZE-16. Agent also serves as a witting LLD for a second Berlin Base Agent, CAARGUS-14.

CABATON-69: Subject is an unwitting LLD handled by DIVOP-8. She is not presently assigned to any operational duties.

CABATON-70: Subject is also an unwitting LLD handled by DIVOP-8. Subject had been assigned to Berlin Base to act as an unwitting LLD for the CAARGUS-22 operation, but this assignment was cancelled on 9 August 1962 and agent is not now assigned to any operation.

CABATON-71: Agent was met four times during the quarter by his case officer, [] CABATON-71 has been assigned to act as a witting LLD for Berlin Base Agent, CAVALET-2, and has received one operational letter from this source.

CABATON-72: This agent has been assigned to serve as an LLD for the Berlin Base agent, CAARGUS-5 and has received one operational letter from this source. Agent has also been sent one test letter from Baden-Baden which arrived in good time. Subject is handled by [] who met him six times during the reporting period.

CABATON-73: Subject was an unwitting LLD of CABATON-65 and effective the date of CABATON-65's termination, 26 October 1962, CABATON-73 is also to be considered terminated. Since Subject had never been in contact with a KUBARK case officer and was not aware of PEPRIME interest, no Agent Service Record will be submitted to Headquarters.

CABATON-74: Agent serves as an LLD for CAQAVEL-2 who is run by Berlin Base. During the reporting period Agent has received four operational letters from CAQAVEL-2 and has been met by his case officer, [] three times.

CABATON-75: This Agent has been assigned as an LLD for CACOXY-3, who is being run by Berlin Base. During the reporting period Agent has received two operational letters from CACOXY-3 and has been met twice by his case officer, [redacted].

CABATON-77: CABATON-77 is acting as a witting LLD for CAMAGK-1, who is an Agent of Berlin Base, and has received eight operational letters from this agent. He was met once by his case officer, [redacted] and will be transferred to [redacted] in the near future.

CABATON-78: During the reporting period this agent has been met five times by his case officer, [redacted], and has transmitted four operational letters from CAFIB-1, who is an asset of Berlin Base.

CABATON-79: Agent was met once during the reporting period by his case officer, [redacted] and has received four operational letters from CAGAVEL-9, an agent of Berlin Base. Agent will be transferred from [redacted] to [redacted] in the near future.

CABATON-80: Berlin Base has reported that the address of CABATON-80 was never given to CAARGUS-23 due to the failure of the recruitment pitch. Instead, this agent has now been assigned by Berlin Base to CAMUG-1. Subject was met once during the reporting period by his case officer, [redacted] and has received one test letter from West Berlin. This agent is now sending his mail through the Army Postal Service to an FOB military cover address, Opinion Research Group, APO 757. This agent will be transferred from [redacted] to [redacted] in the near future.

CABATON-81: On 15 November 1962 agent was taken over by [redacted] from [redacted]. Agent was offered to Berlin Base as an LLD and has received one test letter from West Berlin. This letter arrived in good time but additional test letters will be required before agent will be used operationally.

CABATON-82: This agent was turned over to [redacted] by [redacted] on 14 October 1962. No letters were received by this agent during this quarter.

CABATON-83: CABATON-83 was terminated on 3 December 1962 by [redacted]. Report of termination and Agent Service Record were submitted to Headquarters in EGPA-38588, 6 December 1962.

CABATON-84: This agent was turned over to [redacted] by [redacted] on 1 November 1962 at agent's home in Kassel. [redacted] revisited agent on 5 November to discuss with agent the results of the agent's attempts to recover a wrongly addressed letter from CATHYROID-6. The letter in question was not located. Agent has been instructed to forward operational mail to FOB's new military cover address, The Opinion Research Group. During the reporting period, agent received one other letter which was passed to Berlin Base via Army Postal Service registered air mail.

CABATON-85: This agent has been terminated and POA cancelled in EGPA-39551, 26 December 1962.

CABATON-86: This agent has been recruited as an unpaid, unwitting LLD by DIVOR/8. Subject is not witting of PEPRIME involvement in the receipt of mail and has agreed to receive mail as a personal favor for DIVOR/8. Subject is not met by any member of FOB and is not presently assigned to any operation.

CABATON-87: This agent was met once during the reporting period by his case officer, [redacted]. During this meeting the agent was instructed to send future operational mail to the Opinion Research Group and cover address in place of the German post office box he had been using. One test letter was received by the agent from West Berlin. Agent will be transferred from [redacted] to [redacted] in the near future.

CABATON-88: Agent continues to be assigned to BERKOPF but has received no operational mail. During the reporting period this agent was turned over to [redacted] by [redacted]. In all, this agent was met twice by [redacted].

the reporting period.

CABATON-89: This agent was turned over to [] by [] on 15 November 1962 at Agent's home in Fulda. Berlin Base has assigned agent to act as an LLD for CASPUR-3 but no operational mail has been received. Agent has been instructed to henceforth forward his operational mail to the Opinion Research Group military cover addresses.

CABATON-90: CABATON-90 was turned over to [] by [] on 4 December 1962. During this quarter two pieces of operational mail have been received by the agent from DIRECTAR and forwarded to FOB through the Opinion Research Group military cover address.

CABATON-91: This agent is an unwitting LLD recruited by CABATON-21 and is not aware of the PEPRIME intelligence connections of CABATON-21. Subject has never met a KUBARK case officer and will not be made witting of PEPRIME interest in this matter. During this quarter CABATON-91 has been given two separate short-term operational LLD assignments but no operational mail was received.

CABATON-92: This agent is also a personal friend of CABATON-21 and is willing to receive mail for him as a personal favor. Subject is not aware of the PEPRIME intelligence connections of CABATON-21 and has never met a KUBARK case officer. He has not yet been given an active assignment as an unwitting LLD.

CABATON-95: This agent has been extensively tested through the use of booby-trapped letters and is now using a new post box. Subject will shortly be instructed to begin using the military cover address of the Opinion Research Group, thereby circumventing the use of German postoffice boxes completely. Subject was met twice during the reporting period. In the second of these meetings [] turned this agent over to [] Agents address has been given to Berlin Base for use in an operation currently under development.

CABATON-96: Subject has been assigned to serve as an LLD for CATAGGER, who is run by Berlin Base, and has received one test letter from West Berlin. Subject was met once during the reporting period by his present case officer, [] but will be shortly transferred to [] PRQ Part I and Memo of Oral Agreement on CABATON-96 have been transmitted to Headquarters in EGFA-38153, 18 October 1962.

CABATON-97: Subject was recruited as a witting LLD on 7 September 1962 by [] and has been identified in EGFA-37925, 9 October 1962. CABATON-97 has been operationally tested by mailings from within the Federal Republic and has been offered to Berlin Base for operational use. Agent was turned over to [] on 14 November 1962 by []

CABATON-98: CABATON-98 was recruited by [] on 12 October 1962. PRQ Part I and a Memo of Oral Agreement on Subject was submitted to Headquarters in EGFA-38642, 10 January 1963. She is presently being operationally tested and will be proposed for operational use when testing is completed. Agent has been met twice during the reporting period by []

CABATON-99: This agent was formerly CATRAVEL-2. Request for change of POA for use as a witting LLD was transmitted to Headquarters in FROB 3509. Subject was taken over from [] by [] during an operational meeting at Rhein Main airport on 16 November 1962. Subject is being operationally tested through the use of booby-trapped letters. Full PRQ Part I and PRQ Part II are presently in preparation.

CABATON-100: Subject was recruited as a witting LLD by [] at his home in Kassel on 14 November 1962. Agent was first interviewed by [] on 23 May 1962 under the cover of conducting a part-time employment survey for the U.S. Army personnel section. Agent is being operationally tested through the use of booby-trapped letters and will be proposed for operational use when testing is completed. Subject has been identified in FROB 2221 and a full PRQ Part I is in preparation. POA was granted in DIR 2212.

CABATON-101: Subject is the first recruitment under the CABATON program of developing PEPRIME citizens residing in the Federal Republic. Agent was first interviewed by [] on 1 November 1962 under the guise of searching for qualified persons to work for the U.S. Army. Final recruitment as a witting LLD was accomplished by [] on 14 December 1962 at agent's home and store in Wiesbaden. Agent has been identified in PROB 3433 and full PRQ Parts I and II are presently in preparation. POA was granted in DIR 4718.

CABATON-102: CABATON-102 was recruited as a witting LLD by [] at agent's home in Frankfurt on 18 December 1962. Subject was first interviewed by [] on 20 September 1962 under the guise of conducting a part-time employment survey for the U.S. Army. Subject was identified in PROB 3048 and full PRQ Part I is presently in preparation. POA was granted in DIR 48729.

CABATON-103: Subject was recruited as a witting LLD by [] at agent's home in Karlsruhe on 19 December 1962. Agent had been initially interviewed by [] under the guise of conducting a U.S. Army part-time employment survey. Subject accepted recruitment and is now being operationally tested through the use of booby-trapped letters. CABATON-103 has been identified in PROB 2222 and POA was granted in DIR 25403. Full PRQ Parts I and II and Memo of Oral Agreement are now in preparation.

AGENT PROSPECTS:

During the next quarter it is our intention to continue to develop leads in much the same fashion as in the past quarter. We will continue to recruit in two broad categories: A. German citizens living in areas which we believe to be of minimum interest to the opposition; B. PEPRIME citizens with German names who are residents of the Federal Republic of Germany.

A. We plan in the immediate future recruitment approaches to four German citizens for whom we presently have POAs. At the same time, we plan to submit for tracing and POA the names of several other prospects upon whom we have acquired biographic data and who we believe will make excellent choices as witting LLDs. Research has been continuing and various address books checked for people who may be of interest for LLD recruitment. Approximately one quarter of the Karlsruhe address book has been searched for the names of persons who are carried in the book as pensioned. This effort has netted us a list of forty-two names which will be checked out and approached for initial interviews as time permits and requirements for LLDs in the Karlsruhe area arise. Additionally, we are continuing to check newspaper advertisements in various areas of geographic interest for people who are asking for part-time work. During the past quarter we have sent seventeen questionnaires, representing ourselves as an unnamed PEPRIME government agency, to people looking for part-time work and have received six replies. Two of these may be valid CABATON leads.

B. We have been and will continue searching for qualified new leads among the PEPRIME citizens residing in the Federal Republic of Germany. One recruitment has been made, CABATON-101, from among this group. We have collected a large number of microfilms from the Frankfurt and Stuttgart ODACID files which gives us the names and addresses of these people. We will take likely leads from among these names as we require more witting LLDs in the Frankfurt area and as time allows. We have recently received a new group of microfilms, considerably larger than the first, covering PEPRIME citizens in the Munich ODACID area and we plan to screen these as needed. It would appear that within this group of expatriates we have quite a large group of possible CABATON leads, but we wish to develop these leads with discretion as we do not believe we can afford to invest too heavily in one type of CABATON asset.

OTHER MAIL FACILITIES:

During the past quarter we have not acquired any new post office boxes but we have more than made up for this through the creation of new and clean military cover units which are serviced by the Army Postal Service. The new procedure allows the LIDs to send their operational mail directly to the cover unit through the German Post Office and the APO. For this purpose we have created two new cover units, The Opinion Research Group, which we are now using for the receipt of mail from German LIDs, and The Sociological and Economic Reports Unit for mail from PEFRIME residents of The Federal Republic. Both of these units have had large amounts of test letters sent to them and have been found to be sufficiently reliable for operational use. All new agents are being transferred to this new system as quickly as operational meetings can be arranged. This system is serving a double purpose. Shortage of case officers has made it imperative that we find some simpler and less time-consuming method of collecting the operational mail at FOH and at the same time we have been forced to find some more secure ways to receive mail without the use of the German post office boxes which are becoming insecure through long use and are difficult to replace. As we switch to the use of military cover units and dispose of over-used postoffice boxes, we hope to be able to save a good part of the ten hours a week of case officer time now spent in collecting the operational mail from widely dispersed Frankfurt post office boxes.

SECURITY:

During this reporting period there have been no security problems. The security review done on CABATON-25 in relation to the [] operation reveals no security breaches on the part of CABATON-25 but does indicate he may have been over-used, and he will therefore not be assigned any additional missions.

OTHER MAIL FACILITIES:

In addition to the two new military cover units, we now have seventeen post office boxes which continue to be serviced upon a regular basis. During this reporting period we have closed down six over-used and compromised boxes and are planning to close down six more boxes during the coming quarter. We will continue to attempt to acquire new boxes.

FINANCES:

[] was expended during the reporting period. It is obvious that this figure is far below the amount estimated for the use of this project in any one quarter and the project renewal now in preparation will reflect a considerable decrease in the funds needed for CABATON for the coming year.

DEVELOPMENT AND PLANNING:

Now that a number of the marginal LIDs have been terminated and some of the more obvious possible security problems examined and corrected, the number of case officers assigned to the CABATON operation has once again been reduced to two. From time to time, additional case officers will be assigned on a part-time basis in order to assist in some of the more time-consuming research and canvassing operations required in the course of the development of new leads but, essentially, the day to day work of the administration and operational activities of the CABATON project will be in the hands of [] and []. Both of these officers will []

apportion their time between the maintenance of existing assets and the acquisition of new agents for the project. In the course of the next quarter, we hope to be able to continue to recruit at approximately the same rate as heretofore, balancing our efforts between the continued recruitment of German citizens and our new program of recruiting PEPRIME citizens residing in the Federal Republic.

CONC []

APPROVED: []

Distribution:

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