

DISPATCH		CLASSIFICATION SECRET	DISPATCH SYMBOL AND NO. E G M A-51365
TO INFO	Chief, EE COS/G		HEADQUARTERS FILE NO. 32W-6-94/1 FF SOS 1771/1
FROM	Chief of Base, Munich		DATE 30 September 1960
SUBJECT	CALL/CATARSI/Plans Request for Project Renewal		RE: "43-3" - (CHECK "X" ONE)
			<input type="checkbox"/> MARKED FOR INDEXING
			<input checked="" type="checkbox"/> NO INDEXING REQUIRED
ACTION REQUIRED	Renewal of project approval		INDEXING CAN BE JUDGED BY QUALIFIED HQ. DESK ONLY

REFERENCE(S)

Attached and under separate cover we are forwarding a request for the renewal of Identity-1 project for the period 1 November 1960 through 31 October 1961.

APPROVED: _____

Attachments:

- a. Cover sheet and pages 1 and 3h/w
- b. Pages 2 & 4 ~~us~~
- c. Identities **usc**

Distribution:

3-C/EE, w/3 cys Atts a,b,c, a/s (w/Ditto Masters) *S/c Enclosures 1,2,43*
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attached by BID/AN
20 Oct. 1960

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FORM 10-57 53 (40)	USE PREVIOUS EDITION. REPLACES FORMS 51-28, 51-28A AND 51-29 WHICH ARE OBSOLETE.	CLASSIFICATION SECRET	<input type="checkbox"/> CONTINUED	PAGE NO.
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ATTACHMENT TO EGMA-51365
ATTACHMENT A

PROJECT RENEWAL

CRYPTONYM: Identity-1 Proj. CAGENE^{RAL} FIELD CASE OFFICER []

STATION: MUNICH CHIEF OF BASE: []

The attached request for project renewal is presented for approval

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Encl To EGMA-51365

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Attachment A to EGMA-51365

PROJECT RENEWAL

A. Current Objectives:

As a clandestine communication support project Identity-1 CAGENERAL Project does not have specific RMD objectives and targets. However, we can comment on progress achieved in the fulfillment of the project discussed in paragraph 4a of last year's project renewal (EGMA-45154, 15 October 1959). At that time we envisioned certain changes in the composition of Identity-1 CAGENERAL Project assets. Thus, we hoped to increase the number of live addresses while decreasing the number of postboxes. We are pleased to report that we have achieved considerable success in this respect. At the beginning of the last project year Identity-1 Proj CAGENERAL was maintaining 21 postboxes. By switching operations from post boxes to newly acquired live drops, by consolidating our postbox holdings where operationally feasible, by eliminating boxes assigned to dead and unproductive operations, we have been able to reduce our postbox holdings to 14. On the other side of the ledger the shift in emphasis during the past year has seen Identity-1 Proj CAGENERAL expand its number of live addresses by the addition of 5 new agents and an agent candidate.

B. Changes:

1. As was stated in paragraph A Identity-1 Proj CAGENERAL has been able to relinquish 7 of its 21 postboxes. Although we may lose 2 or 3 more postboxes in the near future, it is unlikely that the total will fall below a dozen. There will always be a continuing need for postboxes to be used as cutouts between live addresses and Munich Sub-Base and for those operations whose caliber does not demand the utilization of a live address.

2. Identity-1 Proj CAGENERAL lost only one live address during the past project year. This was the termination of Identity-8 CAGENERAL-8 reported to Headquarters in EGMA-49532, 7 June 1960. However, we expect two more losses during the coming months. Headquarters has recently informed us that Projects AEBELINDA and AECEDAR, which were serviced by Identity-2 CAGENERAL-1 and 6 CAGENERAL-6 respectively, have been concluded because of security reasons. Therefore, we foresee the imminent termination of one or both of these agents unless we can salvage them for some other function -- an eventuality which seems unlikely in both cases.

3. The five new live addresses who were acquired during the past project year are Identities-11 CAGENERAL-11, 12 CAGENERAL-12, 13 CASTONE-13, 14 DIBILE-1, and 15 ~~CZERNOWSKI C-13~~. All of them have operational clearances with the exception of Identity-15 ~~CZERNOWSKI~~ whose clearance we expect momentarily. Identities-11 CAGENERAL-11 and 15 ~~CZERNOWSKI C-13~~ were casual acquaintances of [redacted] and were recruited by him personally after a suitable period of assessment. Identity-14 DIBILE-1, a dormant Munich Base agent, was recontacted and asked to serve as an accommodation address by DIWOO-5 who had worked with him in 1957. The acquisition of Identity-12 CAGENERAL-12 was effected through the intermediary of [redacted] who was in social contact with subject for a long time. [redacted] introduced [redacted] to Identity-12 CAGENERAL-12, and

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CAGENERAL-13

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[] in turn made the recruitment pitch. The circumstances of Identity-13's Castone 13 conversion from a CASTONE to Identity-1 Proj. C have already been related in EGMA-51091, dated 23 September 1960. Finally, Identity-16 SONTAG, an agent candidate for whom we have already secured a POA, will be approached upon his return from the United States where he is presently visiting an ailing father. Identity-16 SONTAG was assessed by Identity-5 C-5, and later introduced by Identity-5 C-5 to [] who has continued to maintain a loose contact with Identity-16 SONTAG.

C. Intelligence Production

No Intelligence product has been derived from this project, nor is it likely that any will be forthcoming in view of its purely support nature.

D. Effectiveness

1. During the past year Identity-1 Proj. C has been able to fulfill, satisfactorily and adequately, all of Munich Base's needs for either postboxes or live addresses. In addition, its facilities are currently being used in one form or another by Headquarters BOB, and the Austrian Station, with the latter having as many as five operations serviced by Identity-1 Proj. C.

2. If Identity-1 Proj. C has been deficient in any respect, it has been in its failure to maintain a large enough reserve of live addresses to meet the requirements of large-scale crash operations -- as in the recent ZRDANCE Program -- wherein a covey of live addresses are required on short notice. Even though we were able to supply ZRDANCE with a fully cleared and operative address in the person of Identity-14 DIBIKE-1, we are sure it would have been helpful to have many more on tap. However, this lack of a large reserve of live addresses on our part is only partially due to the difficulties involved in creating such a reserve. We are also rather reluctant to spend the money and manpower required to spot, clear, approve and maintain an idle group of, let us say, 10 live drops who do nothing for their retainer except to wait for the possible day when they might be asked to receive operational mail for us. Add to this the further serious problem which always attends the necessity of ultimately severing relations with these people, and the wisdom of establishing and maintaining a reserve of live addresses to meet unanticipated mass requirements becomes questionable. The answer to the problem of meeting such requirements seems rather to be found in having advance notice from customers outside the Base of their need for such large-scale requirements for live addresses. We believe we would have a good chance of fulfilling such needs if we had advance notice. Obviously, there are occasionally requirements of an unavoidable crash nature; but in many instances, as in the case of ZRDANCE, it is quite possible to foresee a likely need enough time in advance to enable timely recruitment to be effected.

E. Problems:

There were no problems of security, cover, and control during the last period worthy of comment.

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F. Liaison:

No liaison was conducted during the past period, nor do we foresee the need for any in the coming project year.

G. Interagency Coordination:

No coordination was effected.

H. Plans:

Operationally, we plan to achieve a continuation of the program recounted in paragraph A on current objectives. We will endeavor to improve our postbox holdings until we achieve the highest degree of security and efficiency we possibly can consistent with the accommodation address needs of Munich Sub-Base. In line with this principle, we will open new boxes whenever a new operation makes it necessary and we will also seek replacements for old boxes which have become insecure for a variety of reasons; disuse, overuse, compromise, etc. Needless to say, we will strive to recruit enough of a reserve of live addresses to enable us to satisfy a reasonable number of requirements levied on us from within and without Munich Sub-Base. At the present time we have two live addresses in reserve, namely, Identity-13 CASTONE-13 and 15 CZERNOWSKI C-13. We contemplate expanding this number to a working level of three to five live addresses. Assuming on the basis of last year's activity, that 5 new live addresses will be used during the coming period, it will be necessary, in order to maintain our reserve goal, to pick up about 8 new agents.

I. Costs:

1. For the Past Period:

The cost of Identity-1 Proj CAGENERAL for the period 1 November 1959 through 30 September 1960 was [] The project case officer, [] spent approximately 15 hours weekly on Identity-1 Project CAGENERAL activity, for an average of 60 hours per month.

2. For the Ensuing Period:

A few expenses should be explained before we outline the estimated expenditures for the period 1 November 1960 through 31 October 1961. The figure for Identity-2's CAGENERAL-1 salary will, in effect, comprehend his reimbursement through 31 December 1960, although we will actually pay him sometime during October an amount of money equal to three month's pay. We will describe this lump sum payment as a "termination bonus." The terms of settlement for Identity-2 CAGENERAL-1 were conveyed to Headquarters for approval in EGMA-51088, 22 September 1960. The complexity of a sudden settlement for Identity-6 CAGENERAL-6 based on our long standing obligation to him has been explained in EGMA-51089, dated 22 September 1960. Since his future is still nebulous we feel we should make provision for a full year's salary for him. We shall also include a generous termination bonus of 1,500 DM under the item "Bonuses and raises". In this way, we hope to assure

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ourselves of sufficient funds to discharge our obligation to Identity-6 C-6 regardless of what disposition is finally made of him. We may, indeed not use this much money in terminating Identity-6 C-6 but the terms of settlement are so vague at this time that we cannot make a better estimate. Lastly, the \$750 listed as a reserve for the recruitment of additional addresses was calculated on the basis of 8 new agents to be reimbursed at the maximum salary of 50 DM monthly for an average of about eight months during the current project year:

ESTIMATED COSTS

1. <u>COMPENSATION</u>		<u>PER ANNUM</u>	
Identity-2	(DM) C-1	\$	
Identity-3	(DM/MO) C-2		
Identity-4	(DM/MO) C-3		
Identity-5	(DM/MO) C-4		
Identity-6	(DM/MO) C-5		
Identity-7	(DM/MO) C-6		
Identity-9	(DM/MO) C-7		
Identity-10	(DM/MO) C-8		
Identity-11	(DM/MO) C-9		
Identity-12	(DM/MO) C-10		
Identity-13	(DM/MO) CASTONE-13		
Identity-14	(DM/MO) DOUBLE-1		
Identity-15	(DM/MO) C-13		
Identity-16	(DM/MO) SINTAG		
	TOTAL SALARIES		
2. Postbox rental (14 boxes @ \$3 yearly) ..			\$ 42.00
3. Bonuses and Raises		\$500.00	
4. Reserve for recruitment of additional addresses..		\$750.00	
5. Operational Expenses (Test correspondence, postage, subscriptions, transportation)		\$150.00	
	GRAND TOTAL.....		

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Attachment C to EGMA-51365

Identity-1		Project CAGENERAL	
Identity-2		CAGENERAL - 1	OA 17 Feb 56
Identity-3	—	CAGENERAL - 2	" 6 Jun 58
Identity-4		CAGENERAL - 4	" 21 May 59
Identity-5		CAGENERAL - 5	" 22 Jun 59
Identity-6		CAGENERAL - 6	" 13 Jun 55
Identity-7		CAGENERAL - 7	" 23 Sep 59
Identity-8	never had an OA	CAGENERAL - 8	POA 24 Aug 59 Term. Jul 60
Identity-9		CAGENERAL - 9	OA 12 Sep 56
Identity-10	{ 5 year problem -	CAGENERAL - 10	does not have OA.
Identity-11		CAGENERAL - 11	OA 14 Apr 60
Identity-12		CAGENERAL - 12	OA 25 Oct 60
Identity-13		CAGENERAL-14 CASTONE	OA 5 May 60 (amended 3 Oct 60)
Identity-14	combined [] from CZK, SR-Z, & RI files.	CAGENERAL-15 DISTRICT	
Identity-15		CAGENERAL-13 Subject of MUNI-1719	POA 11 Oct 60
Identity-16	(SANTAG) -	Subject of MUNI-0273	POA 27 Jul 60

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