

C/EUR

DISPATCH

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S E C R E T

PROCESSING ACTION

MARKED FOR INDEXING

Chief, European Division

XX

NO INDEXING REQUIRED

Chief of Station, Germany

MICROFILM

CALL REDCOAT CATOPHAT

Request for Renewal of CATOPHAT Project

Action Required: See paragraphs 1 and 2 below

Reference: EGNS 2778, 19 July 1967

1. We are forwarding by split transmission two copies of the CATOPHAT Project for which renewal is requested. Left side is forwarded herewith as Attachment 1. Right side will be forwarded under separate cover as Attachment 2.

2. This project renewal is forwarded for approval as stated. However, it is the Station's intention to expand operations directed against the FJSTEAL target in Germany. Consequently we foresee the necessity to request either amendments to this project at a subsequent date, or to submit a separate field project outline to cover the employment of a number of principal agents whose duty it will be to direct sub-agents against specific FJSTEAL targets.

[]

Attachments:

- ATT.#1 { 1. As Stated, H/W
- 2. As Stated, USC
- ATT.#2 3. Identity, USC

Distribution:
2 - C/EUR, w/atts

S/C ATT'D BY RI/AM
Dated 15 Sept. '67

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

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32W-6-168/1

GROUP I - EXCLUDED FROM AUTOMATIC DOWNGRADING AND DECLASSIFICATION.

2 ATTS.

CROSS REFERENCE TO	DISPATCH SYMBOL AND NUMBER	DATE
	EGNA 34903	SEP 6 1967 4 September 1967
	CLASSIFICATION	HQS FILE NUMBER
	S E C R E T	32W-6-168/8

S E C R E T

PROJECT RENEWAL REQUEST

CRYPTONYM CATOPHAT

FIELD CASE OFFICERS []

STATION GERMANY

CHIEF OF OPERATIONS []

THE ATTACHED PROJECT ACTION IS PRESENTED FOR APPROVAL.

FORWARDED BY SPLIT TRANSMISSION
NO FIELD DISSEMINATION

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s/c ATT. #1 TO EGNA-34903

32W-6-168/1

S E C R E T

CATOPHAT PROJECT GENERAL

1. IDENTIFICATION

CATOPHAT is the cryptonym assigned to the FJSTREAL Embassy located near Bonn, West Germany. Project CATOPHAT is an operation directed by the German Station against the personnel of the FJSTREAL Embassy. Approval is requested in the amount of [] for the period 1 October 1967 to 30 September 1968.

2. OBJECTIVES

a. Objective I of the German Station, as assigned by the current Mission Directive for Germany, is the "conduct of operations against the FJSTREAL presence in West Germany in order to collect political, economic, military and scientific and technical information on FJSTREAL." Objective III is to "identify and neutralize FJSTREAL...intelligence operations in West Germany. Unilaterally to penetrate the FJSTREAL... Service."

b. The primary objective of Project CATOPHAT is to develop operational situations leading to direct contact with target FJSTREAL Embassy personnel through controlled assets for the recruitment or defection of such target personnel. The controlled assets consist of cleared and recruited West German and WOLBY agents and witting contacts who are in direct natural access (business, social, neighborly) with target personnel. An auxiliary objective is to acquire counterintelligence information on the FJSTREAL Embassy and its personnel in order to monitor and, whenever possible, to neutralize FJSTREAL clandestine activity in West Germany. Sources of counterintelligence information include CAVATA, CATUSEK, the German Station unilateral surveillance team, double agents, and technical operations.

3. BACKGROUND

FJSTREAL penetration of CATUSEK, for ten years prior to 1962, in the person of UJDROWSKY, essentially nullified our previous efforts directed against the FJSTREAL Embassy which were undertaken jointly with CATUSEK. Since 1962, the German Station has continued to collect information on the FJSTREAL Embassy and its personnel and their activities from all possible sources but has placed priority emphasis on unilateral operations against selected FJSTREAL targets as appropriate.

a. During the past year, approximately ~~sixty-nine~~ ~~(69)~~ FJSTREALers (exclusive of dependents) were assigned PCS to the FJSTREAL Embassy; of this number, thirty-seven (37) are diplomatically accredited, forty-three (43) are simply carried as employees, and nine (9) are accredited to the FJSTREAL journalist press corps. In addition, about twenty-five (25) wives of FJSTREAL Embassy officials work full or part-time at the Embassy installations. It is the best estimate of the German Station that 69% of the PCS FJSTREAL Embassy complement are intelligence officers. This estimate is borne out by information received from both CATUSEK and CAVATA.

b. Basic counterintelligence coverage of FJSTREAL Embassy personnel is conducted by CAVATA, which over the years have provided the German Station with identities, photographs, residence addresses, local travel and license plate numbers of both privately registered and "official" vehicles. In addition, CAVATA provides the German Station with the results of the: (1) physical surveillance of FJSTREALers involved in CAVATA double agent operations, and (2) observation post coverage of the FJSTREAL Embassy. The Station's

excellent liaison relationship with CAVATA as a well-nigh indispensable aspect of operations against the FJSTEAL target and it is expected to continue as previously.

c. Telephone tap coverage of the FJSTEAL Embassy, which had been closed down after the arrest of UJEBOWSKY, was re-instituted by CATUSEK in April 1965 under the impetus of the German Station. This operation is controlled by CATUSEK which shares the product with the German Station, CAVATA, SMOTH and UNION. Coordinated in general with the Munich Liaison Base, the German Station liaison relationship with CATUSEK is good.

d. At the request of the German Station, SMOTH initiated telephone tap coverage of the FJSTEAL Trade Mission, Cologne, and the product is made available to the Station. Some insight into Trade Mission-Embassy relationships is afforded us by this coverage which is not available from the telephone taps on the Embassy lines alone. In this same general category of modestly useful information falls SMOTH telephone tap coverage of FJSTEAL shipping offices in Hamburg.

e. Telephone taps were also installed by SMOTH, at WOPACT request, on the residences of two Embassy officials. The product is shared with SMOTH. In addition, audio installations were placed in two residences of Embassy officers. The take of one installation is shared with CAVATA.

f. In response to German Station guidance, several LNPURE officials are cultivating and reporting on several members of the FJSTEAL Embassy with whom they are in contact.

g. The German Station surveillance team, under unilateral control, is used on a continuing basis to develop information on FJSTEAL Embassy personnel.

4. OPERATIONAL ASSETS

a. CATOPHAT/1. Operational Approval granted on 27 October 1965. Subject, a 57-year old West German citizen, is a retired staff officer of CAVATA with a long history of work against the FJSTEAL Embassy and FJSTEAL Trade Mission targets. His apartment is adjacent to that of a suspect KGB officer, IDENTITY/1 and Subject and his wife, CATOPHAT/2, act as LP keepers for an audio operation directed against IDENTITY/1's apartment. Subject and his wife have had additional personal contact with IDENTITY/1 and his family as neighbors and have also provided biographic and assessment data on IDENTITY/1 obtained from this personal contact. Subject also functions as a general support asset of the FJSTEAL branch of the German Station and is used to investigate leads derived from the telephone taps on the FJSTEAL Embassy. Contact is maintained with the agent by a branch officer (in alias) in regular meetings. Subject also has an operational telephone number for contacting his case officer as necessary. Subject agreed to work for WOPACT because it provided him an opportunity to continue working against the FJSTEAL target in West Germany and because the salary he receives supplements his CAVATA retirement income. It is anticipated that Subject will provide loyal service as long as the basic interests of West Germany and WOLADY coincide.

b. CATOPHAT/2. Operational Approval for Subject was granted in August 1966. Subject, the wife of CATOPHAT/1, is used as an LP keeper, as noted above, in the audio operation against IDENTITY/1. In addition, she observes and reports IDENTITY/1's arrivals and departures from the apartment.

c. CATOPHAT/3. Operational Approval granted December 1964. Subject, a 37-year old West German citizen, is the manager of an

apartment building owned by his father-in-law and, in his own right, is a partner in a wholesale plywood firm. Since at least 1956, the apartment building has been continually occupied by various members of the FJSTEAL Embassy, among them several known and suspect intelligence officers. Subject, who was formerly a support agent for CAVATH, was turned over to the German Station for unilateral handling in 1964. Subject provides useful operational information on the locations of given FJSTEALers and his wife, CATOPHAT/4, reports on their local comings and goings. His primary utility, however, is supporting future technical operations against FJSTEAL target personnel living in his apartment building. Subject is met regularly by a German Station case officer (in alias) under unspecified LNREAD cover. This agent accepts no remuneration and appears to cooperate with the Station out of ideological conviction. During the past year Subject has provided license plate numbers of non-Soviets visiting the building which have been checked out for possible contact with the visitors.

d. CATOPHAT/4. Operational Approval was granted in July 1963 for use of Subject. Subject is the wife of CATOPHAT/3 and through her husband reports on FJSTEAL personnel living in their apartment building. In effect, Subject is the actual source of a great deal of the information on the goings and comings of these FJSTEAL personnel since she is present at the apartment throughout the day. She is witting of her husband's contacts with a WOLADY organization interested in FJSTEAL Embassy personnel and cooperates willingly with her husband in gathering whatever information she can. In the past year Subject has had direct contact with the case officer in charge of this operation. Also, Subject is attempting to develop a social relationship with the wives of Soviet officials living in the building.

e. CATOPHAT/5. Operational Approval was granted in August 1963 for use of Subject, however, WOHUSE felt at that time that several points had not been completely resolved with reference to Subject's bona fides. The field, therefore, plans to schedule an SGSWIKL examination of Subject at an appropriate occasion in order to resolve the points in question, i.e., Subject's former Communist Party candidacy. Subject is a 41-year German citizen who is an employee of a quasi-government economic research/study center. Subject's political affiliations are with the German Social Democratic Party and he has been a past Bundestag candidate under their banner. Subject has contacts with several members of the FJSTEAL Embassy on whom he has provided personality, biographic and assessment information. The initial association with members of the FJSTEAL community goes back to the time when Subject was a one-time SPD candidate to the Bundestag. He has also reported on the German-FJSTEAL Society and its relations with the FJSTEAL Embassy. A German Station case officer (in alias) meets regularly with the agent under unspecified LNREAD cover although the agent suspects that he is in touch with WOFACT. The agent receives payment for information and services rendered and signs receipts in alias. Specific financial terms have been agreed upon and a Memorandum of Oral Agreement is being processed. Subject has recently supplied information on the plans of the Soviet-owned Narodny Bank in London to open a branch in Frankfurt, Germany. He more recently supplied information disseminated by the German Station reports section as EGN-3452. Several other reports are being processed.

f. CATOPHAT/6. Subject is an Austrian born American citizen in his late thirties who has failed to complete his medical studies at Bonn University. He has been recruited by WOFACT to report on his CATOPHAT neighbors. He is currently undecided as to whether he will stay in his present residence or leave it. As long as he stays there, he will report to us on his associations with his neighbors. Despite his indecisive character, he has been faithful and responsive.

to our direction. Subject is paid \$50.00 a month, to be upped to \$100.00 if he develops a continuing relationship.

g. CATOPHAT/8. Operational Approval was granted June 1967 for use of Subject as a reporting source on AEUPEND/2 and other FJSTEAL officials he may meet. WOHUSE, however, recommended that Subject be given another SCSWIRL to clarify a number of questions concerning his former marriages and some large business debts he has acquired over the years. An SCSWIRL is planned for the near future. Subject is a 43-year old Dutch citizen who is engaged in the export-import business in Dusseldorf. Subject receives, under a Memorandum of Oral Agreement, \$200.00 per month. This will continue as long as he is in contact with FJSTEAL officials on our behalf and of interest to us. AEUPEND/2 is attempting to use Subject as a clandestine reporting source on German industry, including military equipment, and on personality information on Subject's contacts. Thus far, Subject has not provided AEUPEND/2 with any information which could not be obtained through overt channels. Based on biographic and assessment data Subject has obtained on AEUPEND/2, it was decided to terminate Subject's relationship with AEUPEND/2 as not being operationally worthwhile and instead to direct his efforts toward his business contacts with CAPAYOFF officials, with a resultant decrease in salary.

h. CATOPHAT/9. Operational Approval was granted Subject January 1967 to spot and assess FJSTEAL personnel in Germany and to assess third nationals who may have access to FJSTEAL personnel. Subject is a 45-year old German citizen of Latvian ethnic origin who is an archeology professor at the University of Bonn. As a professor at the University of Bonn, Subject comes in contact with other fellow professors and University employees from whom he elicits information regarding their contacts, if any, with CATOPHAT personnel. Subject will attempt to get close to these social contacts of CATOPHAT personnel in order to meet CATOPHAT personnel directly. Further, Subject has applied for membership in the Internationaler Klub in Bad Godesberg with the goal of meeting foreign diplomats and local nationals in order to get in contact with CATOPHAT personnel through them or directly. Subject receives no remuneration, however, at such time as he establishes a continuing relationship with an FJSTEALer or a third national he will receive a retainer fee for services rendered.

i. CATOPHAT/10. A Provisional Operational Approval was granted Subject in April 1967 to contact, assess and develop him as a reporting source on CATOPHAT personnel. Subject is a German citizen, 36 years old, and a surgeon at a clinic associated with the University hospital in Bonn. In his professional capacity he comes in contact with CATOPHAT personnel who visit the clinic and with whom he is trying to develop a social relationship. It is planned to use Subject as a reporting source on these contacts. Subject receives no salary but when a definite relationship develops he will receive reasonable remuneration for services rendered.

j. CATOPHAT/101 (formerly CABATON/203). Operational Approval was granted July 1967 for the use of Subject against CATOPHAT. Subject is a 29-year old female German national. She is an executive secretary for a sister firm of an American electronics and other instruments firm, which works on classified military contracts for NATO countries. She is being trained and briefed for the purpose of interjecting her into the path of a selected CATOPHAT target. She is a paid, responsive agent. It is hoped that she will be able to report both operational and positive intelligence, as well as personality data on a number of CATOPHAT officers. Subject is paid \$50.00 a month.

k. CATOPHAT/7 is a French citizen in his early thirties whose job with a tourist agency brings him into direct business contact with CAPAYOFF and CATOPHAT targets and necessitates several trips per year to FJSTEAL. He provides personality data and assessments on the three CAPAYOFF targets he meets regularly and incidental information on four CATOPHAT targets with whom he has only irregular contact. He was forced by threats in July 1967 to agree to cooperate with the FJSTEAL intelligence service. The extent of this cooperation is not clear as yet, but the case will be played as long as his access to individual targets remains good. During trips to FJSTEAL he services WOFAC requirements on an installation and its personalities to whom he has natural business access.

l. CATOPHAT/11 (formerly HAOVER/1) is an Indonesian citizen in his early thirties who was recruited in Bangkok, on the basis of his previous cooperation there, to become an access agent to CATOPHAT personnel when he assumes his new job as chief of a local news agency. He will be contacted after he arrives and is settled in his new surroundings. His operational approval is being amended for this purpose.

5. SECURITY EVALUATION

The present operational assets (two husband-wife teams and seven singleton agents) under this project are handled by staff personnel [CATOPHAT/1 and CATOPHAT/2 are probably unwitting of WOFAC's role because of CATOPHAT/1's past employment with CAVATA. CATOPHAT/3 also suspects he is in touch with WOFAC. However, there is believed to be no possibility whereby these agents could cross-check with one another and the risk of embarrassment in the event of individual compromise is considered minimal. Should additional assets be developed, they will also be handled]

6. COORDINATION

Project CATOPHAT does not require coordination with any other component of LNFORT or with any foreign government or intelligence service. There is, however, certain liaison coordination as described above.

7. COSTS

a. Salaries, operational expenses including Christmas gifts or bonuses, and special gifts or payments in lieu of salary:

	<u>SALARY</u>	<u>OPERATIONAL</u>	<u>TOTALS</u>
	<u>SALARY</u>	<u>EXPENSES</u>	
CATOPHATS/1 and 2	\$ 1,500.00	\$ -	\$ -
CATOPHATS/3 and 4	None		
CATOPHAT/5	1,200.00		
CATOPHAT/6	500.00		
CATOPHAT/7	1,200.00		
CATOPHAT/8	1,200.00		
CATOPHAT/9	-		
CATOPHAT/10	-		
CATOPHAT/11	1,200.00		
CATOPHAT/101	500.00		

b. Real Estate.

Provision for two (2) safe houses @ \$75.00 per month in specific cases where a safe house is required for the exclusive use of an agent covered under this project, i.e., CATOPHAT/7. []

c. Material and Equipment

Two (2) tape recorders UHER 4000S (complete with case, mike, battery and charger). []

d. Miscellaneous Supplies. []

e. Provision for recruitment of additional agents. []

GRAND TOTAL \$ []

FORWARDED BY SPLIT TRANSMISSION TO FIELD DISSEMINATION

32W-6-168/1

S E C R E T

SEPARATE COVER ATTACHMENT # 8 TO

EGNA 34903

IDENTITY/1: Mikhail Ivanovich TEREKHIN [] 3rd Secretary,
Soviet Embassy, Bonn, Germany. Known KGB.

S/c ATT. # 2 TO EGNA-34903

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