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CATOPHAT PROJECT RENEWAL

IDENTIFICATION

1. CATOPHAT is the cryptonym assigned to the FJSTEAL Embassy located near Bonn, West Germany. Project CATOPHAT is an operation directed by the German Station against CATOPHAT and its personnel. Of the 89 ~~FJSTEALERS~~ assigned to CATOPHAT during the past year, 37 are diplomatically accredited, 43 are carried as employees, and 9 are journalists accredited to the press corps. In addition, about 25 wives of these officials work full or part-time at the CATOPHAT installations.

OBJECTIVES

2. To develop controlled assets and operational situations leading to direct staff officer contact with target FJSTEAL personnel for assessment, elicitation and possible recruitment or defection .

3. To acquire counter-intelligence information on the FJSTEAL Embassy and its personnel in order to monitor and, wherever possible, to neutralize FJSTEAL clandestine activity in West Germany.

4. To conduct operations against the FJSTEAL presence in West Germany in order to collect political, economic, military, scientific, and technical information on FJSTEAL and particularly regarding its objectives, relations, and activities toward, with, and in West Germany.

CHANGES

5. Expansion and refinement of Project CATOPHAT are the only changes anticipated for the coming year. During the past project year, six new agents were recruited. In project year 1967-68, the German Station plans to expand its operations against the FJSTEAL presence in West Germany and hopes to

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recruit additional new CATOPHAT assets. Therefore, it is estimated that \$14,960 will be needed to carry out the plans envisioned during the next project year. A major portion of this \$7,000 increase over the previous year will be used to pay new agents.

INTELLIGENCE PRODUCTION

6. The major product of this project has been, and will continue to be, operational and counterintelligence information. The German Station estimates that 60% of the PCS complement at the FJSTEAL Embassy in Bonn are intelligence officers, an estimate supported by both CATUSK and CAVATA. Not all FJSTEAL personnel are accessible to CATOPHAT agents, but significant operational information is being obtained through contact and association with those members of the FJSTEAL representation who are reachable.

7. One positive intelligence report, a useful and interesting delineation of a FJSTEAL IS officer's requirements for information on the German Socialist Party (SPD), was disseminated during the past project year. Positive intelligence will doubtless remain limited, but an effort will be made to increase it.

EFFECTIVENESS

8. During the initial project year, CATOPHAT assets reported on their contacts with 15 members of the FJSTEAL representation. The biographic and assessment data which they provided, added to information obtained from other sources, has given the German Station a better understanding of the organization, personalities and activities of the FJSTEAL Embassy. This effort has revealed a number of FJSTEAL contacts who warrant continuing development and assessment, has identified other FJSTEAL officials who appear to be worthwhile targets if suitable access for contact and assessment can be developed, and has indicated certain situations and circumstances under which non-official, social contact with some of these targets may be possible. A number of leads to new CATOPHAT agents also were spotted as the result of this activity.

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PERSONNEL

9. CATOPHAT personnel comprise twelve controlled assets selected from American, German, and third-country nationals in witting contact with target personnel to whom they have natural access.

10. Annex A summarizes the current status and access of all CATOPHAT assets.

PROBLEMS

11. There are no outstanding problems.

LIAISON

12. The recruitment of CATOPHAT-8, was coordinated with the SYMPATHIZERS, but the management of Project CATOPHAT and all its agents is unilateral.

13. The following liaison coordination involves only the target, not the project:

(a) CAVATA maintains counterintelligence coverage on the FJSTEAL Embassy and provides 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 their physical surveillance of FJSTEALERS involved in CAVATA double-agent operations, and with observation post coverage of the FJSTEAL Embassy. The German Station's excellent liaison relationship with CAVATA is an important aspect of operations against the FJSTEAL target and is expected to continued as in the past.

(b) CALLIKAK coverage on the FJSTEAL Embassy, which had been terminated after the arrest of UJDROWSY, was reinstated by CATUSK in April 1965, at the instigation of the German Station. This coverage is controlled by CATUSK which shares the product with the German Station, CAVATA and SMOTH and UNION.

(c) At the request of the German Station, SMOTH initiated CALLIKAK coverage on CAPAYOFF in Cologne and the product is made available to the Station. Some insight into CAPAYOFF/CATOPHAT relationships is provided by this coverage,

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which is not available from the telephone taps on the CATOPHAT lines alone. CALLIKAK was also installed by SMOTH at our request on the residences of two FJSTEAL officials. The product is shared with SMOTH. In addition, audio installations were placed in two residences of FJSTEAL officers. The take of one of these installations is shared with CAVATA.

INTERAGENCY COORDINATION

14. In response to German Station guidance, several LNPURE officers are cultivating and reporting on a number of FJSTEAL Embassy officers with whom they are in contact.

PLANS

15. The German Station intends to expand and refine its operations against the FJSTEAL Embassy during the coming year. This will be accomplished through the recruitment and training of additional controlled agents who are attractive to selected FJSTEAL Embassy personnel by virtue of their profession or associations and who can be brought into contact with FJSTEAL officials in a natural, unobtrusive manner. The Station hopes to use these agents not only to collect biographic, assessment, and CI information, but also as intermediaries to introduce Station staff officers to selected FJSTEALERS for first-hand operational assessment.

16. Existing CATOPHAT agents are under instructions to develop closer relationships, to entertain FJSTEALERS in their homes and generally to ingratiate themselves with their FJSTEAL contacts. CATOPHAT-1 and -2 have made some progress in their direction by developing neighborly contact with IDENTITY-1. It is hoped that this can be developed into a more productive relationship. CATOPHAT-3 and -4 will likewise try to develop social relationships with FJSTEALERS living in their apartment building. CATOPHAT-101 also is being trained and briefed for possible use in establishing and developing social contact with selected targets outside the official environment and business routine of the FJSTEAL Embassy. The direction and exploitation of her along such lines will depend on information developed by other CATOPHAT agents and non-project sources.

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17. As assessment information is accumulated and operational prospects are evaluated, it is anticipated that certain targets will be dropped and an effort will be made to redirect the access agents toward new targets of greater interest or operational possibilities.

SECURITY

18. Present operational assets (two husband-wife teams and seven singleton agents) of this project are handled by staff personnel under [ ] cover. CATOPHAT-1 and CATOPHAT-2 are probably witting of WOFIRM's role because of CATOPHAT-1's past employment with CAVATA. CATOPHAT-5 also suspects he is in touch with WOFIRM. However, the German Station believes there is little risk that these agents could cross-check with one another, and the risk of embarrassment in the event of individual compromise is small. As additional assets are developed, they also will be handled by staff officers under [ ] cover.

19. The German Station will SGSWIRL CATOPHAT-5 on an appropriate occasion in order to establish his bona fides. CATOPHAT-8 will be given another SGSWIRL examination to clarify several questions concerning his former marriages and some large business debts he has acquired over the years. CATOPHAT-7, who in the course of his duties travels frequently to FJSTEAL was recruited while on a trip in July 1967. Although it was not the desire of the German Station, they knew FJSTEAL IS would eventually approach subject and brief him prior to every trip. Upon his return from FJSTEAL subject was given another SGSWIRL which indicated no FJSTEAL IS control or that he divulged his association with WOLADY to unauthorized persons. At the present time, there are no known security problems concerning the other CATOPHAT agents.

COSTS

20. The accumulated field obligations for the CATOPHAT project year from 1 October 1966 through 30 September 1967 amounted to \$5,067.96.

21. The estimated expenditures for this project for the period 1 October 1967 through 30 June 1969 total [ ]  
An analysis of all proposed expenditures follows:

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	<u>FY 68</u>	<u>FY 69</u>	<u>TOTAL</u>
1. Agent salaries, operational expenses and special bonuses (including Christmas bonuses)			
CATOPHAT-1 and -2	\$1200.00	\$1600.00	\$2800.00
CATOPHAT-3 and -4	345.00	460.00	805.00
CATOPHAT-5	1350.00	1800.00	3150.00
CATOPHAT-7	1875.00	2500.00	4375.00
CATOPHAT-8	1125.00	1500.00	2625.00
CATOPHAT-9	190.00	250.00	440.00
CATOPHAT-10	190.00	250.00	440.00
CATOPHAT-11	1125.00	1600.00	2725.00
CATOPHAT-101	600.00	800.00	1400.00
	SUBTOTAL		\$18660.00

2. Real Estate -- Provision for two (2) safehouses @ \$75.00 per month in specific cases where a safehouse is required for the exclusive use of an agent covered under this project, i.e., CATOPHAT-7

[ ] [ ] [ ] [ ] [ ] [ ]

3. Material and equipment: two (2) tape recorders (UHER 400s) complete with case, mike, battery, and charger

[ ] [ ] [ ] [ ] [ ] [ ]

4. Miscellaneous Supplies

[ ] [ ] [ ] [ ] [ ] [ ]

5. Provision for recruitment of additional agents

[ ] [ ] [ ] [ ] [ ] [ ]  
[ ] [ ] [ ] [ ] [ ] [ ]

GRAND TOTAL (FY 1968 and FY 1969)

[ ] [ ]

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ANNEX A

CURRENT STATUS OF AGENTS

1. CATOPHAT-1. Subject, a 67-year old West German citizen, is a retired staff officer of CAVATA with a long history of work against the CATOPHAT and CAPAYOFF targets. His apartment is adjacent to that of [REDACTED] IDENTITY-1. Subject and his wife, CATOPHAT-2, act as LP keepers for an audio operation directed against IDENTITY-1's apartment. They also have had personal contact with IDENTITY-1 and his family as neighbors and have provided biographic and assessment data on IDENTITY-1 as a result of this 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 CALLHAK on the FJSTEAL Embassy. Contact is maintained with the agent by a branch officer (in alias ) in regular meetings. Subject has an operational telephone number for contacting his case officer as necessary. Subject agreed to cooperate with WOFIRM 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.

2. CATOPHAT-2. Subject, the wife of CATOPHAT-1, is used as an LP keeper in the audio operation against IDENTITY-1. In addition, she observes and reports arrivals and departures at IDENTITY-1's apartment.

3. CATOPHAT-3. Subject, a thirty-seven 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 CAVATA was turned over to the German Station for unilateral handling in 1964. Subject provides useful operational information on the residences of certain FJSTEALERS; and his wife, CATOPHAT-4, reports on their comings and goings. His primary usefulness, however, will come in



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supporting technical operations against FJSTEAL personnel living in his apartment building. Subject is met regularly by a German Station case officer (in alias) under unspecified [ ] cover. This agent accepts remuneration and appears to cooperate with the Station out of ideological conviction. During the past year Subject has provided license plate numbers of non-FJSTEALERS visiting the building. The people to whom these licenses belong are then checked out as potential CATOPHAT agents.

4. CATOPHAT-4. Subject is the wife of CATOPHAT-3 and, through her husband, reports FJSTEAL personnel living in their apartment building. In effect, Subject is the actual source of a great deal of the information on the comings and goings of the FJSTEALERS 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. Subject is also attempting to develop a social relationship with the wives of FJSTEAL officials living in the building.

5. CATOPHAT-5. Subject is a forty-one year old German citizen who is an employee of a quasi-official economic research study center. His political affiliations are with the German Social Democratic party and he has in the past been an SPD Bundestag candidate. Operational Approval was granted in August 1965 for use of Subject, however WOMUSE felt at that time that several points had not been completely resolved with reference to Subject's bona fides, particularly regarding his former Communist Party candidacy. The field, therefore, plans to schedule a SGSWIRL examination of Subject at an appropriate occasion in order to resolve the points in question. Subject has contact with several members of the FJSTEAL Embassy on whom he has provided personality, biographic, and assessment information. He has also reported on the German FJSTEAL Friendship Society and its relations with the FJSTEAL Embassy. A German Station case officer (in alias) meets regularly with the agent under unspecified [ ] cover, although the agent suspects that he is in touch with \* WOFIRM. 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 Commitment 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 supplied information for the one CATOPHAT-originated intelligence report that was disseminated during the past project year.

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6. CATOPHAT-7. Subject is a French citizen in his early twenties whose job with the Deutsche Reisebuero brings him into direct business contact with CAPAYOFF and CATOPHAT targets and necessitates several trips a year to FJSTEAL. He provides personality data and assessments on the three CAPAYOFF targets he meets regularly and incidental information on four FJSTEAL Embassy targets with whom he has only sporadic contact. While on a visit to FJSTEAL in July 1967, he agreed under duress 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 the FJSTEAL, he services WOFIRM requirements on a business installation to which he has natural access, and on his contacts there.

7. CATOPHAT-8. Subject is a 43-year old Dutch citizen who is engaged in the export-import business in Duesseldorf. Operational Approval was granted in June 1967 for use of Subject as a reporting source on AEUPEND/2, and other FJSTEAL officials he meets. Subject will be given another SGSWIRL in the near future to clarify a number of questions concerning his former marriages and some large business debts he has acquired over the years. Subject receives, under a Memorandum of Oral Commitment, \$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 source reporting on German industry, including military equipment, and on personalities Subject 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 cutback on his relationship with AEUPEND/2 as not being operationally worthwhile and instead he will redirect his efforts toward CAPAYOFF officials with whom he has business contact.

8. CATOPHAT-9. Subject is a 45-year old German citizen who is a professor at the university in Bonn. Operational Approval was granted Subject in January 1967, to spot and assess FJSTEAL personnel in Germany and to assess third-country nationals who may have access to FJSTEAL personnel. As a university professor in Bonn, Subject comes in contact with fellow professors and with university employees from whom he elicits information regarding their contacts, if any, with FJSTEAL Embassy personnel. He will attempt to get close to these social contacts of FJSTEAL Embassy personnel in order to meet the FJSTEALERS

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personally. Subject has also applied for membership in the International Club in Bad Godesberg with the goal of meeting foreign diplomats and local nationals who can be used to provide entre to Embassy personnel. Subject receives no remuneration, but if he establishes a continuing relationship with FJSTEALERS he will receive a fee for services rendered.

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

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

11. CATOPHAT-101. (Formerly CABATON-208), is a 29-year old female German national. Operational Approval was granted in July 1967, for use of Subject against the FJSTEAL Embassy. She is an executive secretary for the Bonn office of an American firm.

She is being trained and briefed for the purpose of interjecting her into the path of selected CATOPHAT targets. 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.