

# DISPATCH

CLASSIFICATION

S E C R E T

PROCESSING ACTION

MARKED FOR INDEXING

TO	Chief, European Division	XX	NO INDEXING REQUIRED
INFO.	Chief, Soviet Bloc Division		ONLY QUALIFIED DESK CAN JUDGE INDEXING
FROM	Chief of Station, Germany		MICROFILM
SUBJECT	CALL REDCOAT CATOPHAT Response to Questions on Project CATOPHAT		

ACTION REQUIRED - REFERENCES

Action required: For your information  
Reference: EGNW-6900, 16 January 1968

U-6-168/1

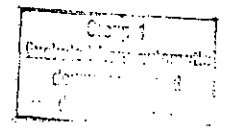
1. We are pleased to receive the renewal of Project CATOPHAT together with Headquarters' comments based on its review of the activity. Our response to the questions posed in the reference follows:

a. CATOPHAT-7: The FJSTEAL Service instructed C-7 that if the opportunity arose for him to travel to East Berlin over a weekend he was to notify his handlers via the overt correspondence channel (using prearranged open code). The FJSTEAL case officer would then make contact with C-7 at an appointed rendezvous. (Contact was made at the first Berlin meeting in the lobby of the Hotel MOSKVA.) It was also arranged that should the FJSTEAL Service desire to meet C-7, he would be notified through the same channel and would travel to Berlin at the appointed time. C-7 has been instructed not to make any such meetings without his WOFIRM case officer's concurrence. With respect to C-7's potential as a D/A, it was agreed with Headquarters that activity in this direction would be limited to an attempt to determine whether the FJSTEAL Service was willing to use him to channel manuscripts by "dissident" writers to the West. Given recent developments which indicate that C-7 will not have the opportunity to travel to FJSTEAL, this possibility appears to be marginal. After having him break amicably with the FJSTEAL Service, which is our intention, he will be left viable as an access agent in the FI field. In this regard there are two possibilities: First that his new job will permit him to maintain his relationship with his

Attachment:  
Identities, USC

Distribution:  
1 - C/SOVBLOC, w/att  
2 - C/EUR, w/att

14 March 1968  
CS COPY



32W-6-168/1

CROSS REFERENCE TO <i>1 Attache</i>	DISPATCH SYMBOL AND NUMBER EGNA-35879	DATE MAR 1968 6 March 1968
	CLASSIFICATION S E C R E T	HQS FILE NUMBER 32W-6-168/1

DECLASSIFIED AND RELEASED BY  
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DATE 2007

S E C R E T

EGNA-35879

current contacts, and second that he may be considered for employment with the future Identity 1 office in Frankfurt. If the latter possibility comes about, C-7's access will be considerably enhanced in addition to giving us an agent within an organization known to cover FJSTEAL intelligence officers. A detailed report of this operation is now in process and it should be in Headquarters' hands in the near future.

b. CATOPHAT-101: We have considered the possibility of this agent's position posing a security problem from the beginning of our relationship. She does not, however, appear to be directly concerned with handling classified material (such as preparation of contracts, etc) but rather functions as executive and administrative secretary to the General Director. We have regarded her position (employment with a WOLADY firm dealing in classified work) as possible bait for an FJSTEAL S&T officer -- if and when she establishes contact with the FJSTEAL community. One concern, of course, is that her security officer, if there is such a function in her firm, may become aware of her (future) social contact with FJSTEALERS. We will field this ball when and if it is tossed up. Then it may become necessary to intervene with her firm on her behalf. With respect to C-101's ability to establish contact with target personnel on her own, we have discussed this with her on several occasions. Currently, the agent has no plausible entree aside from those we maneuvered her into. These latter remain potential avenues only and so far have not resulted in the hoped-for introduction to any target personality. The agent is acutely aware of the requirement and we believe she will eventually succeed.

c. Safe Premises: The provision referred to in subparagraph 2 c of the reference was not meant to automatically incorporate any safe apartment currently acquired under Project CACHIN into CATOPHAT. However, the Branch has recently acquired one new safe apartment under Project CATOPHAT. In the first instance we have used this safe apartment to meet one agent -- CATOPHAT-101. Meetings have been scheduled approximately twice per month during the past year. No safehouse keeper is employed since the cover developed by the responsible case officer does not permit. The apartment was rented by an ostensible WOLADY businessman resident in another city, who makes frequent business trips to this area. To support the story the case officer actually spends one night per week in the apartment, has made the casual acquaintance of one or two other tenants and has, on occasion, invited the latter in for a social hour. We feel, under the circumstances, that the operational and security factors in this case do extenuate the requirement for a regularly employed keeper. In the second instance, we have just taken possession of another safe apartment which we had the opportunity to obtain under its current lease at a nominal sum. The lease expires within a year and the cover developed is based on a story of maintaining the property for its absentee owner (in whose name the apartment is still rented). Thus, since we feel that this is a temporary acquisition no safehouse keeper was deemed necessary. We wish to assure Headquarters that future safe apartment needs will take into full consideration current Division policy with respect to keepers.

d. We agree that it is logical to combine Projects CATOPHAT and CAPAYOFF. It is assumed that the original decision to create two separate projects was based on bureaucratic rather than operational grounds. Therefore, if Headquarters perceives no administrative problem, the field will be happy to receive an amendment providing for merger.

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e. Paragraph 5, Reference: We agree with Headquarters that we must not bog ourselves down in time consuming investigations of persons who offer no potential. However, we wish to point out that we are looking not only at candidates whose potential is apparent (i.e., known association with targets) but at persons who possess the necessary qualifications for clandestine work, and who, once recruited, trained and controlled, can either be maneuvered into contact, or can develop such access without other operational assistance. We will, in all cases, attempt to minimize the investigative chore by determining early through field assessment, if the potential is real or only apparent.

f. Headquarters may be assured that we have already consulted with Berlin on the Possibility suggested in paragraph 6 of the reference. One candidate has been suggested by Berlin and this possibility will be the subject of a separate communication.

2. Finally, the necessity of reporting to Headquarters on a timely basis, and in as much detail as will enable the provision of adequate support, is very much on our minds. We hope, therefore, that our quarterly report will be in Headquarters hands promptly.

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SECRET

Separate Cover Attachment to  
EGNA-35879, 6 March 1968

Identity 1 - Aeroflot-Inturist

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1/2 att to  
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