

UNCLASSIFIED

INTERNAL USE ONLY

CONFIDENTIAL

SECRET

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

PROJECT CATUSK: *3 CASOPNAT*

FROM:

MPS/BG/FI 3 C 43

EXTENSION

5753

NO.

DATE:

9 Oct 69

TO: (Officer designation, room number, and building)

DATE

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1.

C/EUR/FI

10

S

2.

CIETG

[Signature]

3.

4.

DAO []

5.

6.

7.

8.

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3828
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2007

9.

10:

11.

12.

13.

14.

15.

Retention Copy
Pls have someone call me on these two CI comments. We would prefer to adjust somehow so the project will no need to be rewritten if you can work it out with CI. Thank you.

[]
MPS/BG RT82

2 to 4: What do you say to this??

STAFF REVIEW OF FI/CI PROJECT				RETURN TO:	
PROJECT CATOPHAT		FUNDS []		MPS/BG/FI-CI Projects 3 C 43	
CASE OFFICER []		EXTENSION 785E	ROOM 4 C 44	RECEIVED DDP/PG 24 Sep 69	
DIVISION EUR		STATION Germany	TARGET AREA	FORWARDED 24 Sep 69	
ACTION		APPROVAL LEVEL	REVIEWING COMPONENTS		
<input type="checkbox"/>	APPROVAL	DIVISION OR STAFF	<input checked="" type="checkbox"/> FI/OPS	<input checked="" type="checkbox"/> CI/OPS	CCS
<input checked="" type="checkbox"/>	RENEWAL	DDP	/INT		
<input type="checkbox"/>	AMENDMENT	DCI	/D		
<input type="checkbox"/>	EXTENSION				
<input type="checkbox"/>	TERMINATION				

ROUTING OFFICE COMMENTS

COMMENT FOR INTERNAL STAFF USE (Not to go forward to the Division)

COMMENTS AND RECOMMENDATIONS (To go forward to the Division)

The removal of CATOPHAT/3,4,9,13, and 14 from this project and placing them under OOA precludes a thorough review of the operation, its accomplishments and/or failures and utilization of assets. CI Staff therefore recommends that CATOPHAT be rewritten to include all assets, regardless of what salary arrangement they are working under or frequency of meetings. Also, it is requested that the operational approval status of CATOPHAT/1, 13, 18, and 19 be clarified be either obtaining the necessary approvals or submitting formal termination requests to CI/OA.

DATE
8 October 1969

REV
[]

SECRET


8 OCT 1969

MEMORANDUM FOR: Assistant Deputy Director for Plans
THROUGH: MPS/BG
SUBJECT: CATOPHAT

1. CATOPHAT supports the acquisition of access agents for use against Soviet Embassy and Trade Mission Personnel in Germany. This action requests renewal for FY 1970 in the amount of [] In FY 1969 [] was authorized. The sizable reduction was occasioned by the dropping of a number of agents who proved non-productive.

2. At present CATOPHAT funds four support agents: a husband and wife safehouse team, the German chauffeur provided by certain German companies for the use of Soviet Trade Mission Officials and a Hungarian journalist who provides biographic and assessment data on Soviet officials. Salaries for this group make up more than half the total authorization sought. The balance is for developing new contact assets. In effect this project provides developmental funds outside those authorized by [] OOA.

3. To date accomplishments under this project have not been impressive. Nevertheless, if the Station is to conduct effective operations against the Soviet target, it must develop access agents. The present renewal action indicates that the operations covered will be more critically scrutinized and controlled. The FI Staff recommends approval.

 Chief
Foreign Intelligence

Attachment
Project

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GROUP 1
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declassification

OUR DIVISION PROJECT ROUTING SHEET

CRYPT

CATOPHAT

DATE

RECOMMENDATIONS/ACTION

BRANCH CHIEF'S OFFICE

This renewal proposal does not indicate much progress during the past project year.
Recommend approval. 5

E/ER - E/SS

E/R

E/PI/CI

A weird project. We've pummeled this almost to death & after all just need the funds. Let's approve & hope for improvement.

E/COFS

Agree - Recommend Approval [Signature]

EC/ER

C/ER

S E C R E T

PROJECT CATOPHAT RENEWAL

I. IDENTITY

1. CATOPHAT is the cryptonym assigned to the MHHARSH Embassy located near Bonn, West Germany. CAPAYOFF is the Cryptonym assigned to the MHHARSH Trade Mission located in Cologne, West Germany. Project CATOPHAT is an operation directed against CATOPHAT, CAPAYOFF and the personnel assigned to both installations. Of the 89 persons officially assigned to CATOPHAT, 37 are known or suspect members of MHHARSH intelligence. Of the 73 persons officially assigned to CAPAYOFF, 21 are known or suspect members of MHHARSH intelligence.

II. FINANCIAL HISTORY

CAPAYOFF

<u>Project Year</u>	<u>Approved</u>	<u>Obligated</u>
1 Sept 66 - 31 Aug 67	[]	[] FY 67
1 Sept 67 - 31 Aug 68	[]	[] FY 68

CATOPHAT

<u>Fiscal Year</u>	<u>Approved</u>	<u>Obligated</u>
1967	[]	[]
1968	[]	[]
1969	[]	[]

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III. PURPOSE

2. To acquire positive intelligence information on **NEHARSH** military research, military and political plans and **NEHARSH** intelligence activity through the recruitment or defection of personnel assigned to **CATOPHAT** and **CAPAYOFF**, with primary emphasis on those members of the **NEHARSH** intelligence services who are most likely to have access to such information. (Priority A-1 of the current Operating Directive).

3. To acquire counter-intelligence information relative to **NEHARSH** clandestine activity conducted by **CATOPHAT** and **CAPAYOFF** personnel, especially that which is directed against **WOLADY** interests.

IV. DESCRIPTION

4. **CATOPHAT** is designed to develop a stable of controlled assets who can provide assessment and vulnerability data on the Station's **NEHARSH** targets. Current assets are as follows:

A. **CATOPHAT 1 & 2** - A husband-and-wife team which acts as LP keepers for an audio operation directed against a primary Station target.

B. **CATOPHAT 13** - A 30-year old German national who is employed by several German companies as a chauffeur for two **CAPAYOFF** officials. He reports on the itinerary of these officials and on their activities and contacts while visiting German firms.

C. **HIDRONE** - A 56-year old Hungarian journalist who provides assessment and biographic data on **CATOPHAT** officials.

V. CHANGES

5. During Spring 1968, the **NEHARSH** branch [] This has resulted in a closer and more natural association of **NEHARSH** branch officers with the local diplomatic and German communities, the principal milieu in which **CATOPHAT** personnel operate.

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A. In November 1968 the CALLIKAK monitoring responsibility for the CATOPHAT and CAPAYOFF installations was taken over by MHERUSH authorities. Although this resulted in a temporary hiatus in this important coverage, the flow of operational information from this source has resumed. The raw AEROSBY material (CALLIKAK on CATOPHAT and specified CATOPHAT personal residences) is currently passed to the AERSCREEN team, with the transcribed results and used tapes being returned to CAWHISPER. Only recently has the CAPAYOFF CALLIKAK coverage (under the control of CATUSK) resumed and in this case, only the finished CATUSK reports are passed to EYROCK.

B. In Fall 1968 the major operational effort of the MHRARSH branch was directed against two members of CATOPHAT, who were the AERICK and AERIP residents, respectively. As a by-product, this effort has led to a revised method of handling leads provided by CALLIKAK and CAPRAIRIE, which in turn has resulted in an earlier identification of CATOPHAT/CAPAYOFF contacts.

C. During mid-Winter 1968 Soviet [] began a search for controllable access agents among varied groups of people, who although perhaps presently no in contact with members of CATOPHAT/CAPAYOFF, could be placed in positions in the local diplomatic and German communities where they would have an opportunity of establishing meaningful access. Our chief criterion in selecting such people is that they have the necessary attributes needed for good access agents. It is hoped by this method to broaden the scope of our attack on the local Soviet target.

VI. ACCOMPLISHMENT

6. This Project is not designed to produce intelligence although HIDRONE was the source of several disseminators during the past year. His production was reviewed in the CABERO Project

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7. The major product of this Project has been and probably will continue to be operational and counter-intelligence information concerning the persons and activities of the CATOPHAT and CAPAYOFF installations. This type of information has increased our operational intelligence holdings on both the CATOPHAT and CAPAYOFF targets and has allowed one successful PWG action in liaison with CAWHISPER. We do not expect any significant increase in meaningful, hard intelligence reporting, in keeping with the above stated Paragraph 2 purpose of this Project, until an MHHARSH intelligence officer has been recruited and is fully cooperative.

8. During the past Project year CATOPHAT assets have provided biographic and assessment data on members of CATOPHAT and CAPAYOFF with whom they have had contact, one known AMGRIP officer was PWG'd, and the number of intelligence disseminations increased slightly. Three of our CATOPHAT agent assets can be considered as genuine access agents to the CATOPHAT/CAPAYOFF targets. Because of the successful PWG action, one of the three has since been terminated. The concentrated effort against two specific targets (mentioned in paragraph 5-B, above) has developed a number of leads, who may be turned into true access agents and thereby increase the effectiveness of the Project in the gathering of operational intelligence. As noted above, we are now engaged in a concentrated effort to build up a stable of controlled agents whom we can commit as circumstances require against targets of our choice.

VII. PROBLEMS

9. As in all areas of the world, MHHARSH being no exception, there are certain general problems related to operating against the MHHARSH target, none of them insurmountable. They are mentioned here as a matter of record.

A. Non-communist contacts by CATOPHAT/CAPAYOFF members are either pursued in keeping with the official functions of the individual member's overt position, or if for some other purpose, have the sanction of that member's superior. In search for access agents, this MHHARSH tactic generally serves to limit the types of persons from which RYROCK can pick and choose, but fortunately

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CATOPHAT/CAPAYOFF maintain such a large group of contacts, that lack of numbers as such poses no problem. Those **CATOPHAT/CAPAYOFF** contacts who in general are not eager to assist **KYROCK** fall into the following groups: Businessmen having dealings with the Communist Bloc and persons of an ideological stripe, who if not necessarily pro-communist are certainly not willing to stick their neck out for the West. Fortunately there are many contacts who do not fall into either one group or the other, and there are exceptions to the rule even within these groups.

B. The second problem area relates to ascertaining which of the many **CATOPHAT/CAPAYOFF** contacts are likely to be willing to offer us their services if properly approached. **CALLIKAK** provides the vast majority of leads to all the overt **CATOPHAT/CAPAYOFF** contacts, but it does no more than that. The greatest problem is to acquire the necessary assessment data on each of these contacts in order to determine which of them is likely to be cooperative. For those who are members of the diplomatic community or resident in the local **MHEARSH** or third national communities, this is usually no great problem. For the many outside the aforementioned communities, it is more difficult and time-consuming to gain access to them and the number and types of approaches possible are considerably more limited. One additional problem concerning the acquisition of agents for use against **CATOPHAT/CAPAYOFF** is the small geographic and population sphere in which the target and its contacts move. This factor dictates that great care and caution be used in assessing and developing agent candidates for use against the target, lest **KYROCK**'s efforts come to the attention of the **MHEARSH**ers before the agent candidate is fully recruited and a clandestine relationship has been established.

10. The foregoing problems do present obstacles in the way of achieving the objectives of this Project, but the possibilities for acquiring significant intelligence through the successful recruitment of select **MHEARSH** IS officers assigned to **CATOPHAT** or **CAPAYOFF** makes the effort to overcome such obstacles more than worthwhile.

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11. Present operational assets of this Project are handled by [personnel] CATOPHAT/1 and CATOPHAT/2, a husband and wife team, are probably witting of RYROCK's role because CATOPHAT/1 is a former CAWHISPER employee. The risk of embarrassment in the event of compromise with any of the aforementioned or any other present CATOPHAT asset is small. As other individual assets are developed, they also will be handled by [] .

12. [] is planning to SCSWIRL CATOPHAT/10 on an appropriate occasion, specifically to establish that he has not divulged his contact with a VOLADY IS to any unauthorized persons and that he has not wittingly cooperated with MHHARSH IS. MHDROME will be SCSWIRLED in the near future to complete establishment of his bona fides. During the past project year several marginal CATOPHAT assets were dropped without prejudice. There were no resulting adverse security problems. At the present time there are no known security problems concerning the other CATOPHAT agents.

VIII. COORDINATION

13. There is no inter-agency coordination required for this Project.

IX. PLANS

14. Considering the far greater size of the CATOPHAT/CAPAYOFF target relative to the operational element [] it is necessary to concentrate limited RYROCK manpower on select, primary targets, who are known or suspect intelligence officers and who, if recruited, offer the best chances of fulfilling the paragraph 2 purpose of this Project. Concentrated effort will be directed against other members of CATOPHAT/CAPAYOFF (including non-IS) only when there are indications of vulnerability, which can be parlayed into recruitment. Although these personnel are not likely to provide significant hard intelligence responsive to the paragraph 2 purpose of this Project, they would be valuable assets for operational and counter-intelligence (paragraph 3 purpose) on the CATOPHAT/CAPAYOFF target and vulnerability and assessment data on primary target MHHARSH intelligence officers.

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15. In order to acquire the vulnerability and assessment data necessary for determining which of the primary target **NRHARSH** intelligence offices offer the best recruitment or defection prospects, [] is making a major effort to expand its stable of access agents capable of assessing and developing **NRHARSH** intelligence officers. In an effort to increase the total number of persons available in this category, greater attention is being given to that group of people already in the diplomatic and local German communities, who although they do not presently have contact with members of **CATOPHAT/CAPAYOFF**, could be put into such contact. An increased effort is being made to locate persons having no present contact with the **CATOPHAT/CAPAYOFF** target or any reason to have contact, but because of intelligence and personal qualifications are good access agent material. It is planned to train them and place them in the local diplomatic and German communities where they will have an opportunity to gain access to members of **CATOPHAT/CAPAYOFF**. (see paragraph 5-C, above). This approach will also allow the placement of fully recruited agents in **NRHARSH** companies doing business with **NRHARSH** and having contact with members of **CATOPHAT/CAPAYOFF**. This will obviate one of the major obstacles in gaining access to target personnel mentioned in paragraph 9-A, above.

16. Though members of the East Bloc official and semi-official communities are not first priority recruitment targets, close scrutiny is being given those select few who have continuous and close contact with primary target **NRHARSH** intelligence officers assigned to **CATOPHAT** and **CAPAYOFF**. It is recognized that considerable time and effort is required to effect the recruitment of a Bloc person and only those persons will be considered who not only already have the desired access but have previously shown themselves to have vulnerabilities which would make them good recruitment prospects.

I. COSTS

17. The estimated expenditures for this Project for the period 1 July 1969 through 30 June 1970 total [] In the current Operating Program [] as projected for **CATOPHAT**. Funds requested for FY 70 are to be expended in the following manner:

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A. Agent salaries, operational expenses and special bonuses.

CATOPHAT/1 and /2 \$ 1,825

CATOPHAT/16 []

HIERONE []

B. Rental of hotel rooms for operational purposes []

C. Miscellaneous supplies []

D. Miscellaneous expenses and recruitment of new assets (to include entertainment, ops expenses, spot payments) []

TOTAL []

FY 69

FY 70

FY 71

[]

[]

[]

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