

SECRET

| PROJECT STATUS REPORT | | | | | | 1. REPORTING PERIOD | | |
|---|----------------|-----------------------|--|-----------------------------|----------------------------------|--|--------------------------|------|
| NOTE: See instructions on reverse side. | | | | | | August 1955 | | |
| 2. CRYPTONYM | | 3. DIVISION OR BRANCH | | 4. COUNTRY | | 5. APPROVAL | BY | DATE |
| A. PROJECT | B. SUB-PROJECT | | | TARGET | BASE | ORIGINAL | 7 AUG 53 | |
| GRCROOND | | EE/A | | Austria | Austria | LAST RENEWAL | | |
| 6. NAME OF CASE OFFICER | | | ROOM NO. | EXTENSION | SIGNATURE OF CASE OFFICER | | | |
| | | | 2305 K | 8391 | | | | |
| 7. TYPE OF PROJECT | | PP | <input checked="" type="checkbox"/> PM | <input type="checkbox"/> FI | | | | |
| 8. PERSONNEL | | | AUTHORIZED | ASSIGNED | 9. FUNDS FOR CURRENT FISCAL YEAR | | | |
| STAFF AGENT | T/O | None | | None | A. CURRENT PROJ. CEIL. | B. CUM. ALLOTMENT | C. EST. CUM. OBLIGATIONS | |
| CONTRACT | AGENTS | None | | None | \$ 95,100 | \$ 40,000 | \$ 2,498.64 | |
| <p>10. a. <u>Action Reported by Field:</u></p> <p style="margin-left: 20px;">(1) <u>Caching</u></p> <p style="margin-left: 40px;">(a) On 26 July 55, the USFA Engineer detail assigned to emplace caches in the US Zone of Austria for CIA, under CIA staff employee supervision, emplaced a sabotage cache in the vicinity of Hintersee, Land Salzburg. On 31 July, two Austrian farmers, one of whom had observed the troops in the area, dug the cache up and transported 11 boxes recovered from the cache to a remote area. Why they dug and what they intended doing with these 11 boxes of weapons and explosives is not known.</p> <p style="margin-left: 40px;">On 9 August, the discovery was brought to the attention of the USFA authorities by the Austrian Gendarmarie (it is not known how the Gendarmarie was informed). USFA Ordnance personnel recovered the cache items and in examining the site of the exhumed cache, discovered that a 1954 cache emplaced in the immediate vicinity had also been exhumed; by whom and when was not apparent. Only the few items left behind in the 1954 cache were recovered; the bulk of the cache material was gone.</p> <p style="margin-left: 40px;">The circumstances and unresolved questions relating to these discoveries leads the Field to believe in the possibility of criminal action on the part of either Austrian nationals, U.S. soldiers, or both. A USFA CID investigation of the incident has been halted because of the present lack of cooperation between USFA and Austrian agencies and the shortage of time and USFA personnel resulting from USFA's present rapid withdrawal from Austria.</p> <p style="margin-left: 40px;">Statements have been obtained from the Austrian farmer who exhumed the 1955 cache, the CIC agent who investigated the matter when USFA was first notified, the USFA Ordnance captain who recovered the cache items, the USFA Engineer lieutenant commanding the cache detail, and the CIA staff employee who supervised the emplacing of the discovered cache. These statements, together with an inventory of the 1954 cache, detailing both the missing and recovered items, are available at Headquarters.</p> <p style="margin-left: 40px;">It was intended to cache 14 Sabotage and 13 Air Reception caches in Austria this summer. 12 Sabotages and 10 Air Reception's were successfully</p> | | | | | | | | |
| REMARKS (Any important detail not listed in the instructions) | | | | | | DECLASSIFIED AND RELEASED BY CENTRAL INTELLIGENCE AGENCY SOURCE METHOD EXEMPTION 3B2B NAZI WAR CRIMES DISCLOSURE ACT DATE 2007 | | |

emplaced during the 1955 program. (The caches are intended for support of the two PM organizations, GRLAUNCH and GRDAGGER.)

(b) The two emplaced W/T caches assigned to GRLAUNCH 2 have been recovered and replaced with new W/T equipment, thereby insuring the reliability of his equipment for the foreseeable future.

(c) In May 55, GRGIVING-1 recovered a radio set, signal plans, crystals, and cipher pads which he had buried in May 1953. All equipment was found to be in workable condition. Since two other radio sets are separately cached for the agent's use, all items from the recovered cache except the radio set were returned to the agent for reburial. (GRGIVING is one E & E line of the eastern segment - Vienna to Eisernerz - of the E & E organization.)

(2) Resistance

Reconnaissance activities of the GRLAUNCH organization are continuing. Three folders detailing DZ's and a railroad target area have been received from GRLAUNCH-2, the project's deputy principal agent.

(3) Training

GRGIVING-1's W/T training in Vienna has been discontinued because of his proficiency. His W/T training during the reporting period was limited to four days on-the-air training in the Salzburg area.

Arrangements have been made for the refresher W/T training of GRLAUNCH A/9 in Salzburg during the month of July.

d. Security Factors *The 12 day PM course for 5 GRDAGGER potential resistance leaders was presented in Austria during the reporting period.*

The Austrian State Treaty has had some effect on the GRLAUNCH organization insofar as some members feel that, with the establishment of an Austrian Army, no further purpose is served by GRLAUNCH. GRLAUNCH-1, the project principal agent, has not dissuaded these individuals from this belief in the hope that they will assume that GRLAUNCH no longer exists, thereby reducing further the possibility of security problems.

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