

VIA AIR  
(Specify Air or Sea Fouch)

DISPATCH NO. EGM-5790  
74-6-63

CLASSIFICATION

Chief of Base  
TO : Munich  
FROM : Chief, SR

DATE 2 MAR 58  
INFO: COS/G

SUBJECT { GENERAL : Operational/REDWOOD/LCIDPROVE/AERATH  
SPECIFIC : AERATH Project

Reference: EGM-5772

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V.O. [ ]

Action Required: In accordance with paragraph 3 below.

1. The desk has been requested by KUFLE project approval authorities to furnish clarification of certain aspects of the AERATH Project. They mentioned that since the renewal of Project AERATH was contingent upon either transfer or termination of AERPELIN-1, they were rather surprised when the agent contracted office space for a ten-year period. They further stated that they would appreciate being informed if the conditions of this operation have so changed as to warrant altering the approval recommendations. Lastly, they asked: if there has been no such change, what will be done with the office space upon AERPELIN-1's transfer or termination?

2. In approving the expenditure for office space which you had requested, we assumed you had sufficient funds available in the Project; this, we discover, is not the case, which means that an amendment to the Project will have to be submitted for approval. Additionally, we were not aware that this office-space contract was for a ten-year term. This latter, it seems to us, might prove somewhat difficult to justify.

3. In view of the present administrative impasse, we recommend that you prepare a Project Amendment requesting authority for the expenditure of the sums, over and above the present authority, which are necessary to cover the expenses of acquiring the office space. In this same paper, you should also indicate what you will do with this office space after AERPELIN-1 is transferred out of Munich. (This document could very well include your estimate of costs of breaking the contract should you decide to dispose of the office.) If our security objections as expressed in Reference do not - in your studied opinion - pose a sufficiently immediate threat to warrant Subject's removal from Germany by the expiration of the present Project, then we suggest that your request for a Project Amendment be a fairly

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FORM NO. 51-28  
JUN 1949

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CENTRAL INTELLIGENCE AGENCY  
SOURCE METHOD D5 EXEMPTION 3020  
NAZI WAR CRIMES DISCLOSURE ACT  
DATE 2006

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7-6-63  
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extensive paper, documenting as thoroughly as possible your need for this man's services, his security and productivity, and your future plans for him including when you will be prepared to release him either for transfer or for the utilization of the PL-110, immigration, and subsequent reassignment. Armed with this, we will attempt to have your recommendations approved.

Distribution:  
0 & 1 - Addressee  
2 - COS/G