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3 December 1964

MEMORANDUM FOR THE RECORD

SUBJECT: Freds Z. LAUNAGS' Possible Repatriation to Latvia

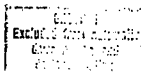
1. Subject, a forty-five year old Latvian, now a U.S. citizen, was used as an agent by the SR Division from 1951 until 1959. He was recruited in Sweden for Latvian operations and brought to Germany where he was closely connected with the CAMUSO operation in 1952. In 1953 he and his family entered the U.S. as regular immigrants. During that year subject worked closely with the AEBIAS operation and in 1954 he was also involved in the CAMBARRO-2 operation.

2. After these Redsox activities, subject was used as a general Latvian expert for SR/2; still later he was sent on to Spain as a script writer for CS-supported black radio broadcasts to Latvia. His behavior became erratic, he began to imagine that he was being followed and then, less than one year after his arrival, he had to be returned to the U.S. because he had come to the attention of the local authorities and began to cause a series of embarrassing problems. After his return to the U.S. in about 1957, he was sent PCS to Germany. About one year later, his behavior again became erratic and he had to be returned to the United States on the verge of a complete collapse. He was institutionalized and eventually, in 1959, terminated. On neither of his overseas assignments was he accompanied by his wife and this fact appears to have contributed to his emotional problems.

3. With the assistance of the Agency, he obtained commercial employment in a cigar factory in Lancaster, Pennsylvania, while his wife, who had been a dentist before coming to the U.S., had in the meantime fulfilled the necessary educational and state board requirements and had begun to practice. Subject, however, lost his job, drifted into several other jobs, and eventually, in about the end of 1962, he obtained work with a New York construction firm owned by Janis RISBERGS, a Latvian millionaire. While subject worked in New York, his wife remained in Lancaster. Recently, less than one year after he went to work for RISBERGS, subject lost his job with that company.

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4. On Friday, 20 November 1964, at about midnight, subject telephoned [] at his home. [] is a CI Staff contract employee who had been an SR contract employee and had worked with subject for about 5 years. Subject told [] that he had driven to Washington, D.C. from New York and that he would like to speak with him. [] told subject to drive to his home and spent quite some time listening to subject's problems. Among other things, subject said that he wants to return to his native Latvia. He also said that he was en route to Dallas, Texas where he was going to attempt to locate his daughter. On the following morning, 21 November 1964, subject left for Texas. [] related all details of the conversation to the undersigned on Monday, 23 November 1964. In the morning of Monday, 30 November 1964, subject again visited [] home. He told [] wife that he had been to Texas and that he was on his way to Lancaster. [] wife notified her husband that subject had arrived again and [] arranged to meet him for lunch in downtown Washington. They parted at about 2:30 p.m. and subject left for Pennsylvania. That same day [] notified the undersigned of the details of the conversation.

5. Summarized below are the details of the statements made by subject to [] during both visits. All of these points have obviously had a direct influence in bringing subject to -- what to him, no doubt, seems to be -- a hopeless abyss and therefore he is prepared to return home.

a. Subject said he is disenchanted with everything. He is especially disappointed in the disinterest of the U.S. Government, and particularly of the Agency, in his native Latvia. Although he has attempted on his own to do various things to keep interest in Latvia alive among Americans as well as among the Latvian emigres in the U.S., he has not been very successful.

b. He has been separated from his wife and she has instituted divorce proceedings. He has received notification from his wife's lawyer that on 20 December 1964 there is to be a hearing regarding the petition for divorce.

c. His son is in a mental institution and there seems little hope for cure.

d. His daughter is in Dallas with his in-laws and his visit there has persuaded him that the in-laws are "on her side".

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e. He lost his job with the RISBERGS company and is now unemployed and has hardly any money left now. (On this point [] commented that subject was poorly dressed and "looked very bad". On both visits he appeared very hungry and consumed a great deal of food, apparently because he had not eaten for some time. [] assumes that subject was able to obtain gasoline by the use of credit cards, but obviously will not be able to pay for it).

f. While working for RISBERGS, he has been renting a room at 310 West 89th Street, Apt. 5A, New York, New York. He said that he had not paid his last month's rent. [] commented that subject now owes another month's rent). He said that he had not given up the room and that he still had some personal belongings there, although most of his personal things were packed in the car.

g. He owes three monthly payments on his automobile, a late model (1963 or 1964), two door, dark copper-colored, Dodge Dart with New York plates.

h. He complained that the Agency has him under surveillance. He said that his former case officer (the undersigned) was following him in Lancaster. In response to [] question whether he had actually seen the case officer, subject replied in the negative, but added that he is able to remember the sound of the case officer's steps and thereby has made the identification of his current surveillant.

6. Although he attempted to dissuade subject from taking any drastic action, [] is not certain to what degree, if any, he has been successful. He made the obvious points to subject: the Soviets would never leave him alone; they would exploit him and then jail him; he would probably wind up in some camp in Siberia; he would surely not be serving the interests of a free Latvia nor of the Latvian people; etc. Subject, however, said that he merely wishes to return home and to be left alone. He would not mind to do menial work on a kolkhoz, he said, and expressed the opinion that the authorities would probably not bother him too much.

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7. In trying to steer subject toward an Agency official, [] asked him whether arrangements for emergency contact had been made with him when he left Agency employment. After searching, subject finally located a telephone number for [] and [] urged him to call that individual. Subject promised that he would do so, but [] is not able to confirm this point. In parting [] implored him not to act in haste and asked him to stay in touch with him and to let him know if he takes concrete steps to return to Latvia. Subject promised to do so, but the promise seemed to be half-hearted.

8. Knowledge of subject's desire to return to Latvia has apparently spread throughout the Latvian communities in New York, Pennsylvania, Washington, D.C. and by now probably even elsewhere. [] has received numerous telephone calls relating to this matter. In general, the Latvians are concerned about the damaging effect that his voluntary repatriation would have. They are also concerned about his being able to reveal the names of many Latvians who have relatives in Latvia and about whom the Soviets do not know very much, including their residence in the free world.

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