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done by []
Shorter version sent to ADVP

18 January 1965

MEMORANDUM FOR: *A/* Deputy Director for Plans

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.

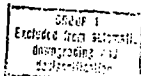
3. At the time of his termination in 1960, this Agency obtained ~~common~~ employment for subject and arrangements for emergency telephone contact were made. Since then subject has held a series of low-paying jobs and lost everyone of them through his erratic behavior. He is ^{now} ~~currently~~ employed by a fuel company in New York City and earns about \$75. per week. He currently owes about \$700. and in addition legal action against him is being taken to repossess his automobile, because he has failed to make five monthly payments on a \$2000. automobile loan.

4. There are also other problems which obviously weigh heavily on his mind:

- a. His wife has instituted divorce proceeding and subject has been ordered to stay away from his wife and daughter.
- b. His son is in a mental institution and there is doubt about his ultimate recovery.
- c. He has received a number of parking tickets which have not been paid, and the police is pressing collection on this matter.
- d. He is disenchanted with everything and is especially disappointed in the disinterest of the U.S. Government, and particularly of the Agency, in his native Latvia.

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5. In the end of November 1964, subject told [] , a Latvian with whom subject worked for the SR Division in the past, that he is going to return to his native Latvia. [] who at present is working as a contract employee on a CI Staff project, reported these sentiments to SR through his case officer. As a result all possible action was taken to prevent or deter subject's return. Essentially, this action consisted of having [] maintain closer contact with subject and ^{of having him also} enlisting the aid of three fellow Latvians in the New York area who would attempt to aid subject and keep an eye on him. After several discussions with subject, [] was able to extract from subject two promises:

a. that subject will call on [] if and when he reaches the point where he can no longer endure existing pressures, but particularly if he feels that he has no recourse, but to repatriate to Latvia.

b. that subject will seek assistance from a ^{psychiatrist} Latvian/~~psychologist~~ who is the director of the New York State Mental institution in Brooklyn, New York ~~(He is personally acquainted with t~~
(the psychiatrist has ~~written to him and has~~ ^{promised to} help).

6. All contact with subject ^{so far} ~~in this connection~~ has been at arm's length and he seems to believe that [] interest is based on national origin. To date [] has given subject \$35. and the total expenses in this connection have amounted to about \$200.

7. From all indications, including an estimate received from the Medical Staff, subject's condition will continue to deteriorate unless he receives psychiatric help. And even with professional treatment there is no assurance of recovery. In assessing the situation as realistically as possible, there seems to be very little doubt that flurries of problems with which ~~we~~ we will have to deal periodically will continue and that for these purposes a small amount of money, not to exceed \$500. a year, should be available if needed. (For example, in the beginning of January 1965, subject felt very downcast and decided to drive to Washington, D.C. on Saturday to speak with [] En route he slid off the road in a heavy fog in Baltimore, Maryland and [] had to drive there and post \$15. collateral so that he would not

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spend the night in jail. Over the weekend he stayed at [] home and having unburdened himself psychologically, he returned to New York).

8. Should subject decide to return to Latvia, the damage of revelations to the Soviets would be extensive: not only is he knowledgeable in great detail of Latvian REDSOX activities during 1951-1954, but he is also well-informed of our involvement with black radio broadcasts beamed/over the Spanish Government to Latvia owned Radio Madrid. Our role in those broadcasts is not known the Spanish Government and Soviet revelations to that effect could prove to be very embarrassing. Appropriate notification of the Department of State is now being prepared. The FBI has also been advised and they have been requested to forward to us any additional information available to them about subject.

9. As subject's mental condition deteriorates, his memory loses its former brilliance. He now has greater difficulty in recalling certain events and many of those which he is able to remember seem to him to be unreal, as if he had dreamed about them. Whether his mental condition -- and his memory -- can be restored through shock treatment or similar devices is not know. It must, however, be assumed that, should subject return to Latvia, the KGB will not be remiss in attempting to rejuvenate him. On the other hand, if his departure for Latvia could be delayed, his memory will continue to fade to the point that the Soviets will not be able to restore the fabric on the basis of the few shreds supplied by subject.

10. Two obvious paths are open to us but neither is recommended:

a. We can actively enter the case, persuade subject to enter a psychiatric institution and pay the bill. If we re-enter the case, we will be committed for an investment in time, personnel and money

b. We can drop all interest and let subject repatriate.

The extent of the damage could become just as costly as hospitalization

In addition,
1 We could try to maintain the status quo by observing subject at arm's length and by occasional expenditures as the need becomes pressing. In this manner, we are not officially engaged with him and can cut the chord at any time that we feel that he poses no problem any longer. We could, of course, re-enter the case at any

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time when the situation appears to be getting out of hand. But, in this connection we would have no assurance ^{that} one fine day, on the spur of the moment, subject ^{will not} decide to take his trip to his homeland and ~~does not~~ ^{without} notify or anyone else. There is one final possibility ~~not~~ solution: subject has a sister and also a very close friend, a doctor, in Australia. He could probably be persuaded to go there, if we paid his way. Whether his sister and his friend could be persuaded to care for him, is a point which would have to be ~~per~~ pursued.

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