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9 November 1954

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MEMORANDUM FOR: SR/COP

SUBJECT : Consolidation and Conservation of Assets in Latvia

1. In order that the current operational situation in Latvia be understood fully, a few of the more important highlights need to be recounted:
 - a. CAMUSO/2 (along with CAMUSOS 1 and 3) was dispatched to Latvia on 28 August 1952. Despite loss of his immediate partner, CAMUSO/1, and of a major part of his equipment in a Soviet ambush, and despite the apprehension of CAMUSO/3 by the Soviet authorities, CAMUSO/2 had managed to sustain himself in the Riga area.
 - b. On 15 May 1953, AEBIAS/2 was dispatched with support for CAMUSO/2. He has never been heard from since.
 - c. On 9 May 1954, CAMPARO/2 was dispatched with support for CAMUSO/2 and was able to establish contact with this agent.
 - d. In accordance with instructions to both agents, they turned over most of their equipment to their replacements, buried a minor portion of their equipment, and prepared for their exfiltration across the Norwegian/USSR border.
 - e. Departing Riga on 13 September 1954, the agents reached Murmansk on 18 September 1954. Finding the control situation intensified--as already reported by a previously dispatched scout--they attempted to accomplish their exfiltration by a deviation from the original plan.
 - f. Finding it impossible to surmount the physical as well as man-made obstacles, the agents abandoned their plans for exfiltration across this border and returned to Riga on 5 October 1954.
 - g. Since then one S/W message has been received from each agent which indicated that their morale is quite low and that a great deal of guidance regarding their activities over the next four months is sorely needed.

2. Because of the complicated situation existing at the present time--and so that the plan outlined below can be fully understood--it is considered most essential at this time to identify all internal personalities concerned:

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a. CAMUSO/2's recruits:

(1) ^X AECOB/1: ^(SUBJ) ⁷ KGB 6 OCT 1961
 A locksmith and mechanic who has access to various Government buildings in connection with his profession. AECOB/1 has been briefed and trained in clandestine operations by CAMUSO/2 who also turned over to him an S/W system and a two-way letter channel for communication. AECOB/1 will transmit to us any positive intelligence received from AECOB/2.

(2) ^{XX} AECOB/2: ^{XX (SUBJ)}
 A garage manager with access to an automobile and travel documents. He has serviced as well as established caches on several occasions and has made his apartment available to CAMUSO/2 for the reception of our blind broadcasts to him. Fully witting of CAMUSO/2's mission, AECOB/2 has been briefed and trained in clandestine operations by the former.

b. CAMBARO/2's recruits:

(1) ^{XXX} AECOB/3: ^{XXX (SUBJ)}
 A former member of the Latvian Legion, presently employed as a school teacher, AECOB/3 has been trained in clandestine operations by CAMBARO/2 who also turned over to him CAMUSO/2's W/T receiver, signal plans, cipher pads, S/W inks and mail drops. AECOB/3 is completely compartmented from CAMUSO/2 and AECORS 1, 2 & 4. He is already able to receive W/T traffic to a limited degree and is at present being further trained by CAMBARO/2.

(2) ^{XXXX} AECOB/4: ^{XXXX (SUBJ)} ^{RIS AGENT 6} ⁸ OCT 1961
 A former member of the Latvian Legion and a trained agent for German Intelligence during the first Russian Occupation (1940-41), is believed to have extensive contact with other former German agents and dissident (former) Latvian Legionnaires. He has no knowledge whatsoever of any of the AECORS or of CAMUSO/2. AECOB/4 was contacted by CAMBARO/2 in late August and trained in S/W techniques. He was given operational currency, CAMBARO/2's S/W developer and one of CAMBARO/2's letter-drop addresses. Recognition signals for establishing direct contact and control and compromise indicators for use in S/W messages were devised for AECOB/4's use by CAMBARO/2.

(3) ^{XXXXX} AECOB/5: ^{XXXXX (SUBJ)} ^{STILL RESIDES RICA} ⁸ OCT 1961
 A veterinarian recruited by CAMBARO/2 for use as a support point for safe-house and medical facilities. Recognition phrases for establishing direct contact with AECOB/5 have been devised by CAMBARO/2 who has now broken off all contact with him.

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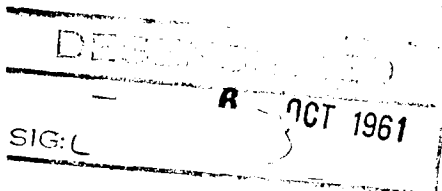
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3. The problem at this time is a twofold one: to consolidate and to conserve all assets in Latvia, paying particular attention to secure compartmentation and to keeping the agents alive over the winter. In order to accomplish this, the following plan, divided into three phases, is presented herewith for approval:

a. Phase I--Consolidation: Preparatory work to achieve this goal has already begun with some initial guidance transmitted to CAMBARO/2 in Messages Nos. 4 and 5. It is anticipated that by 1 January 1955 we will have independent, compartmented S/W communications with AECOB/1, 3, and 4, in addition to those communication facilities already established with CAMBARO/2 and CAMUSO/2. The following matters still need a great deal of attention during this consolidation phase:

- (1) Arrangements for new or additional control and compromise indicators with AECOB/1, 3, and 4. In cases where some control and compromise indicators have already been established by either CAMBARO/2 or CAMUSO/2, clarification and a new understanding between the newly recruited agents needs to be attained.
- (2) More complete compartmentation must be created. It is hoped to accomplish this by having the agents establish new dead drops with their recruiter (either CAMBARO/2 or CAMUSO/2); these dead drops will only be serviced when both parties involved receive instructions from us to service them. In effect, this means that, for example, if AECOB/3 places a message in his dead drop for CAMBARO/2, he must report the fact that he has placed such a message in the drop to us. We will then instruct CAMBARO/2 to service this drop. Although this method does not allow any leeway for emergency contact between agents--a contact which may sometime be based on a "matter of life and death" need --it is felt that in the long run this will preserve the agents more than would their ability to get in touch with each other in case of emergency.
- (3) The initial interchange of messages between the newly recruited assets and ourselves will enable us not only to engage in an analysis of style and handwriting of each agent, but will also place us in a position to assign to each individual agent individual reporting requirements while at the same time reserving and cultivating each particular agent for a particular set of operational tasks. For example: AECOB/1 and his assistant, AECOB/2, having proved their ability to travel great distances, can be reserved and cultivated for the task of onward movement of agents dispatched to the Baltic area in the future, while AECOB/4 with his extensive contacts may possibly be



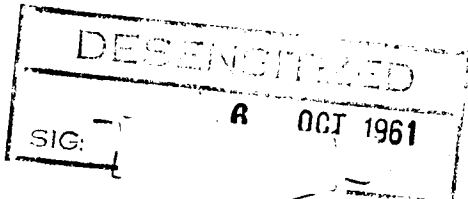
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cultivated and reserved for the procurement of documentation as well as for the possible recruitment of a clerk in the Central Recording Office in Riga, who would record the documentation of an agent dispatched to Latvia. As indicated, these are only ideas and possibilities; it will obviously take a great deal of assessing, testing, and planning prior to developing the newly recruited assets into operational specialists.

b. Phase II--Conservation:

- (1) Whereas in Phase I CAMBARO/2 and CAMUSO/2 will be fairly active in supporting us in the consolidation efforts, Phase II which will begin on approximately 1 January 1955-- after all our assets have been compartmented and consolidated--will find CAMBARO/2 and CAMUSO/2 with time hanging heavy on their hands. This could become a rather serious morale problem, and inasmuch as it will be too early to begin any definite, concrete preparatory work for their exfiltration, they will be assigned a minimum of operational as well as reporting tasks which will be designed primarily to keep them occupied while at the same time insuring that these assignments do not jeopardize their safety.
- (2) This phase will also serve to solidify our communications with the now compartmented, newly recruited agents. A great deal of guidance in message writing as well as further assessing of each agent's potentiality will need to be undertaken. It is this phase which will make or break all our efforts in the Latvian SSR. It is anticipated that Phase II will last until approximately 1 March 1955.

- c. Phase III--Exfiltration: Beginning with 1 March 1955, CAMBARO/2 and CAMUSO/2 will start all necessary preparatory work for their exfiltration. In this effort they will need to receive precise guidance from us. It is assumed that we will be in a position to furnish such guidance as a result of the work performed during the preceding months. (To this end, it has been stated, one case officer will be assigned exclusively; this case officer is to have no other duties than to engage in the necessary research and preparatory work designed to exfiltrate CAMBARO/2 and CAMUSO/2 in the spring of 1955.) If need be, any and all assets in Latvia will be assigned to the exfiltration efforts, keeping all as compartmented as possible. Phase III will be completed when CAMBARO/2 and CAMUSO/2 have been exfiltrated.



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4. Should another exfiltration attempt fail, CAMBARO/2 and CAMUSO/2 will need to be isolated even further--if this is at all possible--from the agents they have recruited because their disappointment and disillusionment will sour them to a point where they may take some ill-considered steps, resulting in serious jeopardy to the entire network. For this reason definite plans in case of another exfiltration failure will be made simultaneously with the plans for exfiltration.

5. Whether or not the exfiltration attempt is successful, AECOB/1 through 5 inclusive (as well as any additional agents recruited by either CAMBARO/2 or CAMUSO/2 or AECOB/1 through 5) will be considered as truly long range, legally existing assets, controlled solely by the SR Division. (By this time, no control in any way, shape, or form should be exercised over these agents by either CAMBARO/2 or CAMUSO/2.)

6. Implementation of the above outlined plan must commence immediately if we are to run this operation professionally, thereby insuring ourselves of an extensive, potentially most beneficial and well compartmented agent network in the Latvian SSR. There is no doubt that finally, at least one REDSOX effort has produced precisely what was intended: the creation of a properly compartmented, secure, and completely independent (CIA) support and reporting mechanism consisting of legally residing, internally recruited agents. In line with this it should be emphasized that CAMUSO/2 was assigned no other tasks than those stated above. All operations since then (AEBIAS/2 and CAMBARO/2) have in actuality been operations conducted for the solidification of CAMUSO/2's assets and for support to him in his attempt to exfiltrate. It is hoped that whatever operation is mounted in the spring of 1955 for the exfiltration of CAMUSO/2 and CAMBARO/2 will be successful, thereby completing a most profitable operational cycle which began in the fall of 1952.

7. Your expeditious approval of this plan will be greatly appreciated so that this Branch may take all necessary steps to implement this plan immediately.

[Signature] Acting Chief, SR/2

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