

~~TOP SECRET~~  
SECURITY INFORMATION

MEMORANDUM FOR THE CHIEF, PLANS

28 August 1953

SUBJECT: Project AERODYNAMIC (Renewal)

1. The FI purpose of Project AERODYNAMIC is to exploit the anti-Soviet Ukrainian resistance groups (UHVR, UPA, ZPUHVR and the OUN/B) in Western Europe for intelligence purposes. The specific FI objectives are the training and dispatch of agents into the Soviet Ukraine to procure operational, document and positive intelligence, and to establish a sound UHVR-CIA working relationship both in and outside the target area through the ZPUHVR.

2. Project AERODYNAMIC was originally approved on 31 June 1951 as a joint FI-PP operation. To date, the project has been successful in dispatching agents into the Ukrainian SSR and has established W/T contact with two of the agents dispatched. The field of intelligence procurement has been limited to situation reports and a few items of military importance. Three SODB's have been disseminated.

3. Present plans call for the continued training of three agents, recruitment and training of three additional agents and the utilization of one agent spotter in Western Europe. Agent training is being transferred from Germany to the DOB. Detailed Commo and Logistical annexes are attached to the project outline.

4. A breakdown of the estimated cost, [ ] for the FI portion of Project AERODYNAMIC is as follows:

Salaries:

1 chief agent (high-ranking member of emigre group)	\$ 8,000
3 agent trainees	3,600
3 additional agent trainees (9 months)	2,700
Housekeeping personnel	1,500
	<u>\$15,800</u>

\$15,800

Travel

Operational expenses (disposal, emergency, bonuses, etc.)	[ ]
Operational currency (foreign)	[ ]
Operational supplies and equipment	[ ]

TOTAL

[ ]

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CENTRAL INTELLIGENCE AGENCY  
SOURCE METHODS EXEMPTION 3828  
NAZI WAR CRIMES DISCLOSURE ACT  
DATE 2007

5. ~~SECRET~~ Requesting renewal of the FI portion of Project AERODYNAMIC for the period 1 July 1953 through 30 June 1954.

CLASSIFICATION

Cancelled

Changed to

BY AUTHORITY OF

Name

Office

Date

~~Secret~~  
100-1-58-294  
1200 [ ] May 57

[ ] Acting Chief, Projects Branch

[ ] Chief, Operations

Approved: [ ] Chief, Plans

23 Sept 53 Date

88049-A

ATTACHMENT: Project Outline AERODYNAMIC  
cc: STC/SPB, RI for Vital Records

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Project Outline

CRYPTONYM: AERODYNAMIC

HEADQUARTERS CASE OFFICER:

DIVISION: SR

[ ]

STATION: MUNICH, Germany

Room No: 1501-J

Extension: 2967

Date: 13 July 1953

The attached Project Outline is presented for renewal.

CENTRAL INTELLIGENCE AGENCY  
CLASSIFICATION  
Controlled by  
BY AUTHORITY OF  
Date  
1001-58-206  
1560  
2 May 57

[ ]

Division Chief

13 Aug 53

Date

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PROJECT AERODYNAMIC

1. Area of Operations

Ukrainian SSR

2. Purpose

The purpose of Project AERODYNAMIC is to provide for the exploitation and expansion of the anti-Soviet Ukrainian resistance movement for cold war and hot war purposes. Such groups as the Ukrainian Supreme Council of Liberation (UHVR) and its Ukrainian Insurgent Army (UPA), the Foreign Representation of the Ukrainian Supreme Council of Liberation (ZPUHVR) in Western Europe and the United States, and other organizations such as OUN/B will be utilized.

3. Background

A. Project AERODYNAMIC is a joint FI-PP project and was last approved 3 November 1952 for the operating period ending 30 June 1953. To date, the project has been successful in dispatching agents into the Ukrainian SSR and has established W/T contact with two of those dispatched. In the field of intelligence procurement the "take" has been limited to situation reports and a few items of military importance. Three SODB's have been published for dissemination of the information received during FY 1953.

B. According to the latest (December 1952) information received from the Headquarters of the Resistance Movement, ZPUHVR is the only representative organization officially recognized by the Underground for:

- 1) Negotiations with foreign powers.
- 2) Coordination of activities in support of Homeland resistance.

C. It is anticipated that successful contact with the Underground resistance Headquarters will be established in the near future and CIA will then have the latest information re UHVR-CIA relationship and support requirements of the resistance movement.

4. Objectives

A. Training of agents to strengthen the existing W/T links

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to further the FI mission in the Ukrainian SSR and to solidify the assets in the Underground.

B. Obtain operational and positive intelligence on targets in the target area.

C. Establish a sound working with the intelligence service (SB) of the Organization of Ukrainian Nationalists (OUN), the principle Underground party subordinate to the HUVR within the Ukraine, and to provide access to the positive intelligence and CE information produced by the organization.

5. Tasks

A. Training, briefing and dispatch of agents.

B. Maintenance of communications with agents dispatched and the Ukrainian Resistance Movement.

C. Establishment of a cadre program which would provide a continuing source of highly-qualified recruits.

*Base* D. Phase agent training from Germany to Domestic Operations Branch.

E. Provide support through air drop operations which would enable the resistance to expand its organization and potential for FI-type clandestine activities.

F. Bring out of the Ukraine documents and certain key resistance personnel.

6. Implementation

A. Personnel

- 1) One of the Political Action graduates is being utilized as a spotter and recruiter in Western Europe.
- 2) Three agents are still undergoing training and it is expected that three additional agents will be recruited for FY 1954 operations.
- 3) The number of housekeeping personnel will depend on the phasing of training from Germany to the United States.

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3.

B. Cover

- 1) Staff -- FI field personnel in Germany operate under Department of Army civilian cover and represent themselves to the members of the resistance movement there as being the American Intelligence Service.
- 2) Agents -- The members of the ZPUHVR are known as members of that organization.

The cover of agents being infiltrated into the Ukraine will vary with operational circumstances and requirements.

C. Communications

- 1) U.S. -- either direct, clandestine, meetings between Case Officers and ZPUHVR personnel, or use of courier for routine matters.
- 2) Germany -- same as Paragraph C-1 above.
- 3) Ukrainian SSR
  - a) Two-way W/T
  - b) S/W via international postal channels.
  - c) Clandestine airborne and overland couriers.

D. Equipment

Usual equipment for preparation and dispatch of agents by air or sea. This includes communications, clothing, parachute and other technical and non-technical items.

7. Coordination

A. Liaison with the Air Force to determine the feasibility of air drops as needed and lay on training program of crew, procurement of and servicing of the aircraft, dry run flight, etc.

B. Other departments and agencies of the United States such as State Department, Department of the Army, etc. At no time will this coordination compromise precise operational timetables, exact locations, or identities of agent personnel.

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8. Intelligence By-Products

Any and all by-products produced by the activities under Project AERODYNAMIC will be disseminated by FI in accordance with operational interests and objectives.

9. Evaluation

The activities under Project AERODYNAMIC will be continually reviewed and appraised by Headquarters and Field FI Case Officers to insure the continued accomplishment of the project objectives.

10. Financial

It is requested that the FI portion of Project AERODYNAMIC be renewed for the period 1 July 1953 through 30 June 1954, at an estimated cost of \$72,500. The FI portion of Project AERODYNAMIC was last approved 3 November 1952 to cover activities 1 July 1952 through 30 June 1953.

A breakdown of the cost for continuing the project during FY 1954 is as follows:

Personnel

1 Consultant	\$8,000.	
3 Agent trainees	3,600.	
3 additional Agent trainees (9 months)	2,700.	
Housekeeping <i>ers</i>	<u>1,500.</u>	\$15,800.

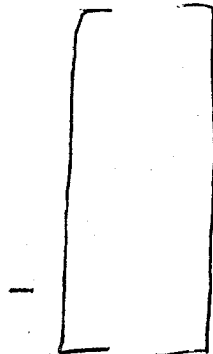
TRAVEL

Operational Expenses (disposal, emergency, bonuses, etc.)

Foreign currency

Operational Supplies & Equipment (See Logistical Annex)

Total



FI expenditures for Project AERODYNAMIC during FY 1953 were approximately [ ]

Top Secret Attachments:

1. CIA 64592, Approved 6 September 1951.
2. CIA 73076, Approved 5 March 1952.
3. CIA 83306, Approved 3 November 1952. (TS-1381-a)

LOGISTICAL ANNEX

LINE NO.	NOMENCLATURE	UNIT	UNIT COST	TOTAL	TOTAL COST
1.	GUN, Pen, cal. .405, tear gas	ea	\$ 8.17	6	\$ 49.02
2.	CARTRIDGE, Cal. .405, Special, Tear Gas	rd	.05	12	.60
3.	BAG, Burlap, 28" x 39"	ea	.26	12	3.12
4.	BAG, Equipment, parachutist, M-1950, modified, w/30' drop cord	ea	54.90	6	329.40
5.	BAG, Sleeping, Arctic, M-49	ea	49.85	6	299.10
6.	BAG, Water, canvas, collapsible, 5 gal.	ea	9.00	3	27.00
7.	CANDLE, Slow Burning	ea	.15	12	1.80
8.	CARRIER, Axe, camp	ea			
9.	CARRIER, Shovel, intrenching, M1943	ea	.40	3	1.20
10.	CARTRIDGE, CO <sub>2</sub> (for lifebelt)	ea	.10	12	1.20
11.	CONTAINER, Assembly, aerial delivery, type A-6 (Cargo)	ea	35.60	2	71.20
12.	GLOVE, Mosquito	pair	.45	6	2.70
13.	NET, Fish, gill, nylon, Barbour's, 1 $\frac{1}{4}$ inch mesh, complete w/floats and weights	ea	14.56	4	58.24
14.	NET, head, mosquito, M-1944	ea	1.15	6	6.90

AED/CARTH

LINE NO.	NOMENCLATURE	UNIT	UNIT COST	TOTAL	TOTAL COST
15.	OUTFIT, Cooking, 1 burner, Primus, M1950	ea	\$ 15.50	4	\$ 62.00
16.	PARACHUTE, Assembly, cargo, type G-1, w/pack assy. (24 ft.)	ea	66.50	2	133.00
17.	PARACHUTE, Personnel, XT-10, 32 ft. canopy, camouflage, troop type	ea	294.65	6	1767.90
18.	REPELLENT, Mosquito (Stick Form)	ea	.05	12	.60
19.	ROPE, Nylon, parachutist, 3/8 inch, 33 foot, 500-600 lb. test	ea	2.80	6	16.80
20.	SHOVEL, Intrenching, M1943	ea	1.50	4	6.00
21.	SUIT, Cold war, complete w/jacket, trousers, rubber insulated boots and mittens	ea	88.25	6	529.50
22.	WAFER, Chocolate (Type Found in "C" Ration)	lb	1.60	6	9.60
23.	FLUID, Lighter, flame type, Energine	ea	.25	12	3.00
24.	KNIFE, Pocket, engineers, 4 blades, w/clavis	ea	1.90	6	11.40
25.	BELT, Inflatable, waist, modified, w/two extra CO <sub>2</sub> each	ea	4.25	6	25.50
26.	SUIT, Wading, Lightweight, watertight 1 piece, coverall type, w/snap fastener front closure medium laminated dbl. textured cotton cloth, rubber mittens, rubber soled boots attached to leg bottoms	ea	30.00	3	90.00
27.	KIT, Fishing w/50' line, 10 sinkers & 5 cork floats, & hooks 30 assorted	set	3.00	3	9.00



LINE NO.	NOMENCLATURE	UNIT	UNIT COST	TOTAL	TOTAL COST
28.	PAMPHLET, Survival USAF, AFM 64-1	ea	\$ .10	6	\$ .60
29.	UNIT, AAA-15C, Air Pickup Winch (Ground Unit)	ea	250.00	4	1,000.00
30.	WATCH, Wrist, Swiss (for Barter) Helbros, 17 jewel	ea	45.00	6	270.00
31.	CAMERA, Minox, No. 111, 8mm., 3.5 lens	ea	95.00	3	285.00
32.	CAMERA, Stl., 35mm., Leica, 111C, w/F2.8 lens w/case	ea	285.00	3	855.00
33.	CASE, Field, w/easy access for Kodak Retina	ea	10.50	3	31.50
34.	CASE, Field, w/easy access for Minox III	ea	4.00	3	12.00
35.	FILM, Black and White, 35mm., 36 exp/roll, Super XX	roll	.87	6	5.22
36.	FILM, For camera, Signet (Stellar Equip.) 35mm., 36 exp/plus X	roll	.87	4	3.48
37.	FILM, Photo., 8 mm., for Minox Camera, ASA24-DIN 12/10	can	1.82	6	10.92
38.	FILM, Photo., 8 mm., for Minox Camera ASA 40, DIN 17/10	can	1.82	6	10.92
39.	METER, Exposure, Leica	ea	30.00	3	90.00
40.	METER, Photographic, exposure, Minox 111, w/case	ea	22.00	3	66.00
41.	ARTICLES, Toilet, Soviet/Razor w/6 blades, brush, comb, tooth brush, and soap	set	2.50	6	15.00
42.	BAG, Carrying Cloth	ea	2.00	12	24.00
43.	BAG, Self sealing plastic type burial bag for short term burial with snaps or zipper	ea	4.00	12	48.00

LINE NO.	NOMENCLATURE	UNIT	UNIT COST	TOTAL	TOTAL COST
44.	BELT, Military, Field, Soviet	ea	\$ 3.00	6	\$ 18.00
45.	BELT, Money, leather, civilian type zip comp. inside fare size	ea	3.50	6	21.00
46.	BELT, Soviet, work, w/buckle	ea	2.00	6	12.00
47.	BLANKET, Wool (or like) Soviet	ea	20.00	12	240.00
48.	BOOTS, Soviet or Show, Soviet	pair	20.00	6	120.00
49.	CAN, Meat w/cover, knife, fork, and spoon, Soviet or German	ea	3.50	6	21.00
50.	CANTEEN, Soviet or German, w/cover & cup	ea	3.50	6	21.00
51.	CAP, Soviet, cloth	ea	4.00	6	24.00
52.	CAP, Soviet, fur	ea	3.50	6	21.00
53.	COMPASS, German, Bizard	ea	5.00	6	30.00
54.	COMPASS, Matchbox type, waterproof, plastic case	ea	.89	3	2.67
55.	FLASHLIGHT, Soviet, w/multiple head (Infra-red, 2 cell, w/extra batteries)	ea	3.00	6	18.00
56.	GLOVES, or Mittens, Soviet (or any other sterile furnishing)	pr	3.00	6	18.00
57.	JACKET, Soviet (Pidzhal)	ea	15.00	6	90.00
58.	KIT, Sewing, Individual, Soviet	ea	.60	4	2.40

LINE NO.	NOMENCLATURE	UNIT	UNIT COST	TOTAL	TOTAL COST
59.	KIT, f/Stellar photog, w/camera mount (bubbles & sight)	ea	\$614.00	2	\$1228.00
60.	KNIFE, Hunting, Sterile, 6-in. blade w/sheath, Soviet	ea	5.00	6	30.00
61.	KNIFE, Pocket, Combination, Soviet or German	ea	7.00	6	42.00
62.	MATCHES, Soviet, Waterproof	ea bx	.10	30	3.00
63.	MEMO, Pad, Soviet, w/paper suitable for S/W	ea	1.00	12	12.00
64.	OUTFIT, Milfitt (Consists of gunstock, reflex housing, 300 ma telescopic lens, and cable release for Leica camera)	ea	260.00	2	520.00
65.	OVERCOAT, Wool, Soviet, Second-hand (used)	ea	30.00	6	180.00
66.	PANTS, Soviet, Wool, Work	pair	10.00	6	60.00
67.	PENCIL, Soviet, wooden, w/chewed up end	ea	1.00	12	12.00
68.	PISTOL, Cal. .22, auto. Hi-standard, Mdl. B. w/silencer, long rifle	ea	70.00	3	210.00
69.	RUCKSACK, Soviet, w/waterproofed cover	ea	2.50	6	15.00
70.	SCARF, Wool, Soviet (any type rag that would serve the purpose)	ea	4.00	6	24.00
71.	SOCKS, Soviet, small	ea	2.00	4	8.00
72.	SHIRT, Soviet, work (Gray or Dark material)	ea	10.00	12	120.00

LINE NO.	NOMENCLATURE	UNIT	UNIT COST	TOTAL	TOTAL COST
73.	STOVE, Pocket, Heatab, Midget, w/heating tablets (German)	ea	\$ 1.10	6	\$ 6.60
74.	SUIT, 2 pc., work, Soviet Army, Telogreika, modified	set	25.00	6	150.00
75.	SWEATER, Wool (or like) Soviet	ea	10.00	6	60.00
76.	TABLETS, Heating, to be used w/German Midget Stove (Heatabs)	ea	.04	600	24.00
77.	TOBACCO, Soviet, Loose	lb	5.00	12	60.00
78.	UNDERWEAR, Soviet, cotton	set	6.00	12	72.00
79.	UNDERWEAR, Soviet, long wool	set	12.00	12	144.00
80.	WALLET, Soviet (for money and ID papers)	ea	5.00	6	30.00
81.	WATCH, Wrist, Soviet, low-grade	ea	40.00	6	240.00
82.	WINDBREAKER, Soviet, Nylon or Poplin 10' x 20' (See Mitchell)	ea	15.00	4	60.00
83.	TRAPS, Foot, Soviet, peasant style (under boots)	pair	2.00	12	24.00
84.	CARTRIDGE, 9mm., Parabellum	rd	.05	234	11.70
85.	MAGAZINE, Cal. 9 mm., Belgium Browning, Pistol, M1935	ea	2.50	12	30.00
86.	PISTOL, Cal. 9 mm., Belgium Browning, M1935, w/leafsight and running aperture	ea	55.00	6	330.00
87.	CARTRIDGE, Cal. .22, Hi-standard, long rifle, hollow point	rd	.01	90	.90
88.	MAGAZINE, Assemble, Pistol cal. .22, Hi-standard mdl. U, 10-rd. cap.	ea	2.00	12	24.00

LINE NO.	NOMENCLATURE	UNIT	UNIT COST	TOTAL	TOTAL COST
89.	APRICOTS, Dried	1½lb ctr	\$ .78	12	\$ 9.36
90.	RAISINS, PKG.	15oz pkg	.26	12	3.12
91.	RATIONS Ration type - same as Peniclan Ration (in lots of 2,000 economical order)	ration	2.88	360	1036.80
92.	SALT	lb	.11	3	.33
93.	TEA, Green (Lipton)	1 lb pkg	1.14	12	13.68
94.	AXE, pattern, handled, with beveled slot, steel handle and sheath, 3 3/8 inch	ea	2.40	4	9.60
95.	BAG, Plastic, thin envelope style 8" x 15"	ea	.39	75	29.25
96.	BAG, Plastic, thin, w/zipper on top 8" x 21" x 10"	ea	1.00	30	30.00
97.	BATTERIES, Flashlight 1.5 V ER #1040	ea	.08	12	.96
98.	BINOCULAR, Challenger, Featherweight, 8 x 25, French	ea	40.00	3	120.00
99.	BOUQUON CURT	tin	.61	6	3.66
100.	CONTRACEPTIVES (any brand for waterproofing 35mm. film)	dz	1.50	6	9.00
101.	FLINT, w/steel (file) and tinder	set	1.00	6	6.00
102.	SAW, Sod, rotary edger, hand operated cuts small strp. (sod must be lifted out manually)	ea	2.95	3	8.85

LINE NO.	DESCRIPTION	UNIT	UNIT COST	TOTAL	TOTAL COST
103.	SHOETINGS, Rubber (two running yds. each)	ea	\$ 1.86	6	\$ 11.16
104.	WATCH, Wrist, 17 jewel Baurus Golden Day Calendar Chronographic	ea	55.00	3	<u>165.00</u>

Project Total. . . . . \$12,090.46  
 Add 10% for Accessorial Charges. . . . . 1,209.05  
 Add 10% for Increased Costs in Production. . . . . 1,207.05  
 Total Project Costs. . . . . \$14,508.56

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SECURITY INFORMATION

DATE: AUG 06 1953

The attached Communications Annex to Project  
AERODYNAMIC is hereby approved for submission with the  
basic project to the appropriate approving authority.

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ATTN : Chief. SR Division  
[ ] , 1501 "J"  
Chief, Communications Operations Division

10 August 1953

Transmittal of Communications Annex, AERODYNAMIC

1. Forwarded herewith are six (6) copies of the Communications Annex to Project AERODYNAMIC, approved by the Assistant Director for Communications on 6 August 1953, for submission with the basic project to the appropriate approving authority.

2. For further information concerning the Communications aspects of this project, please contact [ ] Room 2408 "I" Building, Extension 2955.

FOR THE CHIEF, COMMUNICATIONS OPERATIONS DIVISION:

[ ]  
Chief, Special Projects Branch

Attachments:  
6 Commo Annexes

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Project AERODYNAMIC  
COMMUNICATIONS ANNEX

AUG 06 1953

I - INTRODUCTION

A. DESCRIPTION

The purpose of project AERODYNAMIC is to provide for the exploitation and expansion of the anti-Soviet Ukraine resistance movement for cold and hot war purposes.

AERODYNAMIC/CAPACHO is a sub-project under AERODYNAMIC whose purpose is to organize, develop and execute operations in and directed at the Ukrainian SSR in order to undermine and weaken the influence and control of the Soviet Union. The main difference from AERODYNAMIC is that AERODYNAMIC/CAPACHO is strictly KUBARK controlled and has no affiliation with political groups.

The objectives of both are to obtain operational and positive intelligence.

B. PURPOSE

The purpose of this annex is to outline the communications support required by AERODYNAMIC and sub-project AERODYNAMIC/CAPACHO during the fiscal year 1954.

C. STATUS

1. This Communications Annex supersedes the previous annex and its amendment written in support of AERODYNAMIC and AERODYNAMIC/CAPACHO for FY-1953. This project has been supported in the past by KUCLUB and this support will continue for those presently authorized and activated portions of the project. To date six (6) agents have been dispatched. Of this total two circuits are active and two are considered as potential circuits.

2. FY-1954 plans are for the W/T training of twelve (12) agents and subsequent dispatch of ten (10) agents in the fall of 1953 and spring of 1954.

II - COMMUNICATIONS SUPPORT

KUCLUB will be required to furnish the following support during FY-1954 for this project:

A. CIRCUITS

In addition to those circuits presently active, a maximum of twelve (12) potential agent circuits working from unspecified points in the Ukraine SSR to a KUBARK base station.

B. EQUIPMENT

1. A maximum twenty (20) agent radio sets (RS-1 and RS-6).
2. A maximum of ten (10) agent radio receivers (SSR5-B).
3. A maximum of ten (10) hand generators (GN-58).
4. A maximum of ten (10) six volt nickle-cadmium batteries or their equivalent.
5. Four (4) AN/URC-4 Homing Beacons.
6. Crystals, signal plans and crypto materials for ten (10) potential circuits.

C. PERSONNEL

In addition to the present communications T/O will be necessary.

D. TRAINING

Personnel will be required to train a maximum of twelve (12) W/T operators.

III - SPECIAL COMMUNICATIONS CONSIDERATIONS

A. Communications training will be given in accordance with the instructions furnished in KUCUB letter number CY-2-254, as amended by letter number CY-2-523 and KUFIRE Field Regulation 10-5.

1. Basic and Intermediate Phases to be authorized only upon receipt of a provisional clearance, a full operational clearance or a waiver of these (Intermediate Phase to be authorized only upon satisfactory completion of the Basic Phase).

2. Advance Phase to be authorized only upon receipt of a full operational clearance or a waiver of same (and upon satisfactory completion of the Intermediate Phase).

B. Communications support to this project is subject to revision in view of changing requirements. Major changes constituting an amendment to the basic plan will require a similar amendment to the Communications Annex.

C. Cover and other non-communications support will be provided by the SR Division for communications personnel assigned to this project.

S E C R E T  
Security Information

- 3 -

D. Recruitment, administration, and operational clearances of indigenous personnel will be the responsibility of SR Division.

E. For security reasons, staff communications personnel assigned to this project will not be placed in areas where they may be subject to apprehension and interrogation. This term is defined in KUFIRE Regulation Number 90-2. Any deviation from the above policy must have the prior approval of the Assistant Director for Communications.

F. Communications training in support of AERODYNAMIC has, in the past, been the responsibility of the Chief, EUCA. Present SR plans are for the complete headquarters control of the training of AERODYNAMIC and AERODYNAMIC/GARDED agents. Therefore, communications training required in support of this project for FY-1954 will be under the direction of KUCLUB headquarters.

COMMUNICATIONS LOGISTIC SUPPORT

A. PERSONNEL

No additional communications personnel will be required.

B. EQUIPMENT

All equipment will be supplied from existing communications stock.

C. FINANCE

The estimated cost to KUCLUB for support of this project is as follows:

1. Ten (10) RS-1 agent radio sets @ \$1000 ea.	\$10,000
2. Ten (10) RS-6 agent radio sets @ \$550 ea.	5,500
3. Ten (10) GN-58 Hand Generators @ \$230 ea.	2,300
4. Ten (10) SSR5-B Receivers @ \$280 ea.	2,800
5. Four (4) AN/URC-4 Homing Beacons @ \$400 ea.	1,600
6. Ten (10) six volt nickel cadmium batteries @ \$25	250
7. Cryptographic Material	<u>1,200</u>
TOTAL	\$23,650

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Security Information

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- 4 -

D. BUDGET

This cost has been included in KUCLUB Budget for Fiscal Year 1954.

V - IMPLEMENTATION AND ADMINISTRATION

A. Implementation of this support on the part of KUCLUB will take place subsequent to receipt of written notice of project approval by the appropriate approving authority.

B. Administration of the communications support to this project will be the responsibility of the Assistant Director for Communications and the Chief, EUCA, in coordination with such other communications areas as may be required.

S E C R E T  
Security Information

PROJECT APPROVAL NOTIFICATION

PROJECT <b>AERODYNAMIC</b>		<input checked="" type="checkbox"/> CA	<input type="checkbox"/> PROPRIETARY
		<input type="checkbox"/> FI/CI	<input type="checkbox"/> SUBSIDY
			<input type="checkbox"/> DIRECT
ACTION		AREA	
	NEW PROJECT	DIVISION	
	AMENDMENT	<b>SB</b>	
<b>X</b>	RENEWAL <b>FY 1970</b>	BRANCH	
	TERMINATION	<b>CA</b>	
	EXTENSION	DESK	
	OTHER	CASE OFFICER	EXTENSION
		<b>E</b>	<b>6638</b>
AUTHORIZATION			
APPROVING AUTHORITY		TOTAL AMOUNT APPROVED	FY
<b>ADD/P</b>			<b>1970</b>
<b>8 October 1969</b>		\$	196
PERIOD OF APPROVAL		FINANCIAL CODE SYMBOL	
FROM <b>1 July 1969</b> TO <b>30 June 1970</b>		<b>0134-0612</b>	
CONDITIONS OF APPROVAL			
DECLASSIFIED AND RELEASED BY CENTRAL INTELLIGENCE AGENCY SOURCE METHOD EXEMPTION 3B2B NAZI WAR CRIMES DISCLOSURE ACT DATE 2007			
SIGNATURE		DATE	
MPS/BG (Signed) <b>E</b>		<b>13 OCT, 1969</b>	
DISTRIBUTION			
<b>JUN 209</b>			
1	FINANCE DIVISION	1	BUDGET DIVISION
1	OPERATING DIVISION CHIEF OF SUPPORT	1	CASE OFFICER
2	MPS/BG		

## CA/PEG PROJECT DATA SHEET

Date 22 July 1969

Div/Br/Desk	Country	Type of Action	Function	Project Cryptonym
SB/CA	USSR	FY 70 Renewal	Propaganda	AERODYNAMIC

1. Funds	Programmed	Requested	Approved	Obligated
FY 1969		\$ [ ]	] \$ [ ]	] \$ [ ] (1 July 69)
FY 1970	\$ [ ]	] \$ [ ]	]	
FY 1971	\$ [ ]	]		

2. Description of Activity:

Project AERODYNAMIC is the principal vehicle through which SB Division conducts its operations against the Ukrainian Soviet Socialist Republic. The main purpose of the project is to exploit contacts with Soviet Ukrainian citizens in order to encourage national and intellectual unrest in the Ukrainian SSR, thus encouraging cultural and intellectual freedom for Soviet citizens. CIA has been in contact with the ZP/UHVR (Foreign Representation of the Ukrainian Supreme Liberation Council) since 1950. Anti-Soviet propaganda activities were begun from New York by a panel of the ZP/UHVR in 1953. As of 1968, all activities and all publications, with the exception of the Information Bulletin, originated in Europe.

3. Funding:

Formerly, Prolog Research and Publishing Association, Inc., the non-profit, tax-exempt cover company for the ZP/UHVR's activities, was funded through the [ ] [ ], a legal entity established by CIA.

Effective July 1969, a new funding procedure was accomplished by the creation of two notionals - [ ] [ ], and [ ] [ ]. Funds for the New York Prolog office are passed via Denver and Los Angeles and receipts are furnished Prolog showing fund origin to backstop questioning by New York

S E C R E T

fiscal authorities. Funding of the Munich branch of Prolog will continue via [ ] bank transfers; however, the account is not in the name of Prolog. Even with this device, it is estimated that some Munich personnel are witting of US Government involvement, and some others may suspect such involvement.

4. Interagency Coordination and Approval:

On 30 October 1967, the 303 Committee held up approval pending a review of the project by Ambassador McGhee in Germany. The Ambassador approved on 17 November 1967. The 303 Committee again reviewed on 1 December 1967 and (a) approved continuation of CIA's relationship to Prolog subject to annual review of Prolog's value and effectiveness; (b) approved the merger of Prolog's activities with Suchanist in Munich, and the continued residence of certain Prolog personnel in the United States; (c) took note of the fact that Prolog publications will continue to find a limited market in the United States. Deputy Assistant Secretary of State briefed, in November 1967. EP/UHVR collaborators who contact Soviet diplomatic and United Nations personnel are either advised to report their contacts to the FBI or the contact is coordinated with the FBI through the project case officer.

On 27 December 1968 the 303 Committee again approved the project. The question was raised if it were likely that the organization had been penetrated, and the reply was that no evidence had turned up and that if it were not penetrated years ago at the time of origin, it was unlikely to have been since because there had been no new memberships.

S E C R E T

## CA/PEG PROJECT EVALUATION

Date 23 July 1969

	Initials	Date	Initials	Date	
1. <del>XXXXXXXX</del>		23			PEG Eval.
2. AC/CA/PEG (signature)	W C N	July	5. MPS/BG/CA		Officer C 7
3.			6. ADDP		Date
4.			7.		Received 18 June 69
					Date Due in
					MPS/BG/CA 1 July 69

## EVALUATORY COMMENT:

1. In its present form, AERODYNAMIC is about 17 years old and has undergone over the years considerable refinement; the project, therefore, has now attained a high point of effectiveness. Its objective is to support the Foreign Representation of the Ukrainian Supreme Liberation Council, the ZP/UHVR, for the exploitation of nationalist and cultural dissidence within the USSR.

2. Although the Ukrainians, after the Great Russians, comprise the USSR's largest single nationality, they remain one of the most persecuted groups in the Soviet Union. In 1965-66 some 100 Ukrainian intellectuals were arrested for pressing for cultural and political autonomy which is promised in the Soviet constitution. In this milieu, the project helps maintain the vigor of national identity, particularly by its selected contacts with the several million Ukrainians residing abroad. It has also given publicity to the Crimean Tartar nationalist movement which in recent years has become more assertive. But despite national disaffection, the waning of ideological commitment, economic problems, and the general malaise as attested by more stringent security measures, these trends do not foreshadow radical change within the USSR.

3. Each of the wide-ranging ZP/UHVR activities continue to exert energy and influence. In the field of intelligence production, collaborators provided in FY 1969 biographic/personality data hitherto unavailable on 60 Soviets; Prolog, the project's publication, has attained recognition as a channel to influential Soviet Ukrainians; new contacts were established with Soviets travelling to the West and contacts were maintained with some Soviet officials stationed in Western capitals; proscribed documents were procured - for

Div/Br/Desk	Country	Type of Action	Function	Project Cryptonym
SB/CA	USSR	FY 70 Renewal	Propaganda	AERODYNAMIC

ADDP Action:

Amount



S E C R E T

publication in the West - from within the USSR; placements were made in the Western press; a variety of literature with political overtones, censored by the Kremlin, is sent into the Soviet Union; travelers provided reports from Soviet citizens who volunteered information that they read ZP/UHVR materials, and more recently, some new contacts with Soviets were established in Eastern Europe.

4. CA/PROP in concurring with the renewal request asks that it be given the opportunity to review a representative sampling of the project's output. It is recommended that SB Division submit by mid-FY 1970 samples of each publication with translations or summary translations of the content, and also synopses of the books and pamphlets published.

5. CCS/PRG in concurring with the renewal request also provided some comments on funding; these have been summarized in the Data sheet, under the subtitle, FUNDING.

6. Recommend approval, with the understanding that SB Division will comply with the CA/PROP request, per paragraph 4 above, and that the new Deputy Assistant Secretary of State for Europe, Mr. Martin J. HILLEBRAND, will be briefed at the first opportunity on this project.

S E C R E T

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7 July 1969

MEMORANDUM FOR: C/CA/PEG

SUBJECT : FY 1970 Renewal of Project AERODYNAMIC (SB Division)

1. Renewal requests \$C □ for production and distribution of propaganda targeted primarily at the intellectual elite of the Ukrainian SSR, and secondarily at Ukrainian intellectuals living in Soviet-satellite and in Western countries, i.e., a most important propaganda target. The amount requested is \$C □ (about 6%) more than the approved FY 1969 figure. The increase is to cover increased contacts with Soviet Ukrainians and higher costs resulting from inflation. We recommend approval.

2. AERODYNAMIC has been restructured to reflect post-MHDOWEL requirements. All project publishing is now done in Europe. Output includes political, historical and literary material, published in book, magazine and pamphlet form. (Descriptions of serial publications are given on pages 4 and 5 of renewal; titles of the special publications are listed in Attachment 5; distribution details for all project publications are contained in Attachment 6.) Most publications are mailed to recipients, but sizeable quantities are distributed through direct handouts inside the USSR and in third countries.

3. The bulk of project output is sent to the Ukrainian SSR. During FY 1969, the amount of publications distributed was more than double the total of the previous year. While the total results may be hard to measure, judging from Soviet media attacks on AERODYNAMIC personnel and activities, as shown in Attachment 7, at least some of the material appears to have considerable impact on the target audience. AERODYNAMIC contributed substantially to achieving Agency objectives in combating Soviet propaganda concerning Czechoslovakia. To cite but one example: an AERODYNAMIC serial publication distributed exclusively in the Bloc published a special issue on Czechoslovakia in September 1969.

4. The surfacing of Soviet documents smuggled out to the West continues to be an important project activity, providing good intelligence as well as valuable propaganda material on the mistreatment of Ukrainians

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in the USSR. According to well-authenticated reports, Ukrainians taking materials abroad are now instructed by dissidents within the Soviet Union to give their materials only to members of ZP/UHVR (Foreign Representation of the Ukrainian Supreme Liberation Council), the emigre organization supported by AERODYNAMIC. ZP/UHVR has been responsible for many articles in the Western press the past several years which have been based upon materials smuggled out of the Soviet Union.

5. It appears to us that the project is focusing considerable attention on the plight of the Ukrainians and, indirectly on that of other Soviet ethnic minorities. We would like to have an opportunity to review some of the project output in mid-Fiscal Year. SB Division should therefore submit samples of each serial publication with a translation of the contents; or if this should prove impossible due to a lack of qualified translators, at least summary translations. We would also appreciate receiving English synopses of some of the books and pamphlets published.

Signed:

C/CA/PROP

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24 June 1969

MEMORANDUM FOR: Chief, CA Projects  
Missions & Programs Staff, Budget Group

SUBJECT : Project AERODYNAMIC Renewal (FY 1970)

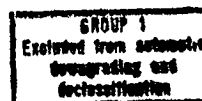
1. The project mentions the anticipated change in its funding procedures which, among other things, will enable the New York based PROLOG office to withstand questioning by New York authorities vis-a-vis its fiscal status. Heretofore, money was deposited by Office of Finance first to one Swiss bank and then to another, the latter to the account of PROLOG. PROLOG then drew the money it needed. In this instance, if questioned, PROLOG could not have documented its income beyond revealing that it came from a [ ] bank. The new system will supply attribution of funds.

2. The new procedure, effective beginning FY 1970, calls for the creation of two notionals -- [ ]

[ ], and [ ]  
]. The interesting thing here is that both notionals are fictional in address as well as in name, and will be backstopped by post office boxes only. The addresses will be existing large office buildings or dwellings selected expressly for the purpose of precluding successful cursory traces or checks on them. Return correspondence to both will be requested to be made via post office box rather than by street address, and the mailing instruction will be so stated on the notionals' letterhead. Funds passed to PROLOG (New York office only) on a quarterly basis will be arranged by the Office of Finance via banks located in the respective cities mentioned, and appropriate receipts furnished PROLOG showing fund origin.

3. The [ ] bank account in the name of PROLOG will be eliminated, but funding of the Munich branch of

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PROLOG will continue via  bank transfers as arranged by the Office of Finance (Note: This will not be a PROLOG account as interpreted from paragraph B (2) Changes of the project renewal, although PROLOG will be cited for attribution by the Munich recipients).

4. The project incorrectly states that Munich personnel of the project are not witting of U.S. Government involvement. For a fact, AECASSOWARY/S knows of our support, and it would be safe to assume most if not all others, especially the older hands, either know or have speculated along these lines.

Plans and Review Group  
Central Cover Staff

C/CA/PEG  
C/SB/PO/M

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PROJECT ACTION				PROJECT CRYPTONYM AERODYNAMIC			
	TYPE OF ACTION	FI/CI	<input checked="" type="checkbox"/>	CA	OTHER		
	NEW PROJECT APPROVAL	DIVISION Soviet Bloc					
	AMENDMENT NO.	FIELD STATION					
	RENEWAL FY 1968 70	BRANCH SB/PO/M			DESK		
	<input checked="" type="checkbox"/> EXTENSION	CASE OFFICER L			DATE 15 May 69		
TERMINATION	ROOM NO. 4B38	BUILDING HQS	TEL. EXT.	RED 534	BLACK 655T		
CONCURRENCES OF DIVISIONS				1391 6638			
ORGANIZATIONAL ELEMENT	TYPED NAME (and signature)	DATES		MEMO ATTACHED			
		IN	OUT	YES	NO		
CSB/PO/M	L	<input checked="" type="checkbox"/>	15 MAY 1969				
DC/SB/POS	L	<input checked="" type="checkbox"/>	15 May 69				
CSB/POS	L	<input checked="" type="checkbox"/>	16 May 69				
CSB/BF	L	<input checked="" type="checkbox"/>	5/22/69				
CSB/SS	L	<input checked="" type="checkbox"/>	5/23/69		<input checked="" type="checkbox"/>		
SB/PPC	L	<input checked="" type="checkbox"/>	5/23/69		<input checked="" type="checkbox"/>		
DC/SB	L	<input checked="" type="checkbox"/>	23 May 69	24 May 69			
C/SB	L	<input checked="" type="checkbox"/>	27/5	27 May 69	<input checked="" type="checkbox"/>		
CONCURRENCES OF OTHER COMPONENTS							
		DATES		MEMO ATTACHED			
		IN	OUT	YES	NO		
C/EUR/CA	ATURE	<input checked="" type="checkbox"/>	29 May	3 June	<input checked="" type="checkbox"/>		
	ACTIONS ON PROJECT	<input checked="" type="checkbox"/>					
	REVIEW	<input checked="" type="checkbox"/>					
	REVIEW OF	<input checked="" type="checkbox"/>					
	ADD/P	<input checked="" type="checkbox"/>					
MPS/BG/CA		<input checked="" type="checkbox"/>	4 Jun 69	7 Aug 69			
C/MPS/BG	L	<input checked="" type="checkbox"/>	7 Oct 69	1 Oct 69			
CA/C-PEG	L	<input checked="" type="checkbox"/>	18 June 69	23 July 69			
CCS/PRG	(Signed) L	<input checked="" type="checkbox"/>	19 June 69	24 June 69	X		
CI/OPS/SB	(Signed) L	<input checked="" type="checkbox"/>	18 June 69	26 June 69	X		
APPROVAL							
PERIOD		AMT THIS ACTION	FY	TOTAL AMOUNT			
FROM	TO	\$ L	196	\$			
1 July 1969	30 June 1970		19670	\$			
APPROVING AUTHORITY		SIGNATURE	DATE				
ADDP		L	8 Oct 69				

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AERODYNAMIC PROJECT RENEWAL - FY 1970

A. CURRENT OBJECTIVES

1. The objective of Project AERODYNAMIC is to support the Foreign Representation of the Ukrainian Supreme Liberation Council (ZP/UHVR), and through it to exploit nationalistic cultural and other dissident tendencies in the Soviet Ukraine, to encourage national and intellectual unrest through publications and through contacts with Soviet citizens, and to exert pressure on the Soviet regime, through these activities, for greater national and intellectual freedom in the Soviet Ukraine.

2. The ZP/UHVR is uniquely qualified to accomplish the stated objectives. It represents a channel of political and cultural influence to Ukrainians in the Soviet Union from several million Ukrainian emigres throughout the World. Its publications serve to keep ZP/UHVR alive as an influential political force and as a center from which it can disseminate pro-Western ideological and anti-communist material. ZP/UHVR's political philosophy remains sufficiently liberal so that Soviet Ukrainians are willing to talk to its members and collaborators. In their attempts to influence ZP/UHVR collaborators, Soviet Ukrainian officials implicitly recognize the effectiveness of ZP/UHVR activities. While it reflects and encourages Ukrainian nationalism, the ZP/UHVR does not attempt to provoke separatist manifestations in the UkSSR.

3. Project AERODYNAMIC is CIA's only project which specifically exploits the minority nationality question in the Soviet Union.

B. CHANGES

1. In accordance with instructions to discontinue publishing activities in the United States in the wake of MHDOWEL, the Prolog Research and Publishing Association, Inc., the organization the ZP/UHVR used to conduct its publishing and contact activities was dissolved on 5 June 1968. The mechanism was reconstituted as the Prolog Research Corporation, a profit-making, commercial enterprise, ostensibly servicing contracts

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GROUP 1  
Excluded from automatic  
downgrading and  
declassification

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-2-

for unspecified users such as private individuals and institutions. All of the project's publications now originate abroad, via the Munich office, the Ukrainische Gesellschaft fur Auslandsstudien E.V., except the Ukrainian-language Information Bulletin, which is directed exclusively to Soviet Ukrainians and mailed to them from various countries in the West. There has been no change in the personnel or the physical location of the property. The name "Prolog" was retained because of the good will it had established and because the name had become a Western sounding board for Soviet Ukrainian dissidents.

2. Funds for Prolog now are deposited quarterly in one bank and then transferred to Prolog's account in another bank. At this point Prolog assumes control of the money and requests transfers to its New York account as needed. To permit Prolog to retain control of the Munich personnel, who are not witting of U.S. Government involvement, the Munich operation continues to be funded by Prolog via transfers from its Prolog account to the Munich office account in Germany. SB Division, the DO Division Commercial Staff, the Office of Finance and the CCS are considering minor improvements in the funding procedure of the cover mechanism. This would involve eliminating the bank account in [redacted].

C. INTELLIGENCE PRODUCTION

ZP/UHVR collaborators made available biographic information and/or personality information on sixty Soviet citizens, and at least six KGB officers were identified. This information was collected through ZP/UHVR contacts with Soviet diplomatic personnel at the United Nations, with visiting professionals, and at international conferences. There were six disseminations of positive intelligence from information collected by the project, and nine newspapers, not otherwise obtainable in the West, were made available to CIA.

D. EFFECTIVENESS

1. "Prolog" has become a channel to influential Soviet Ukrainians. In passing documents and information to emigre travellers, Soviet Ukrainian dissidents are emphasizing more frequently that the material is not to be given to anyone

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-3-

other than the ZP/UHVR, since experience has shown that it is the most prudent emigre organization in the handling of such material. The ZP/UHVR on its own initiative maintains contacts with the Western press. These contacts resulted in twenty press items appearing in the U.S. and foreign press in the past eight months, in addition to countless items which subsequently appeared in the emigre press.

2. Through its collaborators the ZP/UHVR continues to establish contacts with Soviets travelling in the West and with Soviet officials stationed in Western capitals. Soviet officials at the United Nations, after a lull of about four months, have resumed contact with a ZP/UHVR New York collaborator, through whom meetings are arranged between visiting Soviet and emigre intellectuals to discuss topics of current and mutual interest. The FBI is kept informed.

3. The ZP/UHVR continues to obtain Soviet documents from its sources in the Ukraine by various devious means, to make them public in the West in the effort to frustrate Moscow's attempts to Russify the Ukraine.

4. The ZP/UHVR bought for Soviet Ukrainian citizens 150 subscriptions to Duklya, a popular literary Ukrainian-language journal published in Slovakia, which like all Czech or Polish Ukrainian publications is prohibited to Ukrainians. The publication was then mailed or carried to the "subscribers" by travellers from the West or by Czech citizens. Duklya has commented on Soviet-Ukrainian and Ukrainian emigre problems and published censored material by Soviet Ukrainians.

5. New contacts with Ukrainian intellectual circles developed in Eastern Europe in recent years have expanded the opportunities for sending ZP/UHVR and other Western publications not only to Ukrainians living in the area but through them to Soviet citizens. Thus via its collaborators in Slovakia, Ivan Dzyuba's Internationalism or Russification?, a critique of Great Russian chauvinism which was published with Prolog's assistance, was delivered to the author. In addition, 100 copies of the Ukrainian-language edition were delivered in Slovakia for ultimate passage to Ukrainians in the Ukraine.

6. In response to an invitation from a Ukrainian youth group in Bratislava, at the instigation of the ZP/UHVR, five

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-4-

young students of Ukrainian origin from the West travelled to Czechoslovakia to participate in a students' gathering in the summer of 1968 before the invasion. The youths were interviewed by members of the Czech press and brought back names and addresses of 25 students who desired to correspond with Western students and who asked to have Western publications mailed to them.

7. When the Soviet regime was laboring to combat the spread of influence of Czech events to the Soviet Union, and particularly to the Ukraine, the ZP/UHVR published a special issue of the Information Bulletin (No. 4/64, September 1968) devoted to events in Czechoslovakia, and carried articles on the Soviet treatment of liberalization in Czechoslovakia in its Suchasnist (No. 10, October 1968).

8. Although it cannot be stated with precision how much of AERODYNAMIC's publication program reached its target, the tenor and volume of press and radio attacks indicate that the literature does get through (see Attachment No. 7). In addition, travellers have reported seeing copies of ZP/UHVR literature in the homes of Soviet Ukrainians and of being told by Soviet citizens that they have read ZP/UHVR literature.

#### E. EVALUATION OF PUBLICATIONS

1. AERODYNAMIC publications are geared to appeal to Soviet Ukrainian readers, particularly to the dissident youth and intellectuals. The ZP/UHVR studies and analyzes the Soviet Ukrainian press, collects information from the correspondence between its collaborators and Soviet citizens, as well as information gathered from personal meetings between its collaborators and Soviet Ukrainians. It, therefore, is well-equipped not only to determine what is of interest to Soviet Ukrainians but also to identify Soviet neuralgic points. The project distributed 27,848 pieces of literature in FY 1969. (See details in Attachment No.6)

2. Regular Publications (See Attachment No. 6 for distribution details).

a. Suchasnist (The Present), the ZP/UHVR's major publication, is a monthly designed to appeal to Ukrainian intellectuals. In addition to publishing articles by emigre scholars on literary and historical topics, and

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-5-

poetry and prose by contemporary Soviet and emigre writers, the journal is used to surface documents brought to the West.

b. Ukrainskyy Samostiynyk (Ukrainian Independent), a splinter emigre organization's monthly organ partially supported from project funds. It comments on Soviet Ukrainian realities and carries political commentaries as well as articles of literary and historical interest.

c. Informatsiyniy Byulletin (Information Bulletin) is specifically directed to Soviet Ukrainian citizens. Nine hundred copies are mailed monthly from the West to Ukrainians in the Ukraine and, to a lesser degree, to Ukrainians in Eastern Europe. Published about five times a year, it carries political items of interest to Soviet Ukrainians which are not carried in regime media. The Bulletin in FY 1969 carried information and commentary on the arrests, trials (or the absence of trials) and imprisonments of Ukrainian intellectuals, developments in Czechoslovakia, and news items concerning activities in Ukrainian emigre communities.

d. ZP/UHVR's only English-language publication, the Digest of the Soviet Ukrainian Press, is published monthly and distributed to subscribers and to research and educational institutions. It is believed to be the only English-language digest of the Soviet Ukrainian press in existence. A French-language edition, Echos d'Ukraine, is compiled and published monthly in Paris by a ZP/UHVR collaborator who distributed about 800 copies monthly to French scholars, and French-speaking individuals in the newly developed areas.

### 3. Special Publications

There were eighteen special publications. The titles and the cost of each publication are set forth in Attachment No. 5, and the distribution details are set forth in Attachment No. 6.

### F. PROBLEMS

There are no major problems at the present time, except for the difficulty in acquiring young staff personnel at the current Prolog pay scales.

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-6-

G. LIAISON

Bonn Station was instructed in December 1968 not to take the initiative in briefing West German authorities but to admit, if asked, that CIA supports the Munich office, the Ukrainische Gesellschaft fur Auslandstudien, indirectly through Prolog in return for literature published as the finished product of its research activity. The German Federal Intelligence Service is believed to be aware, in general, of our support.

H. INTERAGENCY COORDINATION

1. The project was approved by the 303 Committee on 27 December 1968. In connection with this review, the Charge of the U.S. Embassy in Bonn had recommended approval.

2. ZP/UHVR collaborators who contact Soviet diplomatic and United Nations personnel are either advised to report their contacts to the Federal Bureau of Investigation or the contact is coordinated with the FBI through the project case officer.

I. PLANS

It is planned to continue publishing in Germany existing ZP/UHVR publications and special books and pamphlets for distribution to Soviet Ukrainian citizens. Contact operations against Soviet citizens also will continue to be directed from the New York office.

J. COSTS

See Attachments No. 1 through No. 5.

K. PROGRAM DATA AND FINANCIAL HISTORY

1. Total funds requested:	\$ C	1
2. Amount programmed for FY 1970:	\$ C	J

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3. How estimated budget requirement arrived at:

a. Estimated budget requirement	\$ [	]	(see Att.2)
b. Less estimated income from sales	[	]	
	\$ [	]	
c. Plus deficit for FY 1969, to be replaced in \$25,000 revolving fund	[	]	(see Att.1)
d. Plus estimated headquarters case officer expenses	[	]	
	\$ [	]	

4. Funds approved and obligated by fiscal year since the project was initiated:

<u>Fiscal Year</u>	<u>Amount Approved</u>	<u>Amount Obligated</u>
1954	\$ [	\$ [
1955		
1956		
1957		
1958		Amendment
1959		
1960		Amendment
1961		
1962		
1963		
1964		
1965		
1966		
1967		
1968		Revolving Fund
1969		]

5. The FY 1970 budget is approximately 6 percent higher than the FY 1969 budget to accommodate inflation and to permit increased contacts with Soviet Ukrainians.

BUDGET SUMMARY

CASH RESOURCES

	<u>FY-1967</u>	<u>FY-1968</u>	<u>FY-1969</u>
Beginning cash balance 30 June 1968	\$ [ ]	\$ [ ]	\$ [ ]
Accounts receivable & outstanding advances	[ ]	[ ]	[ ]
Authorization FY 1969 - \$187,000		[ ]	[ ]
Income from sales of books & subscriptions	[ ]	[ ]	[ ]
& transfer to new corporation	[ ]	[ ]	[ ]
<b>TOTAL CASH RESOURCES AVAILABLE</b>	<b>\$ [ ]</b>	<b>\$ [ ]</b>	<b>\$ [ ]</b>

EXPENDITURES

Payroll & fringe benefits New York Office	73,072.84	73,562.69	80,468.40
Fixed expenses (office administration)	[ ]	[ ]	[ ]
Operational travel			
Purchase of books & publications			
Entertainment			
Cost of Publishing			
Distribution			
Contact operations			
Affiliated group (Munich)			
Research			
<b>TOTAL EXPENDITURES</b>	<b>[ ]</b>	<b>[ ]</b>	<b>[ ]</b>

Munich

See Attachment No.4)

SUMMARY

1. Total Cash	[ ]	[ ]	[ ]
2. Less total expenses	[ ]	[ ]	[ ]
3. Ending cash balance	<b>[ ]</b>	<b>[ ]</b>	<b>[ ]</b>

✓ \*This includes \$ [ ] revolving fund, book transfer of furniture, and pre-paid expenses (\$ [ ]) from old to new corporation.

\*\*Included are legal Fees for dissolution of the Old & Registration of the New Corporation in the amount of \$ [ ]

\*\*\*This figure includes \$ [ ] revolving fund (Deficit for the year \$ [ ])

BUDGET BREAKDOWN

	<u>FY 1969</u>	<u>FY 1970</u>	<u>FY 1971</u>	<u>FY 197</u>
<u>PAYROLL AND FRINGE BENEFITS</u>				
Salaries	\$ 74,528.00	\$*80,400.00	5%	
Contributions to Employee Pension Plan	3,884.40	4,000.00	increase	
Insurance	2,006.00	2,100.00	in	
Dues and Registration	50.00	100.00	salaries	
<b>TOTAL PAYROLL &amp; FRINGE BENEFITS</b>	<b>80,468.40</b>	<b>86,600.00</b>	<b>90,620.00</b>	
<u>FIXED EXPENSES</u>				
Rent	[	** [		
Electricity				
Telephone		***		
Stationery, Postage, Office Equip.				
Taxes & Licenses		****		
Maintenance & Repair				
Bank Service				
Depreciation & Obsolescence		*****		
Foreign Exchange Losses				
Miscel. small expenses	* _____	_____		
<b>TOTAL FIXED EXPENSES</b>	[	[	[	[
<u>OPERATING EXPENSES</u>				
Travel	[	[		
Entertainment				
Purchase of Books & Publications				
Affiliated Group (Munich)				
Research (Includes contact operations See Att. No.4)	_____ ]	_____ ]		
<b>TOTAL OPERATIONAL EXPENSES</b>	[	[	[	[
<b>TOTAL BUDGET</b>	\$[	\$[	\$[	\$[

FY-69 \* Includes legal fees of \$[ ] for the dissolution of the old & registration of the new corporation

FY-70 \* Includes (a) salary increases of \$[ ] each for 1 clerical and 1 research/writer  
 (b) One additional part-time employee  
 (c) rehiring on part-time basis & summer employment of a former employee who was away on active military duty

\*\* 15% rent increase pending

PAYROLL

FY-1969

NEW YORK OFFICE:

AECASSOWARY/2	\$12,300.00
AECASSOWARY/17	11,400.00
AECASSOWARY/29	11,400.00
AECASSOWARY/26	10,800.00
AECASSOWARY/4	8,700.00
Clerical (F. Jur.)	5,340.00
Secretary-typist (N.I.)	4,800.00
Research/writer (MS)	<u>6,600.00</u>
Sub-total	71,340.00
Part-time:	
Writer (M.R.)	2,880.00
Clerical (O.I.)	<u>308.00</u>
TOTAL NEW YORK OFFICE PAYROLL	\$74,528.00

MUNICH OFFICE:

AECASSOWARY/6 (Research/Clerical) (J.F.)	2,235.00
Clerical (L.F.)	2,715.00
Clerical (M.H.)	1,284.00
AECASSOWARY/30 (Associate Editor, I.K.)	3,000.00
AECASSOWARY/10 (Writer, D.R.)	3,534.00
AECASSOWARY/8 (Associate Editor, W.S.)	3,981.00
Accountant (R.T.)	<u>3,684.00</u>
TOTAL	\$20,433.00



BREAKDOWN OF CONTACT OPS, DISTRIBUTION, RESEARCH FY-1969 (Actual)  
 FY-1970 (Est.)

	<u>FY-1969</u>	<u>FY-1970</u>
Travellers to denied areas *	\$ [	\$ [
USSR		
Satellites		
Parcel mailing program *		
Stamp exchange program *		
Incidental travel in local areas (by collaborators) *		
Small gifts to Soviets (contact ops) *		
Meals and entertainment of Soviets and satellite contacts *		
Book distribution program (cost of books purchased & distributed)		
Information Bulletin (printing & distribution costs)		
Literary fees & part-time researchers (less than \$700. per indiv.)		
Photocopying & duplicating costs		
Payment to foreign representatives (includes cost of printing and distributing Echos d'Ukraine)		
Digest of the Soviet Ukrainian Press (printing & distribution)		
Payment to Collaborator (Dr.H.) in Munich		
Cash and technical assistance to internal contacts (denied areas) *		
TOTAL "RESEARCH" COSTS	\$ [ <u>          </u> ]	\$ [ <u>          </u> ]

\* These items are included in "contact operations" Attachment No. 1.

PUBLICATIONS FY - 1969

1. UKRAINSKI YURYSTY NA SUDI (Ukrainian Lawyers on Trial) September 1968	\$ 664.00
2. INTERNATIONALISM CHY RUSSYFIKACIYA? (Internationalism or Russification) July 1968	3,120.00
3. DWI DRAMY (Two Plays) December 1968	471.00
4. KOORDYNATY, ANTOLOGIYA UKRAINSKYCH NE-SOVIETSKYCH POETIW (Anthology of Ukrainian non-Soviet Poets) Part I	2,000.00
5. Part II of No. 4	2,000.00
6. DIDROT - ZHAK PHATALIST - Translation from original	1,500.00
7. NOWI POEZIYI #10 (New Poems No. 10) November 1968	809.00
8. LIRNYK (The Lira Player)	1,925.00
9. ZWIDOMLENYA (Announcement) July 1968	96.25
10. MONOHRAFIYA ANDRIYENKA (A Monograph on Andriyenko)	307.47
11. CAMUS - SPRAWEDLYWI (The Just, by Camus) a translation	498.00
12. REPORTAZH ZI ZAPOWIDNYKA BERIYI (Report from the Beria Reserve, by Moroz)	139.27
13. Five pamphlets - reprints from <u>Suchasnist</u>	150.00
a. <u>Mity Chuzhynky</u> (Myths of a Poetess)	
b. <u>Za Yakyy Prapor</u> (Under What Flag)	
c. <u>Etatystychnyy Mit Sotsiyalizmu</u> (Statist Myth of Socialism)	
d. <u>Kil'ka Dumok Pro Nashi Suchasni Problemy</u> (Several Thoughts About Our Current Problems)	
e. <u>Lyst Radyanskykh Baptystiv do U Tana</u> (The Letter from Soviet Baptists to U Thant)	
14. <u>Internationalism or Russification</u> (additional payment made for French translation not yet published)	500.00
	<u>\$14,179.99</u>

DISTRIBUTION OF BOOKS AND OTHER LITERATURE

1 April 1968-1 March 1969

Books Mailed To:

USSR	1,802
Poland	127
Bulgaria and Hungary	67
Yugoslavia	495
Czechoslovakia	2,890
Rumania	<u>38</u>

TOTAL Books Mailed 5,419

Books hand-carried to the USSR and Satellites and handed to Soviet citizens in the USSR	817
Books handed to Soviet and Satellite citizens in the West	<u>568</u>

TOTAL Books Distributed 1,385

Pamphlets, Newspapers, Magazines and Sheet Music

Mailed to USSR	18
Mailed to UkSSR	824
Mailed to Ukrainians living in Satellites	658
Handed to Soviet citizens in the West	67
Handed to Soviet citizens in the USSR	<u>40</u>

TOTAL Pamphlets, Magazines, Newspapers and Sheet Music 1,607

Project (Publications)

<u>Suchasnist</u>	
Mailed to USSR	143
Mailed to UkSSR	1,784
Mailed to Poland	714
Mailed to other Satellites	<u>2,881</u>

5,522

<u>Ukrainskyi Samostijnyk</u>	
Mailed to USSR	44
Mailed to UkSSR	2,244
Mailed to Poland	483
Mailed to other Satellites	<u>264</u>

3,035

<u>Information Bulletin</u>	
Mailed to UkSSR	10,586
Mailed to Poland	33
Mailed to other Satellites	<u>261</u>

10,880

TOTAL Project publications mailed

GRAND TOTAL Number of Literature Distributed to Soviet Citizens 27,848

## SECRET

### DIRECT OR IMPLIED SOVIET ATTACKS AGAINST THE ZP/UHVR, ITS PERSONNEL OR ITS PUBLICATIONS (For the period June 1968 - 1 March 1969)

1. Historian Yuri Rymarenko, in an article, "Enlightening the Pages of History," in Komunist Ukrainy, on 6 June 1968, complained that Ukrainian nationalists abroad appeal to politically immature elements in our society, circulate concocted stories about the Ukraine being a Russian colony and the Communist Party of the Ukraine being an instrument of Russification, and that they publish feeble works of young Soviet Ukrainian writers.
2. Literaturna Ukraina, on 6 June 1968, carried an article by historian V. Prybil'skiy in which he referred to anti-communists, who engage in anti-Soviet activities, and quoted from the Chornovil papers published in Paris. He also attacked Ukrainian nationalist circles, which publish anti-Soviet newspapers and bulletins.
3. In the No. 7, July 1968 issue of Komunist Ukrainy, V. Yurchuk attacked the emigre author Ivan Maystrenko and his Dokumenty Ukrains'koho Komunizmu, published by Prolog.
4. In an article, "For Whom Are the Humanists Standing Up?," in the 16 July 1968 issue of Literaturna Ukraina, Oleksiy Poltoratskyi attacked Western propagandists who defend Chornovil and Karavansky, two of the imprisoned Soviet Ukrainians about whom the ZP/UHVR and other Western organizations published articles.
5. Volodymyr Vil'niy, in an article, "Before the Judgement of History", in the 26 July 1968 Literaturna Ukraina, attacked Mykola Lebed for cooperating with fascists, stating he now is the manager of Prolog, which produces pulp. Vil'niy compared the incidents in Czechoslovakia with the activities of Ukrainian nationalists. The article later appeared in Sovetskaya Literatura on 7 August 1968.
6. Mykola Lebed and the Prolog press were attacked for "churning out pulp literature" in a book, by B. Serhienko and I. Klymchuk, Socialist Reality and Nationalist Fabrications, published by the Ukrainian Publishing House of Political Literature in Kiev and reviewed in the Literary Gazette on 7 August 1968. The authors stated that "The 'experts' smear Soviet Ukrainian Literature by choosing isolated immature works of our modern writers, particularly the young ones, and excessively praising them."
7. Literaturna Ukraina, on 26 November 1968, directly attacked Bohdan Kravtsiv for his articles published in the "nationalist Suchasnist."
8. Literaturna Ukraina, on 27 December 1968, reported a speech by O. Poltoratsky to the Plenum of the executive board of the Union of Ukrainian Writers in Kiev (date not specified), attacking "enemies" who publish the writings of Ivan Dzyuba.

**SECRET**

- 2 -

10. In a special pamphlet entitled, "Double-faced Gamble on OUN Chieftans," published by the Association of Cultural Contacts with Ukrainians Abroad, V.P. Cheretnychenko accused Rev. Ivan Hrynyokh, among others, as having been responsible for OUN activities against Soviet citizens in 1941, and Mykola Lebed for collaborating with the Germans during the occupation of the Ukraine.

11. On 29 January 1969, Radio Kiev carried an account of the OUN by Yuri Rymarenko, which named Mykola Lebed as having been in contact with German intelligence in 1941 and engaged in activities with the OUN against the Soviet Union.

12. A Radio Kiev broadcast on 1 February 1969 was devoted to a lecture by Rymarenko, attacking Ukrainian emigres, Ukrains'kyi Samostiynyk, the ZP/UHVR and Mykola Lebed, "who directs the anti-Soviet nationalist Prolog organization."

13. Anatol Kaminsky along with other "anti-Soviet Western reactionaries" was attacked by Radio Kiev on 5 February 1969.

SECRET

PROJECT APPROVAL NOTIFICATION

PROJECT	AERODYNAMIC	<input checked="" type="checkbox"/> CA	<input type="checkbox"/> PROPRIETARY
		<input type="checkbox"/> FI/CI	<input type="checkbox"/> SUBSIDY
			<input type="checkbox"/> DIRECT

ACTION		AREA	
	NEW PROJECT	DIVISION	
X	AMENDMENT No. 1 (FY 1970)	SB	
	RENEWAL	BRANCH	
	TERMINATION	SB/PO/M	
	EXTENSION	DESK	
	OTHER	CASE OFFICER	EXTENSION
		☐	☐ 5877

AUTHORIZATION			
APPROVING AUTHORITY	TOTAL AMOUNT APPROVED	FY	AMOUNT
ADD/P 13 August 1970	\$☐ 1 *	1970	
PERIOD OF APPROVAL		196	
FROM 1 July 1969 TO 30 June 1970	FINANCIAL CODE SYMBOL	0134-0612	

CONDITIONS OF APPROVAL

\*Amendment No. 1 to Project AERODYNAMIC approved in the amount of \$☐ 1, increasing the project's authorization from \$☐ ☐ to \$☐ ☐ for FY 1970.

DECLASSIFIED AND RELEASED BY  
CENTRAL INTELLIGENCE AGENCY  
SOURCE METHOD EXEMPTION 3B2G  
NAZI WAR CRIMES DISCLOSURE ACT  
DATE 2007

SIGNATURE	DATE
MPS/BG (Signed) ☐	14 AUG 1970

DISTRIBUTION									
1	FINANCE DIVISION	1	BUDGET DIVISION	1	OPERATING DIVISION CHIEF OF SUPPORT	1	CASE OFFICER	2	MPS/BG

FORM 6-66 849 US. PREVIOUS EDITIONS.

SECRET

GROUP 1  
EXCLUDED FROM AUTOMATIC DOWNGRADING  
AND DECLASSIFICATION

(5)

S E C R E T

CA/PEG PROJECT DATA SHEET

Date 29 July 1970

Div/Br/Desk	Country	Type of Action	Function	Project Cryptonym
<b>SB/CA</b>	<b>USSR</b>	<b>FY 70 Amend. # 1</b>	<b>Propaganda</b>	<b>AERODYNAMIC</b>

1. Funds	<u>Programmed</u>	<u>Requested</u>	<u>Approved</u>	<u>Obligated</u>
<b>FY 1970</b>		\$ [ ] *	\$ [ ] ]	\$ [ ] ] (31 March 70)
<b>FY 1971</b>	\$ [ ] ]	\$ [ ] ]	\$ [ ] ]	
<b>FY 1972</b>	\$ [ ] ]			

\*Funds are available from within SB Division budget.

**2. Description of Activity:**

Project AERODYNAMIC is the principal vehicle through which SB Division conducts its operations against the Ukrainian Soviet Socialist Republic. The main purpose of the project is to exploit contacts with Soviet Ukrainian citizens in order to encourage national and intellectual unrest in the Ukrainian SSR, thus encouraging cultural and intellectual freedom for Soviet citizens. CIA has been in contact with the ZP/UHVR (Foreign Representation of the Ukrainian Supreme Liberation Council) since 1950. Anti-Soviet propaganda activities were begun from New York by a panel of the ZP/UHVR in 1953. As of 1968, all activities and all publications, with the exception of the Information Bulletin, originated in Europe. The Prolog Research Corporation of New York, N.Y. conducts the research, writing and contact operations of the project.

**3. Funding:**

Effective July 1969, a new funding procedure was accomplished by the creation of two notionals - [ ] and [ ] ]

Funds for the New York Prolog office are passed via Denver and Los Angeles and receipts are furnished Prolog showing fund origin to backstop questioning by New York

S E C R E T

fiscal authorities. Funding of the Munich branch of Prolog will continue via [ ] bank transfers; however, the account is not in the name of Prolog. To further reduce security hazards, the \$[ ] contingency fund held in the Prolog [ ] account was liquidated early 1970. Even with this device, it is estimated that some Munich personnel are witting of U.S. Government involvement, and some others may suspect such involvement.

4. Interagency Coordination and Approval:

Ambassador McGhee in Germany approved on 17 November 1967. The 303 Committee on 1 December 1967 (a) approved continuation of CIA's relationship to Prolog subject to annual review of Prolog's value and effectiveness; (b) approved the merger of Prolog's activities with Suchasnist in Munich, and the continued residence of certain Prolog personnel in the United States; (c) took note of the fact that Prolog publications will continue to find a limited market in the United States. Deputy Assistant Secretary of State briefed in November 1967. ZP/UHVR collaborators who contact Soviet diplomatic and United Nations personnel are either advised to report their contacts to the FBI or the contact is coordinated with the FBI through the project case officer.

On 27 December 1968 the 303 Committee again approved. More recently, Deputy Assistant Secretary of State Emory C. SWANK endorsed the activity on 6 November 1969; and the 303 Committee reaffirmed its policy endorsement of the project on 23 December 1969.

S E C R E T



S-E-C-R-E-T

CA/PEG PROJECT EVALUATION

Date 29 July 1970

	Initials	Date	Initials	Date
1. DC/CA/PEG	U.C.N.	24 July		
2. C/CA/PEG	PF	29 July	5. MPS/BG/CA	
3.		30 July	6. ADDP	
4.			7.	

PEG Eval. Officer	<input checked="" type="checkbox"/>
Date Received	13 July 70
Date Due in MPS/BG/CA	17 July 70

COMMENT:

1. This amendment is for money owed by the Prolog corporation to its employees' pension fund; the sum is carried as a liability on corporation records. It is not possible for Prolog to liquidate the liability since it has little working capital (or cash resources) and CIA subsidy payments meet only minimum needs. The deficiency in working capital has evolved as a result of poor fiscal reporting procedures dating back to 1968. The weakness in the fiscal procedures were not readily apparent to SB Division and therefore they were not corrected in time. Steps have now been taken to avoid the recurrence of similar deficits and to correct and improve the reporting practices. Also, SB Division has instituted a new and improved quarterly budgetary reporting method and has arranged to provide professional guidance for the administration of the Prolog pension fund. In addition, SB Division is consulting with the Office of Personnel for the management of the trust fund.

2. CCS/PRG concurs in the amendment request without comment.

3. Recommend approval.

Div/Br/Desk	Country	Type of Action	Function	Project Cryptonym
SB/CA	USSR	FY 70 Amend. # 1	Propaganda	AERODYNAMIC
ADDP Action:			Amount	

**PROJECT ACTION**

PROJECT CRYPTONYM  
**AERODYNAMIC**

	TYPE OF ACTION	FI/C	XX	CA			
	NEW PROJECT APPROVAL	DIVISION <b>Soviet Bloc</b>					
	AMENDMENT NO. <b>1 (FY 70)</b>	FIELD STATION					
	RENEWAL FY 19	BRANCH <b>SB/PO/M</b>			DESK		
	EXTENSION	CASE OFFICER <b>[ ]</b>			DATE <b>20 June 1970</b>		
	TERMINATION	ROOM NO. <b>4D30</b>	BUILDING <b>HQS</b>	TEL. EXT.	RED <b>9078</b>	BLACK <b>5877</b>	

**CONCURRENCES OF DIVISIONS**

ORGANIZATIONAL ELEMENT	TYPED NAME (and signature)	DATES		MEMO ATTACHED	
		IN	OUT	YES	NO
CSB/PO/M	[ ]	29.6.70	29.6.70		-
DC/SB/POS	[ ]	29 June 70	29 June 70		✓
CSB/POS	[ ]	29 June 70	29 June 70		
CSB/BF	[ ]	29 June	29 June 70	✓	✓
CSB/SS	[ ]	29 JUN 1970	29 JUN 1970		✓
SB/PPC	[ ]	29 Jun 70	29 Jun 70		✓
DC/SB	[ ]	2/7/70			✓
C/SB	[ ]	6/4/70	6/7/70		✓

**CONCURRENCES OF OTHER COMPONENTS**

(Type in Organizational Element and Name Below Only When Concurrence Obtained by Originating Element.)

		DATES		MEMO ATTACHED	
		IN	OUT	YES	NO
C/EUR/CA	[ ]	6/8/70	6/9/70		✓
C/MPS/BG	[ ]	11 Aug '70			
C/MPS/BG/CA	[ ]		11 Aug 70		
C/CA/PEG	[ ]	13 JUL 1970	29 July 70		
C/CCS/PRG	(Signed) [ ]	14 Jul 70	17 Jul 70		X

**ALL FUTURE ACTIONS ON THIS PROJECT REQUIRE APPROVAL OF DD/P OR ADD/P**

**APPROVAL**

	PERIOD	AMT THIS ACTION	FY	TOTAL FUNDS AUTHORIZATION
	FROM <b>1 July 1969</b>	TO <b>30 June 1970</b>	<b>\$ [ ]</b>	<b>\$ 210,358</b>
APPROVING AUTHORITY <b>ADDP</b>	SIGNATURE <b>[ ]</b>	DATE <b>13 Aug 70</b>		

**SECRET**

PROJECT AMENDMENT - FY 1970

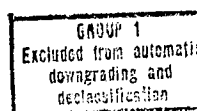
It is requested that Project AERODYNAMIC be amended for FY 1970 in the amount of \$[redacted] to cover an operating deficit in AETENURE (Prolog Corporation). FY 1970 funds in this amount are available in the SB Division operating program.

The deficit of \$[redacted] represents the amount owed by Prolog Corporation to its employees' pension fund and is carried as liability on the Corporation records. Prolog is unable to liquidate this liability by payment from cash resources; there is a deficiency in working capital, and the CIA subsidy payments meet only the minimum needs of the AERODYNAMIC program.

The deficiency in working capital has evolved because Prolog officials and SB Division project management were unable to recognize from the complicated project fiscal reporting, involving both the Munich and New York organizations, that the rate of expenditures had been exceeding income since 1968.

Stricter SB Division operational and fiscal control of the budgetary and fiscal procedures of Prolog Corporation have been initiated. This includes a quarterly financial review and reconciliation of all fiscal reports to insure that the rates of expenditure are consistent with the subsidy scheduling, and that accounts payable and other liabilities do not accrue for long periods of time and in unrealistic amounts. Prolog officials will be admonished that if their organization is to continue to qualify for further Agency subsidy, such deficits must not occur again.

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**SECRET**

-2-

Attached to this request for project amendment are excerpts from the Audit Staff report: paragraph 5 concerning the organizational deficit, and paragraph 6 concerning the need for professional guidance for the administration of the Prolog employees' pension fund. SB will consult with the Office of Personnel concerning the provision of pension plan guidance to Prolog.

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EXCERPT -- Report of Audit

5. The project records as of 31 December 1969 reflect a liability to the employees pension trust in the amount of \$C. , yet their cash position at that date was only \$L 7. It appears the cover company has been using cash that should have gone to the employees pension trust for other project expenses. The payment of this liability without special funding will reduce the funds available for project expenses during the forthcoming year but provision should be made for its liquidation.

Recommendation: We recommend that SB Division closely monitor the cash position and the expenditures of the cover company to prevent future overexpenditures of funds. We further recommend that the liability of \$10,358 be liquidated from the project records by transferring the funds to the trust so as to present a better financial position on the financial statements of the project. In the future the funds should be transferred to the trust on a regular basis.

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EXCERPT ----- Report of Audit

6. The employees pension fund as of 31 December 1969 reflects an unrealized loss of \$[ ] on the \$[ ] that has been invested since 1961 and a \$[ ] receivable from the project. We feel more professional guidance is needed for the trust which is managed by the employees. Evidence of this is the \$[ ] receivable which the trust allowed to accumulate without investing it in an income producing bank account or treasury note and the unrealized loss of \$[ ] in the trust after almost nine years of operation. We do not feel that the trust will adequately provide for the employees that are approaching retirement age. The trust as it is now operated will probably provide lump sum payments upon retirement whereas investments providing a monthly income upon retirement might be more suitable.

Recommendation: We recommend that SB Division seek advice from the Office of Personnel in managing the trust fund.

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CENTRAL INTELLIGENCE AGENCY  
SOURCE METHOD EXEMPTION 25X25  
NAZI WAR CRIMES DISCLOSURE ACT  
DATE 2007

4 September 1959

MEMORANDUM FOR: Chief, SR/3

SUBJECT : AERODYNAMIC/FI Opportunities in 1959

1. The specific FI opportunities listed below plus the expansion of AERODYNAMIC's FI collection mechanism could not be exploited for lack of adequate case officer personnel in SR/3-PP. At present [redacted] is the AERODYNAMIC case officer and [redacted] occasionally assists her. There are no case officers overseas. To all intents and purposes the headquarters of the AERODYNAMIC project is in New York.

2. REDSKIN Travelers. During 1959 to date approximately 100 U.S. or Canadian citizens of Ukrainian origin have traveled to the USSR. The overwhelming majority of these have been Canadian citizens. Canada's REDSKIN program is still in the embryo stage. The following four U.S. citizens were spotted by AECASSOWARY 2 in the hope that CIA could use them:

A. ~~X~~ Nikolas HLADUN, an old Ukrainian emigre and businessman in New York who traveled in June 1959 to Kiev and Lvov where he visited his relatives. We had about 45 days lead time on this one. It was known in advance that he would visit his relatives and that he would also have personal contact with the First Secretary of the CPSU for Lvov Oblast. While HLADUN turned out to be a rather simple old man lacking in security discretion, we would not have been able to handle his training and briefing for lack of case officer time. (SR/10 steers clear of American citizens born in the USSR.)

B. ~~X~~ William TARASKO, member of the New York Police Force at the United Nations Building, traveled to the Ukraine in Spring 1959 where he was hosted by high officers of the Soviet Ukrainian uniformed police (Militsia).

C. ~~X~~ Evhen STAKHIV, Ukrainian born American businessman, traveled to Poland and Soviet Ukraine in August 1959. AECASSOWARY 2 assessed him as talented in the contact operational field. He was a member of the AERODYNAMIC team at LCOUTBOUND.

D. ~~X~~ Stefan OLENYK, research analyst at the Library of Congress, traveled to Poland and Soviet Ukraine in August 1959 after participating on the AERODYNAMIC team at LCOUTBOUND. Had numerous interesting contacts with Ukrainian nationalists in Poland and USSR.

At the beginning of 1959, AECASSOWARY 2's views re what Ukrainian emigres could and could not do while traveling in the USSR were very old-

SECRET

SECRET

-2-

fashioned: he thought they would be just as restricted as they were during the Stalin era. He is now interested in mounting further travelers. Both HLADUN and TARASKO would have been piggy-back operations. STAKHIV and OLENYK were encouraged to apply for Soviet visas by AECASSOWARY 2 and their trips were partly financed by AECASSOWARY 2. All except TARASKO received a briefing and some low-level requirements from AECASSOWARY 2. These briefings included some questions from CIA.

3. Contact Operations. Experience to date in this field demonstrates that of the Soviet Ukrainians traveling abroad there is a higher percentage who are approachable, and presumably recruitable, than among Great Russians. The AERODYNAMIC team at the Brussels Fair was considered by [ ] to be the best asset in the contact operational field which we had available. Aside from Brussels and Vienna, the following contact operational opportunities have cropped up in 1959 but could not be supervised or exploited by CIA in any-where near the proper manner for lack of case officer time.

A. When the Bolshoi Ballet was in New York, one of the sympathizers of the AECASSOWARIES, on whom we already have a POA, found that his cousin was one of the principal dancers. He had several meetings with his Soviet cousin but we had no case officer whom we could send to New York to assist in the supervision of these contacts.

B. AECASSOWARY 2 mounted a Ukrainian journalist to contact Soviet Ukrainian athletes during the Philadelphia track meet. Again, no case officer on the spot to take advantage of any opportunities which might have developed. (As noted in our dispatch reviewing contact operations, no recruitment of a Soviet spotted by an emigre group has yet been possible without the participation of a CIA case officer. [ ] is the only exception to this statement.)

C. ~~Professor~~ Professor KUCHER, fnu, a chemistry professor at the University of Lvov with whom the AECASSOWARIES established friendly personal contact both at the Moscow Youth Festival in 1957 and again in Eastern Germany in 1958, has expressed the desire to attend a macro-molecular chemistry symposium in Western Europe in Autumn 1959. He has kept in letter correspondence since 1957 with the AECASSOWARY agent who initially met him. He has been assessed as susceptible to recruitment not by CIA but by the AECASSOWARIES.

D. According to AECASSOWARY 2, a Soviet Ukrainian exhibition at the Marseilles Trade Fair will constitute the entire USSR exhibit. The Trade Fair is scheduled for 12-24 September 1959. Two or three AECASSOWARY agents will attend but we have to date selected no case officer to have contact with them in case any opportunities arise. Note that in this operational field CIA has no assets aside from the AECASSOWARIES capable of fielding teams of agents to contact Soviet Ukrainians while abroad. Ideally the AECASSOWARIES should keep on tap a mobile pool of some ten or twelve operatives (say, eight in Europe and four in North America) who are trained to conduct contact operations and

SECRET



SECRET

-3-

who are available for TDY use virtually anywhere and any time groups of Soviet Ukrainians appear. Case officer time is badly needed to set this team up.

4. Expansion of FI Collection Mechanism. The following types of expansion seem desirable:

A. Similar to the NTS, the AECASSOWARIES have sought for several years to create operational residenturas in various Free World areas to which Soviet Ukrainians normally travel, e.g., Istanbul, Athens, Rome, Naples, Paris, London, Helsinki, Stockholm, etc. So far, residenturas exist only in New York, Munich, Paris, Istanbul (one man who is having a rough time with it), Stockholm, London, Winnipeg and Edmonton. Lack of funds and case officer time to help push this AECASSOWARY effort have been the main obstacles. Young, intelligent and highly motivated men and women are available for these jobs. On our side we do not have people available to handle the training and briefing of resident agents nor have we selected anyone to be in contact with them in their area of operations.

B. At the AECASSOWARY headquarters in New York, AECASSOWARIES 2, 27 and to a much lesser extent 4, are involved in FI operations. FI operations are, however, only one of about 20 duties these people have. AECASSOWARY 2 has long recognized his need for a clandestine operations deputy. He does not want to give this job to AECASSOWARY 27 because he is the best public speaker the group has as well as being one of the best writers. The operational deputy should be a man who is able to devote full time exclusively to one job. AECASSOWARY 27 will probably remain the chief of AECASSOWARY's <sup>SECRET</sup> operational efforts since he is their most experienced PA in this field.

C. Package mailing operations to the Ukraine have produced mail correspondences and FI leads. It will take some case officer time to exploit this channel efficiently. The agency in New York which mails the packages is headed by an old Ukrainian emigre who is known to be anti-Communist.

D. By far the largest volume of international mail from the Western Ukraine goes to Canada. For lack of time the AECASSOWARIES have not exploited this mail as aggressively as they should.

E. FI reports and reports on FI operational leads usually come from the AECASSOWARIES verbally and take up a good deal of the present case officer's time. Now that PYREX tapes will no longer take up AECASSOWARY's time, a case officer should train the AECASSOWARIES in the type of reporting we require and which we get in greater volume from the NTS. What good are FI leads and FI information if not properly reported? To improve the AECASSOWARIES' reporting ability will be a tedious and time-consuming job.

5. Liaison. In the Ukrainian field there are two other services aside from ourselves, namely UPSWING and the Canadians. UPSWING is dealing with the Bandera group and is allegedly getting some good FI reports on the Soviet

SECRET

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-4-

Ukraine. SR/3-PP has never seen any of these reports and is thus not able to comment on them. Some case officer time should be spent to see how best UPSWING's Ukrainian activities can benefit CIA.

As the third largest national group in Canada, it is not surprising that the Ukrainians offer a fertile FI operational field, particularly in the REDSKIN field. According to a report from AECASSOWARY 2, at least 100 Ukrainian Canadians planned to travel to the Soviet Ukraine during 1959. The AECASSOWARIES have representatives in Canada including a man who is a lieutenant in the Canadian military intelligence. The new Canadian service interested in FI operations into the Ukraine seems cautious and primarily interested in observation and description operations to produce military intelligence. It is extremely doubtful, in my opinion, that the Canadians are interested in recruiting Soviet Ukrainian citizens. Thus the leads in the FI field produced by Ukrainian Canadians traveling to the USSR are not being utilized but could be siphoned off via the AECASSOWARIES. The new Canadian service seems willing and anxious to produce intelligence and to get into the USSR operational field. If they are as willing to take our advice, as they seem to be, it is not inconceivable that we can help them run some operations which lead to recruitment of Soviets. From my and [ ]'s talks with the chief of this new Canadian service, we would judge that they are quite naive in the operational field.

6. Special Operations. In early 1959 the AECASSOWARIES received news that a member of the Ukrainian underground had recently been repatriated to Poland from the USSR as a Polish citizen. The AECASSOWARIES have been running an operation to try to allow this former underground member to immigrate to the United States. He allegedly has important FI information in his head and in writing regarding the present status of the Ukrainian nationalist underground. He is scheduled to immigrate to the United States in November 1959. As of late 1958 he was in a prison camp in Siberia.

Chief, SR/3-PP

P.S. Most of the above items were contained in [ ] list which I added to and amplified.

# SECRET