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Federal Bureau of Investigation

Director
Central Intelligence Agency
Washington, D. C. 20505

Attention: Deputy Director, Plans

Dear Sir:

For your information, I am enclosing communications which may be of interest to you.

Very truly yours,

J. Edgar Hoover
John Edgar Hoover
Director

Enc:

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FORM 2227

(40-47)

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FD-204
6-16-51

FEDERAL BUREAU OF INVESTIGATION

DFB 14023

FORM No. 1
THIS CASE ORIGINATED AT

SAN FRANCISCO

SECURITY INFORMATION - CONFIDENTIAL

60P

REPORT MADE AT SAN FRANCISCO	DATE WHEN MADE OCT 27 1951	PERIOD FOR WHICH MADE 8/1-9/30/51	REPORT MADE BY WILLIAM A. COHENDET - Dn
TITLE SINISA KOSUTIC		CHARACTER OF CASE INTERNAL SECURITY - XU	

SYNOPSIS OF FACTS:

KOSUTIC continued as Consul at the Yugoslav Consulate General, San Francisco, during this period. He specialized in legal matters, such as estates and the ANDREW ARTUKOVICH case in Los Angeles. He appeared in court in the latter matter and also in an estate which was being settled in Missoula, Montana, both cases being in September 1951. He also continued to exhibit interest in Yugoslav immigrants in this area.

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DETAILS:

During the months of August and September 1951, SINISA KOSUTIC continued to be employed as Consul at the Yugoslav Consulate General, San Francisco. San Francisco T-1, of known reliability, noted during this period that KOSUTIC had the responsibility of handling legal matters arising out of estates and such cases as that of the Yugoslav Government extradition proceedings being brought against ANDREW ARTUKOVICH in the United States District Court in Los Angeles. ARTUKOVICH was Minister of the Interior in the Croatian Government set up by ANTE PAVELIC under the sponsorship of the Nazis. ARTUKOVICH has been accused by the present Yugoslav Government of causing the death of many Yugoslavs while he was in office. T-1 stated that as a result of a complaint filed by Consul General RAPO-PVANDEVIC in Los Angeles, ARTUKOVICH was arrested and was being held for possible extradition.

APPROVED AND FORWARDED	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES
<p><i>W. A. Cohen</i></p> <p>SECURITY INFORMATION - CONFIDENTIAL</p> <p>COPIES OF THIS REPORT</p> <ul style="list-style-type: none"> 5 Bureau (105-13636) 1 Butte (105-142) (Info.) 1 Denver (105-175) (Info.) 1 Los Angeles (Info.) 1 Portland (Info.) 3 San Francisco (105-751) 		<p>This is an FBI investigative report and makes no recommendation for clearance or disapproval.</p>

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INDEX

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SF 105-751

KOSUTIC made two trips during September 1951 in connection with court actions in which the Consulate was interested. One had to do with an estate in Montana wherein the Consulate was trying to establish a precedent showing that true reciprocity existed in this type of case between the United States and Yugoslavia in that the Yugoslav Government would permit heirs in the United States to receive estates left to them in Yugoslavia. KOSUTIC and IVANDEVIC accompanied their Portland attorney, PETER A. SCHABE, to Missoula, Montana, where they arrived on September 11. They appeared in court and thereafter left the district on September 14, returning to San Francisco via Portland. (T-1)

On September 18, 1951, KOSUTIC went to Los Angeles to confer with Attorney RONALD WALKER, who was representing the Yugoslav Government in the ARTUKOVICH case. There was some indication that KOSUTIC might also appear in the court action in this matter. He returned to San Francisco on September 19, 1951. (T-1)

A cousin of KOSUTIC, DEJAN KOSTIC, who is an employee of the Yugoslav Embassy in Washington, arrived in San Francisco for a vacation on August 8, 1951. He stayed at the home of KOSUTIC until August 18, when he left to return to Washington via Los Angeles. (T-1)

KOSUTIC renewed his English lessons with Mr. Brown of the Brown House Advertisers, 131 University Avenue, Palo Alto, on August 10, 1951. (T-1)

KOSUTIC had lunch with JOHN MURRAY FOX on August 17 according to T-1. The San Francisco Retailers Credit Association showed that FOX resides at 3541 Washington Street, San Francisco. He is forty-six years old and is employed as a freight solicitor for the Pacific Transport Service, 244 California Street, San Francisco.

A Mrs. MARKOVIC, first name unknown, of Oakland on August 14 complained to KOSUTIC about an entire family that had been killed or imprisoned in Yugoslavia and she wanted the Consulate to do something about this situation. KOSUTIC told Mrs. MARKOVIC that she was acting poorly to thus talk against her own people, that is, the Yugoslav Government, and he declined to go into the matter with her. (T-1)

On August 17, 1951, KOSUTIC had an appointment to see Mrs. EVELYN ZIERLEIN, 383 Santa Ana Avenue, San Francisco. No reason for this meeting was known, but it was seen that her address is not far from where KOSUTIC resides. (T-1)

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SF 105-751

KOSUTIC and his family were weekend guests at the summer cottage of Dr. RALPH E. REYNOLDS of San Francisco on the weekend of August 24, 1951. Dr. REYNOLDS resides at 230 Santa Clara Avenue in San Francisco. (T-1)

KOSUTIC in former periods contacted the San Francisco Serb SVETOSAR SEROVIC. On August 31, 1951, SEROVIC told KOSUTIC that a "big Serb" (that is, a sympathizer for Serbian domination in Yugoslavia) had predicted that KOSUTIC would not last another year as Consul in San Francisco. SVETOSAR SEROVIC declined to name this "big Serb." (T-1)

On August 31, 1951, KOSUTIC told JOSEPH KERPAN, San Francisco Croat leader, that he wanted KERPAN to campaign locally on the ARTUKOVICH issue mentioned above, that is, to try to get public support behind the Yugoslav Government's stand on the extradition issue. KERPAN was reluctant, feeling that he could not accomplish anything. KOSUTIC claimed there was much to be done to get the local committee to take a stand on the issue. (T-1)

During this period also KOSUTIC began cultivating a man named GOBANIC, a seafaring Serb originally from Zemun, Serbia, where he had known KOSUTIC. San Francisco T-2, of known reliability, advised that the full name of this individual was GEORGE GOBANIC, who shared an apartment with CHARLES GVETKOVIC, editor of the San Francisco Yugoslav American Herald. According to San Francisco T-3, of known reliability, this newspaper followed the "big Serb" line in its policies as to Yugoslavia and was generally anti-Communist and anti-Tito. T-1 advised that KOSUTIC invited GOBANIC to dinner on August 27, 1951, but due to an illness of his wife the matter was postponed until August 29, 1951. On that date KOSUTIC asked GOBANIC to follow news accounts of political refugees like ARTUKOVICH and to give them to him. KOSUTIC reviewed the ARTUKOVICH case with GOBANIC, and GOBANIC indicated that he would try to do as KOSUTIC requested. GOBANIC was again at the home of KOSUTIC for dinner on September 8, 1951.

T-2 stated that GOBANIC had been invited to the home of KOSUTIC and that KOSUTIC had asked him to get information on how the Serbs in San Francisco felt about certain world issues. T-2 said that GOBANIC was a "Nationalist Serb" who was not sympathetic to Communism of either the Russian or Tito type. GOBANIC claimed that he did not give KOSUTIC any important information.

KOSUTIC continued to display interest in the political beliefs of the various Yugoslav emigrants in the San Francisco area. As noted previously, he prepared what the informant believed to be an index of individuals whom he had met. The following system appeared to be one

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SF 105-751

used by KOSUTIC according to San Francisco T-4, of known reliability. Part of it was to be set up with colored cards, such as the "Right" (Reactionaries) - green, "Undecided" - yellow, IB (Cominform) - red, "On Our Side" - blue. Then the form to be followed on these cards would have the following information: name, occupation, address, biography, political affiliation, relationship toward the People's Republic of Yugoslavia, and political workers connected with their families. (T-4 8/10/51)

KOSUTIC wrote up individuals as heretofore reported and added the following persons:

1. Rev. VITAL VODUSEK, Slovene Roman Catholic priest in San Francisco, who KOSUTIC said became bitterly against the Yugoslav Relief Action after first being very cooperative with the Consulate personnel.
2. JEPTO VUKOVIC, a native of Herzegovina, who KOSUTIC said went around in the company of the IB (Cominform).
3. LJUBICA VUKOVIC, wife of JEPTO, described as a native of the United States and one time Communist Party member.
4. TOM DJONOVIC, a Montenegrin who is a friend of NICK ROLOVIC.
5. NICK ROLOVIC, another Montenegrin who is "On Our Side" (Earlier information has been that ROLOVIC is a relative of Ambassador VLADO POPOVIC.) (T-4 9/26/51)
6. Professor WAYNE E. VUCINICH, born in Montenegro, who came to the United States as a young man and who at one time was editor of the Yugoslav American Herald, which today, according to KOSUTIC, is "financed by the Serbian Reactionary forces." VUCINICH has underlined the idea that Yugoslavia was going toward the Democratic way of life more and more, which was being exemplified to her by the West and particularly so by the American democracy. He has attacked the Soviet Union and its policies towards us (Yugoslavia) and other Eastern countries. He is receiving all of "our"

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SF 105-751

literature, including that from the Party.
This is being sent to him by the Press Attache
from the American Embassy in Belgrade.
(T-4 5/25/51)

Other tasks for KOSUTIC at the Consulate were noted by T-4
as follows:

1. Study articles appearing in "our" press concern-
ing conditions here, also consider the case of
Dr. (PETER) MARINOVICH. (MARINOVICH is the
present mayor of the City of Watsonville, Cali-
fornia, who was strongly pro-Tito until a trip
to Yugoslavia last year, after which he has
expressed himself as being opposed to the Tito
regime, according to T-3.)
2. Study unfavorable articles in the press here.
3. Review the success in the Yugoslav Relief Campaign
in accordance with the instructions of the Ministry
of Foreign Affairs. (T-4 9/28/51)

KOSUTIC displayed an interest in the affairs of the Croatian
Fraternal Union. KOSUTIC urged MATEJ ZVONOR of Denver, Colorado, to raise
his voice at the 1951 convention to protect the true interests of the
Croatian Fraternal Union as he had done in the past. KOSUTIC recalled
that ZVONOR had explained the Colorado situation concerning the "fraternity"
to him and now KOSUTIC wanted ZVONOR to send him some background informa-
tion on FRANK JELENICH of Butte and ROSE POSSARELLI of Trinidad, Colorado,
who would be elected as delegates to the convention of this organization.
(T-4 8/2/51)

KOSUTIC also contacted WILLIAM MASON of Butte, Montana, for
background information on the Montana delegates to the convention.
KOSUTIC criticized MASON for failing to answer previous communications
sent to him by KOSUTIC. (T-4 8/2/51)

When KOSUTIC went to Montana in September as mentioned above,
he tried to get WILLIAM MASON to come and meet his airplane. However,
it was found out that MASON was out of town and KOSUTIC therefore arranged
for JOSEPH MASON to meet him. (T-4 9/8/51)

KOSUTIC had previously considered MASON to be an important
individual, and T-4 advised that KOSUTIC had suggested the following

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steps should be undertaken concerning this man:

1. We should send him all the literature that we have.
2. Notify DRNDIC to send to this man his literature regularly.
3. Get him subscribe to the Borba and then send the bill (inquire from the information center as to the method of doing this--should not be by air mail.)
4. Send him the catalogue of our books that may be purchased in Chicago; and that the information center should advise him of the possibilities of purchasing our literature in Yugoslavia.
5. Send him fifty copies of the "NEW YUGOSLAVIA."
6. Notify DRNDIC to send the receipts for the "HOVI LIST."

A Yugoslav commercial representative named ZVONKOH PIFAT stationed in New York City defected early in September 1951 and disappeared although it was suspected that he had gone to either Cleveland, Ohio, or California. San Francisco T-5, of known reliability, said that KOSUTIC inquired of GEORGE COBANIC, mentioned above, if he had seen PIFAT in San Francisco, and COBANIC told KOSUTIC that he did not even know who PIFAT was. T-5 said that actually PIFAT was in San Francisco at the time KOSUTIC inquired, and COBANIC had been escorting PIFAT around the city and therefore apparently deliberately misinformed KOSUTIC on this matter.

KOSUTIC continued to be the man who handled estate matters at the Consulate. (T-1 and T-4) T-4 said that KOSUTIC had commented that he had noted during the past few months a tendency on the part of heirs of estates left in the United States to refuse to give power of attorney to the Yugoslav Consulate but were dealing with private individuals in the United States, who in turn were contacting the interested heirs in Yugoslavia, whereupon the people in Yugoslavia instead of accepting the estate in Yugoslavia were electing to keep it in the United States, drawing against the funds for food, medical supplies, and the like. KOSUTIC blamed unfriendly elements for this trend and alleged that these persons were saying that estates handled by the Consulate would find their way into the national treasury and never

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