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11 May 1946

TO : AB 24, Saint, Amzon

FROM : AB 16 and AB 51, Berlin

SUBJECT: Project for GAMBIT

1. The project, outlined below, was originally worked out by AB51 and Mr. L. De Neufville, a former member of our organization and still loosely connected with it. In its present tentative form, it has found the concurrence of the Detachment CO and the Chief of the X-2 Branch, Berlin.

2. The well established pre-occupation of the Russian Intelligence Service with the gathering of economic information, as evidenced by SAVOY's latest assignment and the circumstance that information of this kind, both top-level and authentic, is principally lodged with the Economics Division of OMGUS, has led us to believe that any leakage of serious proportions is likely to occur in that organization, especially in view of the fact that it makes extensive use of German clerical help and economic advisers of German nationality. Colonel Sheen, Chief of the CI section of ODI, has expressed serious concern to that effect.

3. It was therefore decided to place Gambit within the Economics Division in the position of secretary and interpreter (she has an almost perfect command of English and Italian, and writes German, English and Italian shorthand). In view of the serious repercussions a disclosure of her true status and of her background as an employee of Amt C VI of the RSHA would bring in its train, it was agreed to lay on the project ostensibly as a matter of headquarters security and not as an X-2 operation. In line with this, De Neufville suggested that Colonel Sheen, Chief of CI Section of ODI, be consulted in the matter and undertook to submit the project to him in rough outline.

4. The project, as outlined to Colonel Sheen, was as follows;

Gambit will obtain a position in the Economics Division and enter the Division in exactly the same status as any other German civilian employee. The purpose is to find out whether any other personnel have been infiltrated into the Division by a foreign or German organization. The maximum objective would be to find such an infiltration and to penetrate it. The minimum objective would be simply to find out to what extent official rules on security are being violated by American officers and by German personnel. Colonel Sheen agreed that such project was necessary and might easily produce very valuable results. He also agreed that Gambit was a good candidate for the post, despite her background with Amt VI of the RSHA.

5. Colonel Sheen is now going to take the following action;

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a) Prepare a memorandum for Brigadier General Draper, Chief of Economics Division, OMGUS; will have it initialled by General Draper and returned to his file. The exact wording of the memorandum and the question of how much of Gambit's background should be disclosed, will be decided by Colonel Sheen. It was agreed, however, that the initial draft of the memorandum would not carry Gambit's name, but that Colonel Sheen would give it verbally, if General Draper wishes to have it. To sum up, externally Colonel Sheen will carry the full responsibility of obtaining clearance of the scheme vis a vis Economics Division.

b) Call in W/O Sweeney, Chief of German Civilian Employment Section, and ask him for a list of vacancies in the Economics Division, on the basis of which will be decided which looks the most promising. Sweeney will be informed by Colonel Sheen that this is a matter of headquarters security and the utmost discretion must be observed. Sweeney will, however, not be requested to do anything out of order and there seems to be no reason why any suspicion should arise in the minds of his German clerical personnel.

6. As a cover-story, De Neufville suggested the following in broad outline;

Gambit worked in the Trade Section of Censorship in Munich and was transferred by them to take a similar position in Berlin. Arriving here she was informed that there was no position for her because the job in question had now, on headquarters instructions, to be filled by American or Allied personnel.

7. It was agreed that a minimum number of people should know about the project and that they should consist only of de Neufville, Colonel Sheen, General Draper and W/O Sweeney.

8. Colonel Sheen was informed that Gambit would not be going under her own name and that Major Bond of Public Safety would be asked for permission to falsify her Fragebogen in this and other respects. It was explained that this permission to falsify the Fragebogen would be kept in SSU files and that no copy of it would be given to Gambit - to be used as an additional hold on her.

9. It was finally explained to Colonel Sheen and his approval obtained, that according to present plans Gambit outwardly would remain completely divorced from SSU and would be contacted by De Neufville, acting as cut-out, and receiving her instructions from SSU the same way.

10. It was agreed that if only the minimum objective would be attained (see under above 4) the project would be discontinued after three months.

11. Project Gambit has been conceived with a view to exploiting to its maximum advantage Gambit's proven adaptiveness to intricate undercover-work and her knack for gathering and reporting information directly pertinent to her assigned tasks. AB51 used Gambit in August 1945 to probe into the motives

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which induced SS Sturmbannführer Dr Hoettl to offer his agent net in the Balkans for the use of OSS. This task Gambit discharged with consummate skill and discretion, corroborating our original impression that Dr Hoettl had designed his scheme with the ulterior objective in mind to get the US embroiled in a conflict with the Soviets. Her move from Munich where she had been employed as an X-2 agent to Berlin had been initiated by this office and approved by SSU Headquarters because it was felt that no scope of responsibility commensurate with her undoubted qualifications could be provided for her in Munich. The work she did in Munich, limited in effectiveness due to circumstances beyond her control, has convinced us that she can be trusted to the extent of not allying herself with any German organization and of exerting utmost vigilance in the protection of US interests which she will be called upon to undertake.

12. In exercising control over Gambit, we shall bear constantly in mind that her husband was a high-ranking officer in the General Staff of the German Air Force who is at present being held in the Detention Camp Bad Aibling, Bavaria, and also that her mother lives in Weimar, Thuringia (Russian Zone).

13. Further, for purposes of control, it is the professional opinion of three intelligence officers who have interrogated Gambit extensively in 1945 and 1946 that she is probably one of those extremely rare Germans who understand and are sympathetic to Democracy. No emphasis is at present being placed upon this unusually "white" political advantage on the part of Gambit, but if her behavior continues consistent with such an analysis, this analysis should be acknowledged as a "control" factor.

Distribution:

2 - AB 24
1 - Raw Reports
1 - Gambit File

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