

CC

EGOA-14916

VIA TELETYPE

DISPATCH	CLASSIFICATION S E C R E T	PROCESSING		
		PRO-POSED	ACTION	ACCOMPLISHED
TO	OFFICE OF GENERAL COUNSEL ATTN - []	XX	MARKED FOR INDEXING	
INFO.	CHIEF, EE CHIEF, SR		NO INDEXING REQUIRED	
FROM	CHIEF OF STATION, GERMANY		ONLY QUALIFIED HEADQUARTERS DESK CAN JUDGE INDEXING	
SUBJECT	OPERATIONAL/REDWOOD/AECOB. [] [] SETTLEMENT OF AECAMBARO/2'S ESTATE			
ACTION REQUIRED - REFERENCES EGOA-14424, 9 MAY 1961				
<p>1. ON 24 MAY 1961, AECAMBARO/2'S FORMER WIFE MET WITH [] AND [] IN MUNICH. AFTER SOME INITIAL CONFUSION IN MAKING CONTACT BECAUSE OF APPARENT NERVOUSNESS AND CAUTION ON HER PART, THE MEETING WENT AHEAD IN A RELAXED ATMOSPHERE. IT WOULD SEEM THAT SHE HAD SOME SLIGHT WORRY ABOUT A PROVOCATION, BUT WAS PROBABLY REASSURED BY THE SIGHT OF A BUTTON-DOWN COLLAR.</p> <p>2. AFTER THE OPENING PLEASANTRIES, WE ASKED ABOUT ANY NEWS FROM OR ABOUT HER FORMER HUSBAND WHICH SHE HAS RECEIVED SINCE LAST SEEING HIM. SHE SAID THAT THE LAST DIRECT WORD FROM HIM WAS A LETTER IN 1954 OR 1955 FROM PBPRIME. IN THE FALL OF 1957, WHEN NEWS OF HER HUSBAND WAS IN THE SWEDISH NEWSPAPERS, SHE WAS QUESTIONED BY THE POLICE. SHE SAID THAT THEY SUSPECTED HER OF BEING A SOVIET AGENT. IN 1959 THERE WERE RUMORS IN THE LATVIAN COMMUNITY IN SWEDEN THAT HER HUSBAND WAS IN SIBERIA. SHE SAID THAT "PERHAPS" A LATVIAN DEPORTEE ARRIVED IN SWEDEN AND SPREAD THE STORY IN THE COMMUNITY. SHE HAS HAD NO OTHER NEWS FROM OR ABOUT HER FORMER HUSBAND. HER MOTHER AND BROTHER STILL RESIDE IN LATVIA AND MAY KNOW SOMETHING ABOUT HIM, BUT SHE FEELS IT IS TOO DANGEROUS TO ASK. SHE SENDS SMALL PACKAGES AND MAIL TO HER MOTHER AND RECEIVES MAIL FROM HER. MAIL FROM LATVIA TO SWEDEN TAKES ABOUT A WEEK.</p> <p>3. WE THEN PROCEEDED TO DISCUSS THE SETTLEMENT OF AECAMBARO/2'S ESTATE. SHE RAISED NO QUESTIONS ABOUT THE SOURCE OF THE FUNDS AND IT IS OBVIOUS THAT SHE IS QUITE AWARE OF WHAT HER HUSBAND WAS DOING, FOR WHOM HE WAS DOING IT, AND WHAT THE MONEY REPRESENTS. THIS</p>				
<p>DISTRIBUTION BY TELETYPE 2-OGC 1-EE 1-SR</p> <p>BY POUCH 1-WASH</p> <p style="text-align: right;">/CONTINUED/</p>				
CROSS REFERENCE TO		DATE TYPED	DATE DISPATCHED	
		27 JUNE 61	TOR-	
		DISPATCH SYMBOL AND NUMBER		
		EGOA-14916		
		HEADQUARTERS FILE NUMBER		
		[]	[]	
CLASSIFICATION S E C R E T				

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- EXEMPTIONS Section 3(b)
- (2)(A) Privacy
 - (2)(S) Methods/Sources
 - (2)(3) Foreign Relations

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<p>AWARENESS IS, OF COURSE, PROBABLY IN GENERAL RATHER THAN IN DETAIL. GUARDING AGAINST THE POSSIBILITY THAT AECAMBARO/2 MAY YET TURN UP ALIVE, WE DISCUSSED A FIGURE OF 'ABOUT 35,000 DOLLARS'. THE AMOUNT WAS OBVIOUSLY A PLEASANT SURPRISE TO HER, ESPECIALLY WHEN CONVERTED INTO SWEDISH CROWNS. THE WIDOW UNDERSTANDS THE POTENTIAL TAX CONSEQUENCE IF HER DAUGHTER'S WINDFALL SHOULD COME TO THE ATTENTION OF THE SWEDISH AUTHORITIES. IN ADDITION, BECAUSE OF HER EXPERIENCE WITH THE SWEDISH POLICE AT THE TIME HER FORMER HUSBAND'S CAPTURE WAS IN THE NEWS, SHE IS ANXIOUS THAT NO ONE IN SWEDEN LEARN OF THE PAYMENT. SHE FEELS THAT EVEN MAIL BANK NOTICES OF SMALL MONTHLY OR ANNUAL DEPOSITS MIGHT COME TO THE ATTENTION OF SWEDISH AUTHORITIES AND PUT HER UNDER SUSPICION.</p> <p>4. WE AGREED UPON A GENERAL PLAN OF BANK DEPOSITS AND TRANSFERS WHICH SHOULD PRESERVE THE SECRECY DESIRED BY BOTH SIDES. THE PRINCIPAL SUM WILL BE DEPOSITED IN A SWISS BANK IN A NUMBERED ACCOUNT CONTROLLED BY [] AND/OR ANOTHER INDIVIDUAL REPRESENTING THE BENEFACTOR. THE SWISS BANK WILL BE INSTRUCTED TO MAKE AN ANNUAL TRANSFER OF 2,000 DOLLARS TO AN ACCOUNT IN A BANK IN HAMBURG, GERMANY. THE HAMBURG ACCOUNT WILL, IN EFFECT, BE THAT OF AECAMBARO/2'S FORMER WIFE IN TRUST FOR HER DAUGHTER. THE TRUST, OF COURSE, IS UNKNOWN HERE, BUT A SIMILAR TYPE OF ACCOUNT SERVING THE SAME PURPOSE CAN BE ARRANGED. SHE FEELS THAT 2,000 DOLLARS PER YEAR WILL BE SUFFICIENT AT PRESENT TO ASSIST IN THE CARE AND EDUCATION OF THE CHILD. WHENEVER SHE WANTS SOME OF THIS MONEY, SHE CAN TAKE THE SHORT TRIP TO HAMBURG AND WITHDRAW IT IN PERSON. THE HAMBURG BANK WILL HAVE AN ADDRESS FOR THE ACCOUNT HOLDER IN CARE OF [] AT HIS LAW OFFICE. THEY WILL HAVE NO OTHER ADDRESS FOR HER. [] WILL FORWARD ALL CORRESPONDENCE, NOTICES OF DEPOSITS, ECT., TO HER IN SWEDEN BY PERSONAL LETTER. THE ANNUAL PAYMENTS BY THE SWISS BANK WILL BE SET UP FOR A PERIOD OF SEVEN YEARS, THAT IS, UNTIL THE BENEFICIARY, AECAMBARO/2'S DAUGHTER, IS 21 YEARS OF AGE. AT THAT TIME, ARRANGEMENTS WILL BE MADE TO TURN OVER THE PRINCIPAL SUM TO THE DAUGHTER. THE FORMER WIFE AGREED NOT TO TELL HER DAUGHTER OF HER GOOD FORTUNE UNTIL SHE IS THREE OR FOUR YEARS OLDER AND LESS LIKELY TO MAKE INDISCREET REMARKS ABOUT IT.</p> <p>5. WE HAVE DELAYED ADVISING YOU OF OUR PROPOSALS FOR PROCEEDING IN THIS MATTER BECAUSE OF TIME SPENT IN GETTING FURTHER EXPERT ADVICE ON SWISS BANKING PROCEDURES. WHILE [] MAINTAINS AN ACCOUNT OF HIS OWN IN SWITZERLAND, HE IS SOMETHING LESS THAN AN EXPERT IN THE FIELD AND WE THEREFORE PRESENTED A SIMILAR PROBLEM TO [] ON THE OCCASION OF A VISIT WITH HIM BY [] AND [] ON 28 MAY. [] ASKED TIME TO DISCUSS THE PROBLEM WITH SWISS BANKING CONTACTS AND HAS ONLY RECENTLY SENT US THE INFORMATION WE NEEDED. AS YOU KNOW, THE SWISS ARE NOT ENCOURAGING THE INFLOW OF FOREIGN MONEY TO THEIR BANKS. CONSEQUENTLY, IT IS NECESSARY TO SET UP PARTICULAR KINDS OF ACCOUNTS, USUALLY WITH A GUARANTEE OF A MINIMUM TIME OF DEPOSIT, IF ONE IS TO EARN ANY INTEREST. IN ADDITION, THE LARGE BANKS ARE NOT INTERESTED IN SMALL ACCOUNTS. FIFTY THOUSAND DOLLARS IS A VERY SMALL ACCOUNT BY THEIR STANDARDS. UNDER THE CIRCUMSTANCES, [] HAS SUGGESTED A FIDUCIARY ACCOUNT, UNREDEEMABLE FOR A PERIOD OF FIVE YEARS AND DEPOSITED IN ONE OF THE SMALLER BANKS. THE FACT THAT SUCH AN ACCOUNT MIGHT REQUIRE A SWISS FIDUCIARY, AND THAT THE TERMS FOR REDEMPTION IN LESS THAN FIVE YEARS MIGHT BE UNACCEPTABLE MAKE US UNCERTAIN WHETHER WE WILL BE ABLE TO USE A FIDUCIARY ACCOUNT. IF WE CAN, WE SHOULD BE ABLE TO EARN 3 PERCENT OR 4 PERCENT INTEREST. IF THE CONDITIONS ARE UNACCEPTABLE, WE MAY HAVE TO SETTLE FOR AN ACCOUNT WITH LITTLE OR NO INTEREST. SINCE THE PRINCIPAL SUM IS CONTINGENTLY THE PROPERTY OF AECAMBARO/2'S DAUGHTER, AND SINCE SHE SHOULD BEAR THE COSTS OF ADMINISTRATION, THE LACK OF INTEREST WILL NOT AFFECT US. NEVERTHELESS, FROM A BUSINESS POINT OF VIEW, WE WOULD LIKE TO MAKE THE BEST DEAL POSSIBLE.</p>		
FORM 10-57 53a (40)	USE PREVIOUS EDITION. REPLACES FORMS 51-28, 51-28A AND 51-29 WHICH ARE OBSOLETE.	CLASSIFICATION <input type="checkbox"/> CONTINUED
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<p>6. I HOPE TO SEE [REDACTED] ON OR ABOUT 10 JULY, AND ON THE BASIS OF PARAGRAPH 5 OF EGOW-2181, 27 MARCH 1961, I WILL INSTRUCT HIM TO PROCEED WITH THE OPENING OF AN ACCOUNT UNDER THE MOST ACCEPTABLE TERMS WE CAN ARRANGE. WE WILL ADVISE THE BANK THAT ABOUT 50,000 DOLLARS WILL BE DEPOSITED. SINCE WE WILL RETAIN CONTROL OF THE ACCOUNT FOR THE NEXT SEVEN YEARS, AND SINCE THE FORMER WIFE HAS BEEN TOLD THAT THE PRINCIPAL SUM IS ONLY ABOUT 35,000 DOLLARS, WE WILL BE IN A POSITION TO WITHDRAW THE 15,000 DOLLARS REPRESENTING LIFE INSURANCE IF AECAMBARO/2 SHOULD TURN UP OR ARRIVE BEFORE THE PRINCIPAL IS TURNED OVER TO HIS DAUGHTER. THERE IS, HOWEVER, ONE OTHER PRECAUTION WHICH I THINK WE SHOULD TAKE IN THIS CASE. SINCE THE PRINCIPAL SUM IS TO REMAIN VIRTUALLY INTACT FOR A LONG PERIOD OF YEARS, IT WOULD BE WELL TO REMOVE ANY POSSIBLE TEMPTATION FROM [REDACTED] AS ACCOUNT HOLDER, BY HAVING THE ACCOUNT REQUIRE A SECOND SIGNATURE FOR WITHDRAWALS OR CHANGES IN THE PERMANENT PAYMENT ORDER. BOTH [REDACTED] AND THE SECOND SIGNATORY WOULD THEN GIVE US POWERS OF ATTORNEY IN BLANK WHICH COULD BE USED BY ANY PERSON TO HANDLE THE ACCOUNT IN THE EVENT OF THE DEATH OF [REDACTED] OR OTHER EMERGENCIES. I WOULD SUGGEST FOR THIS PURPOSE A PBPRIME ATTORNEY WITH WHOM WE HAVE REGULAR AND EASY CONTACT. THERE ARE TWO WASHINGTON ATTORNEYS WHO SEEM LOGICAL FOR THIS PURPOSE. THE FIRST WAS USED IN THE [REDACTED] ADOPTION CASE AND I SUGGEST HIS NAME SINCE HE IS ALREADY KNOWN TO [REDACTED] AND IT WOULD AVOID REVEALING TO [REDACTED] ANOTHER ASSET. A SECOND POSSIBILITY IS THE WASHINGTON ATTORNEY WITH WHOM I DISCUSSED THIS CASE LAST YEAR AND WHO OBTAINED COMMENTS FROM A CORRESPONDING SWEDISH ATTORNEY. YOU WILL FIND HIS NAME IN YOUR AECAMBARO/2 FILE. IF YOU WILL SEND, BY CABLE, THE NAME OF THE ATTORNEY YOU PREFER, I WILL BE IN A BETTER POSITION TO PROCEED WHEN I NEXT SEE [REDACTED]. IF I HAVE NOT RECEIVED CONFIRMATION BY THEN, WE MAY IN ANY CASE BE ABLE TO NEGOTIATE WITH A BANK, SUBJECT TO NOTIFICATION TO THEM OF THE NAME OF THE JOINT ACCOUNT HOLDER. IF, FOR SOME REASON, YOUR ATTORNEYS ARE CHARY OF BEING INVOLVED IN SUCH AN ACCOUNT, I CAN GO AHEAD AND ACT AS THE SECOND PARTY MYSELF. THIS MAY OR MAY NOT PRESENT SOME SLIGHT BREAKDOWN IN SECURITY, DEPENDING UPON THE INFORMATION REQUIRED OF ME BY THE SWISS BANK. THE NAMES, OF COURSE, WILL NOT BE GIVEN OUT BY THE BANK. IN ANY CASE, AECAMBARO/2'S FORMER WIFE HAS MET ME ONLY IN ALIAS.</p> <p>7. THERE IS PROBABLY LITTLE PURPOSE TO BE SERVED IN THIS CASE BY USING AN INTERMEDIARY ACCOUNT OR BY TRANSFERRING SMALL AMOUNTS TO THE SWISS ACCOUNT FROM PBPRIME OVER A PERIOD OF SEVERAL MONTHS. THE PRINCIPAL SUM IS SMALL BY SWISS BANKING STANDARDS AND SHOULD CAUSE LITTLE NOTICE. THE FORMER WIFE IS QUITE AWARE OF THE SOURCE OF THE FUNDS AND I SEE NO NEED TO ATTEMPT TO HIDE FROM THE SWISS BANK THAT THE FUNDS COME FROM PBPRIME. THEREFORE, WHEN ARRANGEMENTS HAVE BEEN MADE TO OPEN THE ACCOUNT, WE WILL ADVISE YOU TO TRANSFER THE WHOLE ESTATE TO THE ACCOUNT.</p> <p>8. YOUR PROMPT REPLY AND COMMENTS WILL BE APPRECIATED.</p>				
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