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MX-4036

1 April 1965

MEMORANDUM FOR THE RECORD:

SUBJECT: Heinz FELFE Damage Assessment

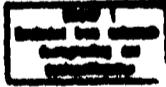
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1. Definition: The FELFE damage assessment is a documented record of CI/CE and other intelligence information passed by American Intelligence Services to the West German Intelligence Service (BND) from mid-August 1953 until 6 November 1961, a period during which the BND Headquarters was penetrated by a KGB agent, Heinz FELFE. FELFE was a senior BND CI officer responsible for the conduct of CI operations against the Soviets. He had access to BND files, including American Intelligence information, particularly that related to the Soviet Intelligence services. Accordingly, the FELFE damage assessment is an itemized record of the AIS information available to this KGB agent. The assumption is that FELFE reported this information to the Soviets in fulfillment of his mission as a penetration agent until his arrest.

2. FELFE Access: FELFE met regularly with members of the CIA liaison staff accredited to BND Headquarters and with selected CIA case officers at other bases in Germany. Thus, in addition to written (the YM-yellow memorandums used for official correspondence from CIA to the BND in Munich) and documentary information sent him by the CIA liaison staff, FELFE was also the direct recipient of AIS information orally from his CIA colleagues. He also had unrestricted access to the BND central card index in which AIS name trace data, sent or requested from the BND, was and is recorded as such. Finally, it is known that FELFE eluded compartmentation within the BND and was skillful in eliciting information from his fellow colleagues regarding their knowledge of AIS interest in BND activities and targets outside his own field of specialty, e.g. operations against the Satellite services.

3. Documentary Basis and Product: Facts on the damages presumably incurred by the American Intelligence services as a result of this KGB penetration were assembled primarily from the records of the CIA liaison Staff accredited to BND Headquarters. This included the comprehensive review of the "yellow memoranda" and CIA official dispatches, contact reports, memos for the record, etc. which recorded also oral exchanges with FELFE. The FELFE damage assessment is the product of that review which encompassed the body of written evidence from February 1953 to 6 November 1961. From these records an estimate of the nature and significance of compromise of each item or person was made.

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324-5-38/19

NAZI WAR CRIMES DISCLOSURE ACT

EXEMPTIONS Section 3(b)

- (2)(A) Privacy
- (2)(B) Methods/Sources
- (2)(G) Foreign Relations

Declassified and Approved for Release
by the Central Intelligence Agency
Date: 2005

Handwritten notes:
 made copies of this document
 returned to [unclear]
 [unclear]
 24 Sept 1965 [unclear]

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4. Personalities having come to FELFE's attention must be assumed to have been compromised in varying degrees. These have been grouped as follows:

- I. Subject compromised to RIS by FELFE
- II. Subject probably compromised to RIS by FELFE who learned of CIA interest in Subject orally from a CIA Case Officer.
- III. Subject probably compromised to RIS by FELFE who learned of AIS interest in Subject from ~~a written memorandum addressed to him by CIA.~~
- IV. Subject possibly compromised to RIS by FELFE who had access to AIS information passed in a written memorandum by CIA to the BND (West German Intelligence Service)

Names Tracers should be aware that "compromised" in the context of this paper means that the person involved may have been brought to the attention of RIS as "being connected with or being subject of interest to US or Western Services" (to the degree and in the manner indicated by Roman Numeral category above). This paper can give no indication how such information may have been used by RIS.

5. The date appearing on RID Index cards under remarks is the earliest date on which FELFE to the best of our knowledge came into possession of the information and/or may have compromised the information.

6. If further details are needed additional information may be obtained from EE/G/Liaison.

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30/19

Extra copies FELFE Damage Assessment destroyed.
Retain transmittal memos in Copy # 1.

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DOI/P-3-2417

33 MAY 1968

MEMORANDUM FOR: Director of Central Intelligence
VIA: Acting Deputy Director (Plans)
SUBJECT: Heinz FELFE Damage Assessment

1. This memorandum is for the information of the DCI and requires no action.

2. During the briefing in Frankfurt by the Chief, Munich Liaison Base reference was made to our assessment of the damage suffered as a result of the FELFE penetration of the EMB. Attached is a copy of the summary of the Damage Assessment (Tab A) prepared by the Eastern Europe Division on the FELFE case and a copy of the Damage Assessment itself (Tab B).

/s/ David E. Murphy

David E. Murphy
Chief
Eastern Europe Division

Attachments:

Tab A - Summary of Damage Assessment
Tab B - Damage Assessment

cc: DDCI, w/o atts

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EYES ALONE

GROUP 1
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downgrading and
declassification

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EYES ONLY**

5 March 1963

MEMORANDUM FOR: Chief, EE/Germany
ATTENTION : EE/Germany/Liaison Desk
SUBJECT : Heinz FELFE Damage Assessment
REFERENCE : Memo to C/SR from C/EE, dated 5 Feb 63

Many thanks for sending us a copy of the Heinz FELFE damage report. Officers from SR/3 and SR/CI have read it. The only questions that have arisen concern the AECYMAR complex. While it seems that the work against the East German interpreters was well protected against UPHILL, UPHILL did have an interest in [] and [] (through []), and FELFE could have warned the KGB about these persons if he knew of the UPHILL interest. We would appreciate seeing the detailed assessment of the machine program record.

[]
Chief of Operations and Plans
SR Division

SR/DCOP:HY:hh

Distribution

Orig. & 1 - C/EE/G
1 - SR/COP

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ROUTING AND RECORD SHEET

SUBJECT: (Optional)				
FROM: <input type="checkbox"/> <input type="checkbox"/> EE/G/L 3D 5311		EXTENSION 6028		NO. DATE 5 February 1963
TO: (Officer designation, room number, and building)	DATE		OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
	RECEIVED	FORWARDED		
1.		2/5/63	[Signature]	<p>EYES ALONE</p> <p>Copy 4 sent to C/SR/C1.</p> <p>SR/OP - you may disseminate this further on a need to know basis.</p> <p>C/SR [Signature]</p>
	C/EE/G			
2.		5 FEB 1963	[Signature]	
	C/EE			
3.				
4.				
5.				
6.		7/12/63	[Signature]	
	C/SR			
7.		11/10/63	[Signature]	
	DC/SR			
8.			[Signature]	
	SR/OP			
9.		21 Feb 63	[Signature]	
	SR/OP			
10.				
	SR/SAO			
11.				
	SR/SAO			
12.		21 FEB 1963	[Signature]	
	C/SR/3			
13.		27 FEB 1963	[Signature]	
	C/SR/C1			
14.				
	SR/SAO			
15.				

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EYES ALONE

5 FEB 1963

MEMORANDUM FOR: Chief, SR Division

SUBJECT: Heinz FELFE Damage Assessment

1. Attached for your information are controlled numbered copies three (3) and four (4) of the Heinz FELFE Damage Assessment prepared by EE Division.

2. These copies are for your personal use and such dissemination within your division as you deem necessary and consistent with the assessment's sensitivity.

3. EE welcomes any comments or additions you or your staff care to make on this basic document. They should be forwarded through Chief, EE/Germany to the attention of the Liaison Desk.

[]
David E. Murphy
Chief
Eastern Europe Division

Attachment: Damage Assessment
Copies three (3) and four (4)

*Copies 3+4
destroyed*

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CONFIDENTIAL

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ROUTING AND RECORD SHEET

SUBJECT: (Optional) FELFE Damage Assessment				
FROM: EE/G/Liaison X-5871 3 D 5309		EXTENSION	NO.	
			DATE 6 February 1963	
TO: (Officer designation, room number, and building)	DATE		OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
	RECEIVED	FORWARDED		
1. C/EE/G 3 D 5333		4/6/63	<i>[Signature]</i>	<p>Copies of this assessment have been forwarded to Chief, SR and Chief, CI Staff.</p> <p><i>V: f -</i> I briefed the DDP on the excellent piece of work here, - and on the sad picture we're confronted with. It was also wished CI staff for some studies on this general problem of the security of our liaison activities.</p> <p>8-10 - FY,</p> <p><i>Att. sent to G/VE</i> 28/2/63</p>
2.				
3. C/EE 3 D 3107		FEB 1963	<i>[Signature]</i>	
4.				
5. ADDP 3 C 2006		8 Feb 63	<i>[Signature]</i>	
6.				
7. DDP 3 C 2016				
8. C/EE		FEB 1963	<i>[Signature]</i>	
9.				
10. C/EE/G			<i>[Signature]</i>	
11.				
12. <i>[Handwritten]</i>		<i>[Handwritten]</i>	<i>[Signature]</i>	
13.				
14.				
15.				

FORM 3-62

610 USE PREVIOUS EDITIONS

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7 FEB 1963

MEMORANDUM FOR: Deputy Director (Plans)

VIA: Assistant Deputy Director (Plans) 

SUBJECT: Heinz FELFE Damage Assessment

1. This memorandum is for your information and requires no action. It represents a synopsis of the detailed damage assessment attached covering the activity of Heinz FELFE, a KGB penetration of the West German Intelligence Service (BND) from 1951 to 1961.

2. From June 1959 until his arrest on 6 November 1961 Heinz FELFE was the most knowledgeable of all BND officials on CIA operations against the Soviet targets in East and West Germany. With already some 8 years of experience as a KGB penetration of the BND, considerably more as a counter-intelligence officer, and a high degree of native intelligence and cunning, the KGB could only have evaluated his agent performance from that date as of the highest calibre. From the time of his entry on duty with the BND in November 1951, FELFE began to build with KGB assistance a reputation within the German Service as a Soviet operations expert. This reputation grew as he rose in BND ranks until he was able to so deeply ingratiate himself with the BND that he attained a position whereby he could initiate, direct, or halt any BND operations and later some of CIA's to the ultimate advantage of the Soviets.

3. As a result, the degree of compromise of operations, personnel and facilities in Germany has been very heavy. The details of more than 65 CIA REDCAP and LCIMPROVE operations and a few of the REDSKIN type are known to the opposition as is much of their related M/O. The extent and depth of our liaison relationships with West German intelligence and police organs is known to the Soviets. FELFE has provided the KGB with information which makes both CIA and the BND vulnerable to intensive CA attacks from the East. Over 100 CIA staffers were exposed in either true name or alias. The damage is not confined to the approximately 15,000 recorded individual items of known or possible compromise, but includes the more difficult to document loss occasioned by FELFE's manipulation of certain operations on behalf of the KGB in either the planning stage or during actual execution. His influence on some members of the BND was of such degree as to permit him at times to dictate liaison policy vis-a-vis the Americans with respect to Soviet operations.

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4. FELFE became so intimately concerned with CIA/BND operations against the Soviet installations and personnel in Bonn, Cologne, and Karlshorst that he was able to keep the Soviets sufficiently current on CIA strengths and weaknesses to allow the KGB wide latitude in countering most of our efforts. Frankfurt Operations Base formalized its joint operations with the BND in June 1959 for the primary purpose of obtaining BND support for audio-surveillance operations in the Federal Republic. Success should have been realized in a fair number of the many audio ventures, however, FELFE's timely reporting to the KGB and occasional blocking of planned action resulted either in their complete failure or a worthless product. Berlin Base entered into joint Karlshorst operations with the BND in July 1959 under a system which would have provided BOB with reasonable control over BND activity and maximum security for the Base's own assets. Again FELFE was able to provide the KGB with such extensive data on CIA Karlshorst targets, intentions, and M/O that in time the Base suffered virtual neutralization of its efforts in Karlshorst.

5. CIA's losses were not confined to the period after June 1959 although they did reach their peak from that date until Spring 1961 when the FELFE investigation became intense. For several years prior to the inception of the joint operations for which FELFE was the responsible BND officer, he had received periodic briefings and CIA reports on the Soviet Intelligence Services and their activities in East and West Germany. He had been privy to several operations on a case by case basis. FELFE had also been the guest of CIA at Headquarters for a week's briefings and a tour of the United States in September 1956. It does appear, however, that the earlier stages of his hostile career were devoted primarily to the collection of data on the BND and other West German governmental agencies with which he was in liaison.

6. Damage to the BND caused by FELFE's betrayals is of the broadest scope because of his deep insight into BND operations, policy, and administrative procedures. Here he was assisted by his fellow KGB agent and BND colleague, Hans CLEMENS. Although he has failed to admit much of what both CIA and the BND believe he compromised, what is known indicates that all major BND CE operations were compromised. To this must be added the compromise of all key BND headquarters personnel as well as a relatively high number of field officers.

7. FELFE easily crossed BND compartmentation lines using the weapon of elicitation with skill to obtain information not exclusive to the Soviet sphere. Munich Liaison Base received an "off the record" report from a responsible BND officer that the BND front office is convinced the

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majority of the Service's tactical sources in East Germany were compromised and under hostile control as a result of FELFE's activities. BND officers were warned that these East Zone sources may possibly be used as channels for Eastern deception operations. MLB was also informed unofficially that a number of BND agents reporting with high speed transmitters had been lost in recent months and other determined beyond reasonable doubt to be under hostile control.

8. Although admittedly intangible, the psychological damage within the BND created by the arrest of a co-worker is significant. It may become difficult to restore esprit de corps at all levels. FELFE's treachery likewise, and possibly more significant, created a confirmed distrust on the part of outsiders both within the German government and foreign services which presumably will manifest itself in official transactions.

9. As one of the senior and most active BND liaison officers in contact with almost all West German Internal Security and Police services and several Federal Republic ministries and departments, the KGB in effect also gained through FELFE a valued penetration of these groups inflicting considerable damage on most of them. The American military intelligence services also suffered losses particularly in the revelation of operational interest in individuals traced with the BND and brought to FELFE's direct attention.

10. The assessment makes no attempt to gloss over the extensive damage done to CIA and the BND by FELFE. Continued investigation of leads to possible additional penetrations and follow-up on all aspects of the damage report now occupies most of the time of our Liaison Staff in Munich.

11. Despite this evidence of serious compromise, we cannot withdraw from liaison with the BND. It remains the Foreign Intelligence Service of the Federal Republic of Germany and as such provides us with a valuable channel to the German Government and a means for monitoring the attitudes, concepts and plans of that Government, particularly with respect to foreign and security policies. We intend to shape our liaison in the future with this in mind while conducting ourselves in a way which will avoid the depth of operational involvement and personnel compromise which characterized much of the past relationship.

[]
David E. Murphy
Chief
Eastern Europe Division

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EYES ALONE

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SUBJECT: HEINZ FELFE Damage Assessment

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Attachments :

TAB A	CIA Operations Whose Compromise Can Be Attributed to FELFE
Tab B	Exposure during FELFE's 1956 Visit to CIA Headquarters
TAB C	CIA Staff Members Compromised through FELFE
TAB D	TSD Damage Statement
TAB E	Damage Assessments received from the Field
TAB F	BND Report to the Bundesgerichtshof of FELFE 's Compromise of INDEX operations. (INDEX was BND crypt for operations against Soviet legal targets in the Bonn/Cologne area.)

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P R E F A C E

1. This paper is intended to present in narrative form an assessment of the damage suffered by CIA and the West German Intelligence Service (BND) as a result of the most effective KGB penetration of the latter service in the person of Heinz FELFE. While the major portion of this review is devoted to CIA losses, we do not wish to imply that the damage to the BND was of a lesser degree. More weighty consideration has been given to CIA's damage because of the Agency's immediate concern in ascertaining its own losses and their significance as well as the fact we lack complete details on the BND's losses and were often forced to generalize our comments in this regard.

2. FELFE was Chief of the BND Soviet CE Operations Branch until his arrest on 6 November 1961. He had been employed by the BND from November 1951, and he was stationed at the BND Headquarters since 1953. While the paper is almost exclusively devoted to consideration of the damage caused by FELFE, the readers are reminded that FELFE's work for the KGB was substantially aided, particularly in the early days of his hostile career, by his cohort, fellow BND employee and KGB agent Hans CLEMENS. On the whole CLEMENS' revelations to the opposition were more damaging to the BND than to CIA since he was not closely involved to any joint CIA/BND operations nor did he enjoy FELFE's higher status within the BND.

3. A more detailed and itemized damage assessment will result with the publication of the machine program record designed specifically for this case. Approximately 15,000 entries covering name traces, CIA staffers, studies, equipment, M/O, and other operational paper compiled from CIA records covering liaison with the BND since 1953 have been placed into the system. Selected tabulations will be available in clear-text print-out to all Agency components and certain American services having the need for such information. The names of individuals, excluding staffers, involved will automatically be melded into the RI Index system. This machine record will also show the degree to which the compromise has been judged by the analysts. In many instances we have been unable to definitely ascertain whether FELFE passed the information to the KGB or even whether he secured access to data not directly prescribed for his information but at the same time available to his service. With respect to the name tracing done with the BND, the analysts often faced some difficulty in making compromise judgements, particularly in light of the known fact that FELFE often traced the BND registry on the KGB's behalf, and it is now impossible to reconstruct just who and how many he did trace through that registry for them. By necessity the final

decisions on

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decisions on certain CIA operations will have to be made by the responsible desk and field case officers in direct relationship to operational patterns and events discerned in their respective cases either prior to or since FELFE's arrest.

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INTRODUCTION

1. Operational Details: Heinz FELFE was recruited for the KGB by Hans CLEMENS in 1950 or 1951, according to their statements. The possibility exists that he might have been recruited by the Soviets even prior to that time, however, there is no proof of this, only conjecture based on some knowledge of Soviet M/O and opinion such as that of [] We can first date their activity for the KGB from the time of DERYABIN's defection in 1954 when he reported the Soviets had two important agents in the West German service, "Peter" and "Paul". FELFE stated these were their first code names with the opposition. From the information available it would appear that this operation was being run by the 1st Chief Directorate of the KGB, German Section and was personally supervised by the deceased General Aleksandr Mikhailovich KOROTKOV who met FELFE on two occasions posing as the Director. FELFE and CLEMENS were handled by the same case officer for almost 10 years, an unbelievably young Soviet if their physical descriptions of the case officer are to be accepted. We have been unable to identify this case officer, referred to by both as ALFRED. The operation was resplendent with almost all known clandestine communications methods with the exception of W/T and the use of a legal or illegal resident in the West, this latter form of commo they were approaching at the time of their arrests. The volume of material passed to the KGB via FELFE and CLEMENS was extensive, comprehensive, and flowed in an ever-increasing and uninterrupted stream until the arrest.

2. Interrogations: Both FELFE and CLEMENS, the latter more cooperative, were interrogated by the Security Group from the time of their arrest until early April 1962. FELFE was interrogated under less than ideal conditions by CIA from mid-April until early May 1962. FELFE, as of this writing, is still undergoing questioning by a representative of the Bundesgerichtshof. There is no record of his having been subjected to a hostile interrogation, nor has the BND assumed control of the interrogation to date. His trial is not expected before circa March 1963, CIA having received no full explanation for its seemingly long delay. While in prison he attempted on one known occasion to have papers he had written, smuggled out, and is probably receiving open code communications from the KGB through the device of almost weekly 10 page letters from his mother in Dresden.

3. FELFE's Access: By virtue of his position as Chief of the Soviet CE operations Branch and the fact that he was accepted within the BND as an operations expert, Heinz FELFE gained across the board access to the BND Soviet operational field and detailed knowledge of all joint CIA/BND REDCAP and CI/CE operations including their product. Applying his elicitation skill (the BND described him as "shamelessly curious"), despite BND compartmentation

rules, he

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rules, he was also able to secure information at times not solely related to the Soviet sphere, and was also called in by other BND branches and division for advice or assigned special projects even by General Gehlen.

4. Extent and Scope: The full extent of his betrayal is unknown, and, consequently, speculation must be held in check. FELFE has failed to admit much of what CIA and the BND believe he did reveal to the KGB. This also applies to the overall scope of his activities on the KGB's behalf as he has consistently sought to minimize his agent role. It is perhaps a not too exaggerated statement that FELFE often duped his BND colleagues and some of his liaison partners sufficiently to advance his own, and, therefore, the KGB's ends. As he rose within the BND ranks, the KGB in effect gained a valued penetration not only of that service, but also of almost all West German Internal Security/Police organizations, certain Federal Republic ministries and departments, and of major concern to us, of CIA activity in East and West Germany directed against the Soviet target. We would be in error to ignore the fact that through elicitation, manipulation, and recognized high degree of native intelligence and cunning, FELFE became over the years one of the most knowledgeable BND officials with respect to CIA and other Allied operational activities in both Germanies. In short, FELFE was a man fully able to serve two masters - the KGB and the BND - well.

DAMAGE TO CIA

I. CIA SOVIET OPERATIONS

5. In assessing the damage caused by FELFE to CIA Soviet Operations, most bases felt that the operational approaches used against the Soviet targets in Germany were classical and not peculiar to CIA. The fact, however, that such approaches and techniques were used coupled with the obvious circumstance that FELFE was often able to inform the KGB in depth precisely where, how, and by whom they were being attacked negated a major portion of CIA activity against the Soviets since mid-1959 if not somewhat prior. This date seems appropriate for general damage assessment in this field because a) June 1959 saw the formalization of Frankfurt Operations Base and BND cooperation against official Soviet installations in the

Federal Republic,

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Federal Republic, and b) joint activity against the Karlshorst Compound in East Berlin involving Berlin Operations Base and the BND was formally proposed in July 1959 and accepted shortly thereafter. FELFE was the responsible BND officer for both activities. From this point in time CIA undoubtedly became FELFE's major CI target. Prior to this he had been appraised of certain CIA Soviet CI activities on either an individual case basis, through lectures and background papers given the BND, and through Hans CLEMENS who covered the Bonn/Cologne targets for the BND until early 1958.

6. It is not inconceivable that agitation and manipulation on his part had much to do with the ultimate formalization of joint operations against the Soviet targets. It assuredly caused much of the Agency's release of information and revelation of certain agent assets and M/O to the BND, more often than not directly to FELFE. With his intimate knowledge FELFE was able to provide the Soviets with a fairly accurate picture of CIA's commitment in man-power and material against the Soviet targets and keep the KGB abreast of both our strengths and weaknesses. The picture he could present to the KGB included:

A. Knowledge of special and sizable operational sections at BOB directed against the Karlshorst Compound and other Soviet targets in East Berlin and at FOB against the official Soviet installations in the Federal Republic.

b. Operational support elements, tools, and material at the Agency's disposal and which we were willing to pass to the BND,

1. Extensive REDCAP and LCIMPROVE file material including defector and FJNOCTURN reports

2. Technical facilities and technicians available in the field (S/W, audio, documentations, etc.)

3. Extensive real estate, communications channels, operational phone numbers, courier assets

4. Background studies and papers prepared by SR and other divisions.

c. Revelation of

SECRET/EYES ALONE

SECRET/EYES ALONE

c. Revelation of agent assets. If the identity was not given, often the position or access was indicated to FELFE.

d. Positive intelligence reporting on Soviet intentions and analytical reports on Soviet target installations and personalities. BOB alone passed the BND and FELFE directly 76 intelligence and status reports on Karlshorst and Soviet intentions in Berlin from 1958-1961 and several Karlshorst Installation studies. Numerous identifications and bio data were passed by FOB for inclusion in the BND Handbook on Soviet officials in the Federal Republic.

e. The extent CIA would aid and abet the German liaison services in activities against the Soviets, and the Agency's willingness to frequently engage in joint operations in Germany.

f. The extent the Agency would go in order to induce defection of RIS officers as reflected in the offer of \$50,000 plus \$1,000 a month in place to the RU officer in the CARECOVER case and the contemplated use of DERYABIN in an approach to Vasiliy Romanovich SITNIKOV in Bonn. Both of these operational plans were known in considerable detail to FELFE.

II. SPECIFIC OPERATIONAL BASE LOSSES

A. Frankfurt Operations Base

7. Almost all FOB REDCAP activity prior to December 1960 is believed revealed to the KGB via FELFE in some degree. The extent of FELFE's knowledge of the BND's operations against the Soviet Embassy and Trade Delegations in West Germany (referred to as INDEX by the BND) were summarized for the Oberbundesanwalt's office in Karlsruhe for use in FELFE's prosecution. Pertinent portions are quoted here since they apply to all the information we gave or shared with the BND in this field of endeavor. The entire document is attached to this paper as TAB F.

"FELFE took

SECRET/EYES ALONE

SECRET/EYES ALONE

"FELFE took over INDEX in February 1959. Although not a member prior to this, he was, however, able to get information from Hans CLEMENS. With the facts provided by CLEMENS the KGB possessed broad enough knowledge to levy well-conceived questions on FELFE and therefore, had, through FELFE, the possibility for determining the reasoning behind and the background of the individual missions assigned to CLEMENS by the Munich INDEX staff to include ultimate objectives toward which (CLEMENS) was being directed - things which CLEMENS could not report to the KGB... (After FELFE took over) he had access to all previously obtained (since 1956) and concurrently developed items of information... to include collatoral info from German and friendly services."

8. What is also important and what appears as a pattern in the study of many of the unsuccessful FOB/BND operations in West Germany is the fact, again quoted from the above cited BND paper, that "FELFE had extensive latitude in deciding what projects to pursue and those to drop." File research indicates that FELFE was as successful in killing some operations by merely dragging his feet long enough or at the last minute canceling the planned action as he was in allowing it to continue and then informing the Soviets to permit them to take defensive or neutralizing action.

9. Audio Operations: Not one of the many audio surveillance operations planned and executed in the Bonn/Cologne area by the Frankfurt Base and the BND ever produced. They either aborted immediately after installation or the take was valueless because of Soviet Counter-measures. The cause of their failure can be placed on FELFE in almost each and every case. Innumerable hours of technicians' time were wasted either making the original installations or repairing what was erroneously believed to have been faulty equipment. FELFE has admitted informing the KGB of the telephone taps on the Soviet Embassy in Bonn and the Trade Delegation in Cologne. While he did not admit informing the Soviets that CIA shared the take, he probably told them this also. It may also be significant that FOB was only receiving the processed material from the Embassy tap by mid-1960, a product which was untimely and of little value. The "problems of liaison and German government policy" which prevented our receipt of the raw traffic after that date may have been generated by FELFE.

10. He represented

SECRET/EYES ALONE

SECRET/EYES ALONE

10. He represented the BND in the audio surveillance operation against the Red Chinese News Agency in the Bonn area, an operation complicated by the fact that the British, Dutch, BND, and CIA were all participating. The initial take in this operation was of little or no value, and another attempt was cancelled because of the then clear implications in the FELFE investigation as it progressed during the summer of 1961. Among the last Soviet EEIs issued to FELFE before his arrest was a request for information on PIAZZA, the BND crypt for the operation against the Red Chinese News Agency. FELFE claims not to have informed the KGB of the audio operation aspect, but we find it somewhat incredulous that he confined his remarks to the passage of "one single report produced in this case which contained nothing but the registration dates of Red Chinese living in Bad Godesberg".

11. FOB's Liaison and Coordination Roles: FELFE had a clear picture of the scope and degree of FOB's liaison with the BfV in connection with the effort against the Soviet targets in West Germany. If he did not learn of each specific instance of CIA/BfV cooperation from us through routine or special exchange, he secured the info from briefings by his BfV counterpart, [] who had great trust in FELFE. Five or six FOB case officers, all in operational alias with the exception of one who was known to FELFE from the officer's previous duty at MLB, were known to FELFE and presumed reported to the Soviets.

12. He was fully informed as to FOB's role as the chief coordinator in the RU CARECOVER operation which involved many of the West German agencies and some American services until its ultimate roll-up. This included the CIA attempt to defect the RU case officer. FELFE acknowledged keeping the KGB sufficiently informed on this operation so that with no difficulty they were able to monitor and neutralize the defection attempt.

B. Berlin Operations Base

13. Prior to the mid-1959 agreement between BOB and the BND for joint activity against the Karlshorst Compound, FELFE and other BND members had received periodic reporting on the status of the Compound, the RIS and its operations out of the Karlshorst centers, and other reports on the Soviets resident in East Berlin and their activities.

BOB's offer

SECRET/EYES ALONE

SECRET/EYES ALONE

BOB's offer to support the BND in its operations into Karlshorst was intended to provide the Base with day to day monitoring of the BND plans and actions and to prevent flaps within an extremely confined area which would endanger the security of the Agency's operations. In July 1959 FELFE received a rather detailed briefing on Berlin Base targets in Karlshorst and the methods of operation employed to obtain our objectives. It had become increasingly difficult to run operations into the Compound because of increased security measures on the part of the Soviets and the MfS, but after July 1959 it is possible to trace a rather definite pattern of opposition measures which eventually resulted in almost virtual neutralization of BOB's Karlshorst efforts. There can be no question but what FELFE is largely responsible for this situation.

14. Karlshorst Operations Losses: Many of BOB's losses were not occasioned by the direct FELFE to KGB channel. They resulted when FELFE notified the KGB of a CIA agent's identity or position after his or her surfacing to the BND, and the agent in turn came under hostile, KGB or MfS, control. The inevitable chain reaction then began which explains the larger number of support facilities, case officers, and other materials now considered compromised in one degree or another. BOB is fully aware of its losses and has taken, where possible, corrective action.

15. Seven BOB agents were either identified in true name as agents, tipped as to our operational interest, or their position described to FELFE. Two others probably were. Several of these have either since their exposure to FELFE been arrested or brought under hostile control. A vast number of trace replies and analysis based on BOB file holdings were passed to the BND all came to FELFE's attention. They were furnished in support of BND operations or the BND's need for solid background material for future ops planning and research. FELFE knew the size of Berlin's Karlshorst staff. Six Base case officers and the then Chief of Base met FELFE, all under operational alias. Of these three dealt with him only on one or two occasions. One true name of a Office of Security officer was exposed to FELFE with the slight possibility a second officer's name was also exposed. Eight other BOB officers, again all in ops alias, came to the attention of the opposition through controlled agents believed attributable to FELFE. Operational support tools such as safehouse, accommodation addresses, phone numbers, license plates, and communications systems were also lost.

16. BOB Support to Alias BORG:

SECRET/EYES ALONE

SECRET/EYES ALONE

16. BOB Support to Alias BORG: As part of the CIA/BND cooperation, a BND officer was provided with an office within the American Command Compound in Berlin and necessary logistical support. FELFE visited this office on occasions and once substituted for the officer @BORG, also known as TANNER, when the latter was on vacation. He had admitted while being interrogated that he informed the KGB @BORG was physically located within the Command Compound. This obviously furnished grist for the Eastern CA mill and any future attacks on the "West Berlin spy center". This support to @BORG and his physical location within an American installation were the most sensitive factors in the cooperation venture, and BOB repeatedly requested the BND Headquarters to do all possible to keep @BORG's location restricted to a very limited number of BND personnel. FELFE knew this, probably did not inform his other BND colleagues, but did report it to the KGB.

17. BOB Communications Support to the BND: Another most sensitive example of CIA support to the BND in Berlin which was compromised by FELFE was that rendered in the field of communications. CIA has for more than ten years provided pouch service for the BND (BND crypt BASEBALL) between West Germany and Berlin. USAF courier planes and the U.S. Military Duty train have been employed in the past, the latter for a period in 1961 when allegations that the Air Force courier planes were carrying BND couriers and pouches into Berlin were rife in the East Zone press during one of the critical periods prior to the Wall. If FELFE was not cognizant of all the mechanics involved in transmittal of the "Baseball" pouches, he was able to provide general information as well as to furnish the KGB details on the pouch and electrical communications service provided by BOB in support of @BORG, FELFE's Karlshorst representative. @BORG's pouch, referred to as the "DIAGRAM" pouch was inserted directly into the CIA pouch for Berlin Operations Base as it left the Frankfurt center. When the BND became impatient with the speed of the "DIAGRAM's" transmittal, they frequently asked for and received the support of BOB's cable facilities.

18. In addition to the pouching service, an emergency communications center had been established in the U.S. Berlin Compound some years ago for the BND's use in the event of an extreme Berlin emergency which would prohibit the continued use of their regular electrical communications channels with the West Zone. The BND crypt for this plan and establishment was

SECRET/EYES ALONE

SECRET/EYES ALONE

establishment was "KUBUS". Among the Soviet EEIs confiscated upon FELFE's arrest, was the question "whether the Plan KUBUS remains in effect". FELFE received this EEI among others at his early September 1961 meeting with the KGB. When interrogated on this point, FELFE claimed he told his KGB case officer in December 1959 that KUBUS had been devised in late 1959 (it had been established much earlier) and was a plan to move full-time BND personnel living in West Berlin step by step from there to West Germany, and "to build up needed sections such as new photo labs, radio sections, courier services, etc. which would withstand a crisis." He further admitted the KGB wished to know in September 1961 "whether and where in Berlin new installations had been created, for example, teletype offices, photo labs, etc. which would start functioning only when the situation became tense". FELFE's claim that he "knew from the beginning he would never be able to find out this information and told Alfred as much" is ridiculous. If he was able in December 1959 to give the KGB the general outline of the KUBUS program as noted above, plus receive such incisive questions from them in return, his comments are invalid. Both CIA and the BND believe he compromised KUBUS. The communications equipment was removed from the U.S. Compound on 11 November 1961.

C. Munich Liaison Base

19. MLB's damage was its severest in the number of CIA staff officers known through their service at the Base to FELFE in true name. Perhaps as high as 100 have had some acquaintance with FELFE or at minimum their names came to his attention from the time of his arrival at BND Headquarters in 1953 until his arrest. He, quite naturally, did not know all well nor was he able to report on each one in depth. As one of the more active and better known BND officers, however, and with a KGB assignment to meet as many CIA staffers as possible and pass their names, he certainly covered more than his share of ground. FELFE was able to keep the KGB well-informed of the size and function of MLB, and the changes in both brought about by time and circumstances. Property under MLB control and used for liaison with the BND such as Bruecker and Isar House are considered compromised.

D. Munich Operations Base

20. Damage here appears to be largely confined to certain KGB emigre D/A cases which did or could have come to

FELFE's attention

SECRET/EYES ALONE

SECRET/EYES ALONE

FELFE's attention such as [] and [] and individuals of operational interest traced with the BND about whom he would have either been informed or whom he might have uncovered running traces in the BND registry. The latter instances will be recorded in the machine damage record.

E. TSD

21. Some ten Technical Services Division personnel, of which six are audio technicians, were exposed to the BND through the operations in West Germany. FELFE knew or was in a position to learn of most of them. Several items of audio equipment were lost when the Soviets uncovered the installations. These were for the most part already believed compromised to the opposition. Only the "Pipe-Pusher" technique used in the Chinese News Agency operation is believed to have suffered its maiden exposure. An estimate of the damage suffered by TSD is attached under TAB D. FELFE knew of the TSD installation outside of Frankfurt/Main, and also that the technicians employed by the Agency are staff personnel and not local contract agents. In connection with this latter statement, we are fairly certain that FELFE learned the American technicians arrested in Cuba were CIA staff members, and we can only assume that he hastened to report this to the KGB. A question on this matter was not put to him during the recent interrogations because of its sensitivity, and the real possibility he may still have an open channel to the KGB.

*What about
damage to Bonn
Operations Base?*

F. Vienna Station

22. Vienna lost a source of economic reporting on Soviet trade when they were forced to terminate [] because his brother, turned over to the BND in March 1960, was compromised by FELFE.

23. Attached at TAB A is a summary of CIA operations whose loss is attributable to FELFE. It comprises those operations brought to the attention of those responsible for the FELFE damage assessment or uncovered during research into the problem. It should not be considered complete, and it is expected that more will become evident from the machine run and continuing research. Field damage assessments prepared by MLB, BOB, and FOB are also attached at TAB E.

III. CIA Organization

SECRET/EYES ALONE

SECRET/EYES ALONE

III. CIA ORGANIZATION

24. In the Field: FELFE was conversant with the organization of the German station. He was aware of the general location and probably the functions of each Base and the Station. He also knew that we had representatives and capabilities worldwide and was aware of the assistance we at times gave to his service far beyond the borders of Germany. He personally ran one case which ultimately resulted in the Hong Kong [] meeting, assisting, and performing a preliminary debriefing of his agent following the agent's exit from Red China in 1957.

25. At Headquarters: In September 1956 he visited CIA Headquarters as one of 4 BND CE officers attending lectures and touring the United States. While in Washington, he received briefings on CIA, the US Intelligence Community, the RIS, TSD subjects, Satellite services, staff security, etc., and he met several ranking Headquarters officers as well as renewed acquaintances with staff personnel known to him from their previous MLB service. We refuse to believe that he did not report in detail on this trip, his protestations to the contrary. The copious notes found by the BND after his arrest which cover this trip support our view. For a listing of briefing subjects, physical installations, and staff personnel exposed to him during his Washington sojourn, see TAB B.

IV. CIA STAFF PERSONNEL

26. FELFE has acknowledged that he generally passed to the KGB the names of those CIA personnel he met during the course of his official duties. While he was acquainted with a considerable number, he probably was unable to report in depth on more than some 30-40 staffers. Those known to him in true name are for the most part limited to staffers who served at Munich Liaison Base, some Bonn Base personnel, and those exposed during the September 1956 trip to Washington. The remainder were known to him in ops alias only. From time to time he learned of the transfers and new assignments of former MLB officers, facts he would not have been remiss in reporting to the KGB. A complete tabulation will be made available when the machine run has been completed. In the interim TAB C attached contains a list of 105 staff members exposed to FELFE who were readily identified through current Headquarters research. A notation has been added as to whether the staffer was known in true or alias name.

The degree

SECRET/EYES ALONE

SECRET/EYES ALONE

The degree to which each staffer was compromised is not considered to be within the purview of the EE/G Liaison Desk and is being referred to the responsible Agency officers and components.

27. In connection with staff personnel, it must also be pointed out that CIA suffered a tremendous loss of man hours during the close cooperation between the Agency and the BND on Soviet operations between June 1959 and November 1960. This involved not only technical personnel, but also case officer and analyst time. This in itself constitutes damage since the opposition's cause is aptly served when CIA personnel and talents are engaged in time-consuming fruitless pursuits. We could undoubtedly have been more effective pursuing other tactics and away from FELFE's close range observation.

V. CIA LIAISON IN GERMANY

28. Heinz FELFE was well-versed in the CIA/BND relationship in Germany from the time he joined the BND in 1951 and particularly after he was assigned to their Headquarters in 1953. He most certainly was able and did keep the KGB current on this liaison relationship. Again he was conversant with CIA's role as coordinator when numerous intelligence agencies, particularly West German and U.S. groups, shared operational interest in specific targets. Such knowledge also gave him at least partial insight into our liaison relationships with other American intelligence agencies in Germany as well as other NATO services, for example the British and French.

29. What he could not ascertain from CIA or his own organizations as to our relationship and cooperation enjoyed with the West German Internal Security organizations, he was able to elicit from his own liaison contacts with these organizations. He gained his knowledge in this sphere through either the operations against the Soviets in West Germany, especially the Bonn/Cologne area ones, or from such "trusting" contacts as [] of the BfV. He knew a section at the Bonn Base dealt with as many of these agencies.

DAMAGE TO OTHER AMERICAN INTELLIGENCE AGENCIES

30. With comparative ease FELFE would have been able to learn the true identities of those representatives of the Army, Air Force, and Navy stationed at MLB and accredited through us

to the BND.

SECRET/EYES ALONE

SECRET/EYES ALONE

to the BND. These we presume he reported as regularly as he did the names of the CIA members which came to his attention.

3. All trace requests and other operational paper passed to the BND by the services which did or could have come to FELFE's attention since 1953 have been processed into the machine system. It is anticipated that the results will show CIC and MIG to have lost most heavily among the group of U.S. military services with A-2 and OSI following. It is believed that the results will also show ONI to have lost only a few, and FBI and Department of State losses very low. Each service and department will be informed upon publication.

32. Two 513th MIG REDSKIN agent groups, the Youngers and Webers, processed their travel arrangements through the BND agent [] (Note: [] was run by FOB for some time when they believed him to be a unilateral source, and it was not until 1960 that it became clear he was also in the BND's employ. CIA relinquished their interest to the BND with the understanding we would continue to receive the take. FELFE controlled this case from BND Headquarters.) Cursory examination only of both these files raises the suspicion that their apprehension in the Soviet Union might have been directly or in part attributable to FELFE's having alerted the KGB after receipt of the pertinent [] Reports.

DAMAGE TO THE BND

33. General Comment: We can not overlook the fact that the damage suffered by the BND is at least indirectly a loss of CIA's. It is impossible to catalog specific damage to that service since they have not provided us with an inventory of their unilateral losses nor has FELFE confessed to betraying many significant BND unilateral assets. We are able, however, to outline in general terms our estimate of damage they suffered. It is of the broadest scope because of FELFE's insight into BND operations and policy as well as administrative procedures. Appearing in the BND's estimate of damage to their INDEX operations (TAB F already cited) is the following statement which helps to place FELFE's perfidy in some perspective,

"...during his period of employment with the BND, FELFE was shamelessly curious and recognized as such, and that with disregard for all standing security regulations and through the fabrication

of alleged

SECRET/EYES ALONE

SECRET/EYES ALONE

of alleged or the twisting of actual inter-relationships between his operations and the official duties of other departments and areas he was able to garner information, the access to which would normally not have been granted him."

The damage as we see it is reflected in the following fields:

A. Compromised Operations

34. CE Operations: All major BND CE operations must be assumed compromised. There is every indication that the BND considers this a valid assumption, and there appears to be a reasonable degree of doubt as to whether the BND will continue to maintain a CE staff as a separate entity, largely because of the disruption of this staff's activity brought about by FELFE and his apprehension.

35. Positive Operations: There is also good reason to believe that a large percentage of BND positive operations were or may have been compromised by FELFE in view of his established access to the OPTIK. The OPTIK is a series of who-knows-whom schematic diagrams of all BND agent nets. Individuals are identified therein by agent number, date of birth, location, and occupation. All that is lacking is the true name, and in some cases the true name initials appear. Through the mechanics of the OPTIK, FELFE could have provided information which would have compromised a high percentage of the BND's claimed 600 positive agent assets in East Germany. This possibility of compromise may seriously disrupt BND positive collection capabilities in the OB and early warning areas.

36. The BND is now belatedly coming around to this point of view as evidenced in a late November 1962 discussion between a MLB officer and a BND officer intimately concerned with the FELFE affair. MLB learned that a memorandum had been prepared by the BND front office citing their conviction that the majority of the BND's tactical sources in the East Zone were compromised and under hostile control and warned against their possible use as channels for Eastern deception operations. Reasons given for this position were the review of damage done by FELFE, the established degree of his access to BND information, and his possession of the above-mentioned OPTIK. The BND's research had led them to conclude FELFE could and probably did uncover most of the service's sources. The BND officer also remarked that a number of KSG (agents reporting with high speed transmitters)

sources in

SECRET/EYES ALONE

SECRET/EYES ALONE

sources in East Germany have been lost in recent months, and others have been determined beyond reasonable doubt to be under hostile control. Comment: The information in this paragraph was passed the MLB representative for our information only with caution that it was not certain we would hear about these developments officially.

37. We must also point out that FELFE was in a position to run unlimited file checks - and has admitted performing this service at time for the KGB - and could destroy or alter cards and documents.

38. The reader's attention is called to TAB F which was prepared by the BND for the West German judicial authorities and which concerns damage to the activity (INDEX) against the Soviets in West Germany. Some of the joint CIA/BND operations are also discussed.

B. Compromised Staff Personnel

39. All key BND Headquarters personnel can be assumed compromised by FELFE. He came to the Headquarters at such an early date in BND history that it was possible for an alert insider to know or discover the identity of any person employed there. FELFE was later in a position where he could easily keep tabs on all key newcomers. His rank and official duties also afforded him the opportunity to learn the identity of a relatively high proportion of BND field personnel, particularly those engaged in CIA operations, and these individuals must be assumed compromised. Under interrogation, however, he acknowledged naming only a few to his KGB case officer, an impossible feat vis-a-vis the KGB for him.

C. Compromised Administrative Practices

40. FELFE was intimately familiar with and in a position to compromise the BND Headquarters organizational structure on a continuing basis. This familiarity likewise extended to the BND Field Organization. As an example, FELFE admitted identifying [] the BND Washington representative, to the KGB, and as an indication of his ability to assess a situation, he quite correctly identified this position as one of prestige where only little, if any, significant business was transacted. He was also quite knowledgeable of the mechanics in staff

recruitment, training

SECRET/EYES ALONE

SECRET/EYES ALONE

recruitment, training program, as well as rotation and reassignment policies, the latter from the very inception of the program in view of his wide circle of acquaintances. Knowledge of this sort obviously could facilitate further infiltration and recruitments in place by the opposition. As a parenthetical note in this regard, it is not at all improbable that FELFE functioned occasionally as a spotter within the BND for the KGB.

D. Compromised Modus Operandi

41. FELFE possessed most BND operational documentation, and it is axiomatic that he made these documents available to the KGB upon request. He knew well most BND operational procedures in the CI field and some within the FI collection scope to include agent handling, establishment of bona fides, procurement and passage of build-up material, use of telephone intercepts, communication methods, etc. He obviously was in a position to inform the KGB of the cover methods used by the service, of their heavy reliance on business cover and the first fledgling efforts in the Foreign Office cover line. The KGB should have the BND's M/O well taped as a result of their ten years success with FELFE and CLEMENS.

E. Psychological Damage

42. Although admittedly intangible, the psychological damage within the BND created by the arrest of a co-worker is significant. While not a gregarious or overly friendly individual, he was nevertheless widely known and respected for his professional competence - a reputation we might add built with considerable KGB assistance. The concept of mutual trust was shattered within the BND when his hostile role was revealed, and it may be most difficult to restore esprit de corps at all levels. FELFE's treachery likewise, and possibly of more significance, created a confirmed distrust on the part of outsiders both within the German government and foreign services which presumably will manifest itself in official transactions.

F. COMMENTS

43. In FELFE the KGB had a relatively high-level penetration of the BND Headquarters with a wide access to information of keen interest to them. He has admitted little and appears unwilling to admit to anything more than revelation of some information on BND CE operations and a few staff members. His interrogators have noted his egoism and a certain amount of

contempt

SECRET/EYES ALONE

SECRET/EYES ALONE

of contempt for the BND both of which lead to the conclusion that he probably went to some length to compromise BND operations and procedures particularly those which did not materially effect his own position or security. FELFE either provided the information we believe attributable to him or the KGB received this data from a presumably higher level and better placed sources and was, therefore, not interested in pressing him for information other than that which was his immediate specialty. In either case it allows only the premise that the KGB has a most detailed and reasonably current knowledge of the BND and its operations. The only remaining alternative conclusion, and one rather impossible to accept, would be that the KGB was guilty of failing to fully exploit a staff penetration of a hostile service.

DAMAGE TO WEST GERMAN SECURITY AGENCIES AND MINISTRIES

A. General Comments

44. Heinz FELFE had official entrée to all governmental, administrative, and police/intelligence agencies of the Federal Republic as well as to non-official organs which were interested in the Soviet Embassy and Trade Delegation for political, economic, cultural, security or other grounds and whose objectives, plans, and decisions he had opportunity to learn and in part to influence. Confiscated film at the time of his arrest illustrated the scope and volume of material from other security/intelligence agencies and Federal Republic ministries he had been passing the KGB since at least 1957-58. In his statements to the SG, FELFE noted the continuing KGB interest in the relationship between various Federal Republic governmental organizations and the degree of cooperation between them. The BND feels that the Soviet desire for information in this regard was not based on "abstract attempts to gain theoretical knowledge about the bureaucratic divisions or responsibility in Bonn, but as FELFE himself states, the questions the Soviets repeatedly levied upon him have a deeper meaning which is obviously the RIS operational plan to use its well-placed pair of agents, FELFE and CLEMENS, for along other things, the protection of the illegal activities of the Soviet Embassy in Bonn...and the Soviet Trade Mission in Cologne". We are inclined to heartedly agree.

45. Through the vehicle of the "LENA" operation, which was used by the KGB among other things to build up FELFE's reputation within the BND, FELFE was able to establish solid entrée to the Sicherungs Gruppe of the Bundeskriminalamt, to

the BfV,

SECRET/EYES ALONE

SECRET/EYES ALONE

the BfV, security personnel within the Foreign Office, the Federal Chancellors' Office, and the Federal Press and Information office alone. Once this was firmly established, then his additional duties over the years afforded him even more frequent access enhancing his reputation with these services and agencies and greatly facilitating his info gathering safaries for the KGB.

B. BfV (Office for the Protection of the Constitution - Internal Security Service)

46. Severity of Damage: The BfV's damage as a result of FELFE's activities is believed to be extensive. We have received no official assessment from them, but our knowledge of BND/BfV cooperation, FELFE's position as the most active BND liaison officer to the BfV, confiscated film, and comments made by the BfV staff members to their CIA counterparts supports this viewpoint. The confiscated film carried photos of the BfV monthly and weekly reports, reports on the monitoring of agent radios in West Germany, the Schnellbriefe, etc.. FELFE stated that he had been passing such information to the KGB via film regularly for two or three years. Through elicitation he learned from a visiting BfV official enough details about Bogdan STASHINSKIY's presence in West Germany to inform the KGB that BANDERA's murderer was in Western hands even though the BND had believed he was fully compartmentated from this info.

47. KIRPICHEV Case: He successfully thwarted the planned executive action against the KGB officer Dmitriy Ivanovich KIRPICHEV who had been operating under cover of the Soviet insurance company in Hamburg. A victim of his own conceit, FELFE could not resist telling his SG interrogators the details of how he informed the KGB of the BfV's planned action against KIRPICHEV and suggested to them a plan whereby KIRPICHEV could be removed from West Germany without raising any suspicions or endangering FELFE's own security. In this instance he fancied himself functioning both as a protector and advisor to the Soviet service, according to the BND.

48. Foster of BfV/BND Liaison: FELFE continually strove to weld the "working level" cooperation between himself and the BfV and appears to have contributed considerably to the ill-will which periodically existed between the BND and the BfV particularly on the higher levels. One of his most frequent victims of elicitation - and this at time affected CIA operations as well - was the BfV officer [] who also spent the majority of his time working on the Soviet targets. []

often discussed

SECRET/EYES ALONE

SECRET/EYES ALONE

often discussed BfV cases personally with FELFE which otherwise may or may not have been brought to the BND's attention either in the spirit of one case officer to another comparing interesting operations, or to secure the "expert's", FELFE's advice.

C. Other Federal Republic Agencies

49. He had admitted to passing organizational charts and plans of such Federal Republic government offices as the Foreign Ministry, Press and Information Office, Office of the Federal Chancellor, and the Ministry of Defense. He probably ran checks for the KGB on the personnel employed in these agencies where possible. What positive intelligence he may have obtained on these groups probably was also passed. There would seem little doubt that he exploited his contacts within the Security Group (Sicherungs Gruppe of the BKA) to the advantage of the KGB when requested or when he believed it would enhance his own status with the Soviets.

D. Postal and Telephone Authorities

50. Since FELFE did much of the negotiating with the Bundespost authorities on such matters as telephone taps and routing of surveillance lines, he was fully briefed on the procedures and German government policies on such activity. He maintained, according to the BND, full files and detailed memoranda on these subjects, and we can only surmise that these were included in the packets dispatched to the Soviets. In late May 1962 FELFE attempted to smuggle out of prison a summary of the operations involved in tapping the telephone lines of the Soviet Embassy and the Trade Delegation in West Germany. Although we have ~~not~~ yet to receive the details on this action nor any specific comments as to just what he was trying to accomplish, it appears that the document was slanted to call attention to the unconstitutionality of these operations and to show FELFE as a conscience-smitten participant. He probably also informed the KGB of the mechanics involved and responsibilities for U.S. and Allied telephone postal interception programs in Germany.

V. CONCLUSIONS

51. Agency Losses: CIA's Counter-intelligence losses in Germany have been very heavy as a result of FELFE's betrayals. What positive intelligence he did deliver to the Soviets is

considered largely

SECRET/EYES ALONE

SECRET/EYES ALONE

considered largely a by-product of his other activities on their behalf. As [] has commented, FELFE probably delved more frequently into the FI field during the last years of his career because the BND could not possibly initiate new CI operations as fast as he could compromise them.

52. The details of a large number of CIA REDCAP and LCIMPROVE operations against the Soviet targets in Germany and a few of the REDSKIN operations are known to the opposition as is much of their related M/O. The extent and depth of our liaison relationships with West German intelligence and police organs is known to the Soviets. The damage to the BND itself from a penetration of FELFE's skill and high degree of access is clear. Both CIA and the BND are vulnerable to intensive CA attacks from the East. We must also recognize the fact that the KGB has been able to open new and add to others of their dossier holdings on certain CIA staffers with no small help from FELFE.

53. FELFE's Manipulative Role: The FELFE damage is not confined to the compromise of individual agents, studies, and operations, however, but includes the influencing and manipulation of going operations or initial planning to the advantage of the opposition, incidents which are perhaps more difficult to analyze and document but equally injurious. We must first consider the obvious fact that he ingratiated himself so deeply with his own service and his superior officers that he reached a position where the KGB could through him influence and actually control certain phases of BND activity with frightening ease. When FELFE and the KGB were able to put their collective heads together to conceive and run an operation whose sole purpose was to convince the BND that it was not penetrated by the Soviets, which they succeeded in doing with the UJNUTLET case, part of the magnitude of this KGB operation against the BND is clear. In our desire to record the individual items of compromise we perhaps have relegated this manipulative role too much into the background.

54. The Karlshorst operations give us a clearer illustration of this. Having his own service in his pocket, he was able to convince them they had to get into the Karlshorst Compound operations, and the whole question of their participation became such an issue between CIA and the BND on even the highest levels that the Agency, eventually for political reasons, felt forced to accede to BND demands. The rather unusual

form of cooperation

SECRET/EYES ALONE

SECRET/EYES ALONE

form of cooperation in Berlin against the Karlshorst target was devised by BOB and other Agency representatives to allow BOB as maximum control as possible over the BND's activity and afford security to our own operations. The checks and balances built into the system would have provided BOB just that if the KGB had not had its agent in the key position first of all to force the issue, second to relay every bit of information he could obtain either through legitimate exchange or provocation and third to allow the opposition to run their own controlled agents into the program thereby gaining information and advantages that even FELFE was not able to provide.

55. Operational Climate Facing FOB: A different situation faced CIA in its operations against the Soviet legal targets in West Germany. By necessity several of them had to be joint either with the BND or the BfV. The operational climate in the Bonn/Cologne area itself was unbelievably complicated by the confusion in responsibilities between the BND and the BfV. The close liaison relationship between Frankfurt Operations Base and the BND formalized in June 1959 had as its primary purpose to obtain BND support in mounting audio operations against the Soviet Embassy and Trade Delegation targets. Such activity usually requires some form of participation on the part of the local service or at minimum its coordination. Again, we had no control over the fact that the responsible BND officer was a KGB agent nor that CLEMENS, the other hostile agent was also involved in the BND operations against these same targets. Under more optimum circumstances success in the audio ventures would have occurred in a reasonable percentage of cases.

56. As recipients of the telephone tap coverage on the Soviet Embassy and Trade Delegation, many of the operational leads we obtained from these sources had to be coordinated or approved by the BND before exploitation. This opened another avenue to channel CIA plans and intentions to the KGB via FELFE. Beyond this more obligatory exchange, numerous and minute operational details were discussed and a wealth of background material, trace, and file results were given to FELFE and his service in good faith. But sometimes these were given too willingly under the erroneous impression that they would contribute to that service's knowledge and professionalism, and ultimately to CIA's benefit. After suspicions were raised as a result of the [] reports, measures were taken to reduce the number of joint operations, to stem the flow of CIA information to the BND, and to concentrate on unilateral operations.

57. BND Security:

SECRET/EYES ALONE

SECRET/EYES ALONE

57. BND Security: As a general observation on BND security practices, the FELFE case proves again that the reliability of a staff officer can not be predicated solely on the gentleman's code of honor or the attestations of his friends and acquaintances. This is a particularly dangerous situation in an intelligence service located in a divided country. FELFE has illustrated that compartmentation, however, strong, is ineffectual in combatting hostile penetrations. This is more true when the penetration is in the person of a staff officer of long service and wide reputation who through cultivation of his own colleagues and other nefarious ways is able to cross all compartmentation lines with contempt.

58. CIA Security: The FELFE case has also shown us that in past joint operations with the BND/CIA became involved perhaps in too many and provided more information and support than what can be considered sound liaison practice, especially in view of the fact that we were dealing with a service known to have built-in security hazards. Undeniably, joint operations in many areas have value, but in their execution and with particular respect to divided countries, attention has to be given to the limitation of their support a) to avoid chancing under the worst circumstances the compromise of more than the operation could conceivably produce, and b) to preserve CIA equities and further the Agency's mission.

59. The FELFE damage assessment should not be considered final with the publication of this paper. It is anticipated that future research or new operational circumstances will uncover more examples of compromise, either definite or suspected, that can be attributed to Heinz FELFE.

SECRET/EYES ALONE



SECRET/EYES ALONE

TAB A

CIA Operations Whose Compromise Can Be Attributed
to Heinz FELFE

This tabulation does not represent all CIA operations lost through Heinz FELFE, but rather those which have been specifically called to EE/G's attention or uncovered through research connected with the FELFE damage study. A complete list again will result from the machine program where each individual traced or called to FELFE's attention through the exchange of other operational reporting from 1953 until November 1961 has been recorded. In some instances the final judgement as to the compromise factor among the operations appearing on this tabulation will have to be made by the responsible desk or field case officer as EE/G was not in the position to conduct full scale security reviews of each case or operation.

No page 15
2 copies page 16

SECRET/EYES ALONE

SECRET/EYES ALONE

[]

1. A businessman engaged in East-West trade, [] was recruited by CIA during the mid-1950s primarily because of his position as employer of [] (see below) after he became aware of []'s agent status. He has not been active for some six years. His status with CIA became known to FELFE when FELFE assumed control of the [] operation. [] was warned early January 1962 that his contact with us was known to the KGB, and he stated he would not travel behind the curtain again. Since his major service to CIA was the backstopping of the active agent [] little damage to the Agency is seen in his compromise.

[] (formerly [], [])

2. A contract agent, [] is blown to various services, including the RIS, under alias. He was traced under true name with the BND in 1951. At most FELFE would have been able to furnish the KGB with the alias he used with [] whom he handled for several years and whatever description [] might have furnished following his take-over by the BND. FELFE did not meet []

[]

3. Contract agent whose true name is considered blown to all opposition services. If FELFE reported on him, he probably was unable to furnish the KGB any new information.

[]

4. Contract agent. His true name is probably in the BND records as a result of an approach made in true name to two Germans during late 1952 which was then reported to the BND. He was also very active in the AENIDUS/AECORBEL program in Berlin recruiting some of the agents later reported to the KGB by FELFE and brought under hostile control.

[]

5. Subject, a [] and former resident of Lithuania now living in Bremen, is considered probably compromised. He is in contact with the KGB, probably Emigre section, and run by them from Vilna. The compromise factor is not definite, but he was traced through the BND files twice, the last time being in April 1961, and may have come to FELFE's direct attention. There is no indication he has come under hostile control.

[]

SECRET/EYES ALONE

SECRET/EYES ALONE

□ □

6. BOB's operational interest in this Soviet Embassy employee within the Karlshorst Compound was tipped to the BND in November 1958. He undoubtedly came to FELFE's attention. The agent's actions, particularly during 1960/61, led his BOB case officers to believe there was a strong possibility he had been doubled. No attempt at re-contact was made after the Berlin Wall, and he has been terminated.

□ □

7. Subject was an interpreter for the Soviets and a □ □ Administration source in the Karlshorst Compound for circa two years until he refuged to the West in late 1958. FELFE learned of his identity and past CIA service during negotiations of 1959 when the BND wanted access to □ □ He also learned that □ □ was the lead to additional Karlshorst sources recruited after his move to the West. FELFE may well have learned that Frankfurt Operations Base considered using □ □ and his wife following their resettlement. Subject was terminated by FOB prior to FELFE's arrest for reasons not connected with the FELFE investigation.

□ □

8. Employed as a □ □ in the Main □ □ Office, □ □ was a BOB source of information on Karlshorst and certain East Berlin city government policies. He was identified to FELFE in March 1961 as a CIA agent since 1956/57. Contact via OWVL and S/W has been maintained with him since the Berlin Wall, and all correspondence from him indicates that he has come under hostile control since August 1961. This is believed directly attributable to FELFE.

□ □

9. An □ □ □ □ has been a Karlshorst Compound source for some three years until his arrest on 20 July 1961, after the MfS recruited his former mistress and attempted through him to run her into the Berlin Base. FELFE and the BND had been informed in September 1960 that □ □ was an agent of ours. The BND also lost a potential operation built around □ □'s daughter which was monitored and then halted by the East.

□ □

A female employee of the Karlshorst □ □ Administration, □ □ was one of the most productive Karlshorst sources until

shortly after she

SECRET/EYES ALONE

SECRET/EYES ALONE

shortly after she was identified to FELFE in July 1959. She worked with [] the BND's first recruited Karlshorst agent. The opposition did not attempt to control her, thereby protecting FELFE and assisting the latter to build up the BND's equity in Karlshorst operations. Instead they monitored her activities closely and slowly restricted her access to information of interest to BOB. She was permitted to refugee in October 1960. Information later available to us indicates she was under MfS surveillance when she came to West Berlin for meetings with her CIA case officers.

[]

11. FELFE was briefed on Berlin Base Karlshorst targets and interests in July 1959. Late October 1959 a young blond prostitute resident of the Karlshorst Compound agreed to work for BOB. She was traced with the BND coming to FELFE's attention in November 1959 and subsequently became [] She soon secured a job as a [] in one of the Soviet-run [] She was a pivotal figure in an operation directed against a member of the East German Military Intelligence service. Shortly before mid-August 1961, she confessed under hostile interrogation that she was originally sent by the MfS and had been under their control all the time she was run by BOB. FELFE and the BND were informed of this in September or October 1961.

[]

12. There is a possibility that this male German employee of the Soviet Trade Delegation [] may have come to the attention of Heinz FELFE. He was traced with the BND in March 1960. [] installed a telephone tap within the [] for BOB. Contact has not been resumed with him since the Berlin Wall to the knowledge of EE/G.

[]

13. CA asset of SR/2/Baltic. Considered exposed to BND through tracing 1955 and April 1961. Further study probably necessary to determine whether he may not have come to attention of FELFE.

[]

14. Director and organizer for CA activities among Latvian emigre Youth circles. Considered exposed to the BND during June 1961 tracing. Unknown whether he came to FELFE's attention.

[]

SECRET/EYES ALONE

SECRET/EYES ALONE

15. A.S. CHUKMASOV of the Soviet Trade Delegation in Koeln approached this [] employee in August 1960 and attempted to recruit him. The decision was made to allow the case to run with BND participation and handling by CIA. Sterile copies of the operational reporting on this case went to the BND and directly to FELFE. EGFA 36090, 2 January 1962 states that FELFE dealt with "our" people in Frankfurt on this case. Considered compromised.

16. Repatriated from Riga and served as an informant on Soviet Trade Mission personnel in West Germany. Routinely traced with the BND in May 1959. SR/3 noted in EGFW 14442 of September 1962 that our interest in Subject must be known to the RIS through FELFE's involvement, and that a POA was being requested to contact, debrief, assess and LCFLUTTER.

17. An old time Munich Operations Base Emigre type who had been retired and then recontacted MOB following a RIS approach in February 1961. The approach was surfaced to the BND in early April 1961 and with certainty the details became known to FELFE. MOG informed the BND that if they did not elect to take over the case we would ask for executive action against the Soviet who had made the approach. The Soviet, Kuzma P. BOGOMAZOV, was soon thereafter recalled from his Soviet Embassy Third Secretary post when the BND turned the case down, and FELFE undoubtedly believed we would act against BOGOMAZOV.

[] (formerly [] [] [] [])

18. Baltic contract agent who was very active against the Soviet legal targets in Bonn/Cologne. He is most probably known to FELFE, if not under true name, then under one or several aliases. He had been traced with the BND in December 1960.

19. REDSKIN spotter. May 1960 Janis PUJATS was dispatched by the KGB from Latvia to contact and assess [] He had been traced with the BND prior to July 1959 and again in May or August 1961 stating at the latter time he was of security interest to us. Further investigation is needed to determine whether the possibility is high that he came to FELFE's attention.

NOTE: There are several other Baltic types who have been traced

with the BND

SECRET/EYES ALONE

SECRET/EYES ALONE

with the BND and are considered by SR to be exposed to that Service as a result. Individual file study and probably queries to the BND may be necessary to determine whether FELFE could have compromised them.

AENIDUS PROGRAM

20. FELFE was well briefed in July 1959 as to the intentions and targets of this CIA program directed against the Karlshorst Compound. He was also aware of much of the M/O used in these operations. There seems little question but that he reported all he had learned, and from this date opposition neutralization of BOB's efforts against this target began in earnest and with considerable success. This also involved stationing a BND officer within the American Compound in West Berlin for joint CIA/BND ops against the Karlshorst target, and FELFE has admitted reporting much of the details concerned with this BND officer and cooperation with the Americans to the KGB.

[] and []

21. [] a female who formerly resided in Moscow where she was employed as a []
[] traveled to the USSR during 1960 in order to try to recontact certain Soviet citizens on our behalf. In September 1959 FELFE personally asked both orally and in writing what our interest in ~~she~~ and her husband (presumably [] was. DIR 10670 of 15 January 1960 authorized Munich Liaison Base to tell the BND, i.e. FELFE, she was of current operational interest to us. MLB considered both fully compromised to the KGB per EGMA 58691 of 11 May 1962.

[] []

22. A Latvian eternal student type used as a REDSKIN spotter at Bonn University. As a result of FELFE's continual prodding, FELFE was informed directly by June 1961 that he was our agent by indicating our operational interest in him. The BND as a service probably learned as early as mid-1958 through tracing. AESAVVY 11 is still in our employ.

[] [] (formerly [] []

23. An American student. Frankfurt Operations Base Redcap section felt almost certain that he had been compromised through his employment as an LP apartment keeper in the [] [] operation. Although this was a joint operation with the BfV, FOB had good reason to believe that the operation and true name of [] [] were discussed by the BfV official with FELFE. [] [] was terminated on 29 December 1961 and warned about any travel behind the curtain.

SECRET/EYES ALONE

SECRET/EYES ALONE

[]

24. Female Russian interpreter who refugeed from East Germany early 1959. After replying negatively to our May 1959 trace request on her, the BND later offered her for CABEZONE debriefing. Operational wires apparently were crossed somewhere. We did debrief her and then dropped interest in August 1959. FOB picked her up again in May 1962 as she is now employed as a secretary and interpreter for the Zimmer firm. EGMA 60417 of 2 November 1962 points out that FELFE was certainly aware of the CIA/BND conflict of operational interest in her during 1959 and also that she is the sister-in-law of an BND staffer.

[]

25. Subject is a Soviet citizen who was first met by CIA in Berlin during November 1957, but who subsequently failed to come to West Germany again as had been expected. The BND was aware of our interest in him, and advised us in March 1962 that FELFE had shown a keen interest in Subject. We must assume that FELFE reported this to the KGB. FELFE's information may then have been confirmed by [] after [] arrest. [] had first introduced [] to us in Berlin.

[]

26. KGB agent who murdered Rebet and Bandera and defected to the West 12 August 1961. FELFE claimed not to have learned he was in Western hands prior to 6 October 1961 but may possibly have had wind of it earlier. He reported this to the KGB claiming 10 October as the first opportunity to do so. The Western authorities were about to surface [] after being delayed in this action for some time because of various negotiations and coordination snags. On 13 October 1961 the East surfaced [] who claimed he had been instructed by the BND to murder the two Ukrainian officials. Intercepted OWVL from the Soviets to the FELFE/CLEMENS team asked FELFE's opinion on the further handling of the Eastern propaganda play particularly directed vs. the BND and related to this case.

As it was because of objections by the Judiciary

[]

27. Emigre double agent run by Munich Operations Group. The BND had known he was our agent as of November 1955, and he has long been the subject of correspondence with them. @RISCHKE held the memorandums in the BND CE shop, but since FELFE often substituted for @RISCHKE it would have been easy for FELFE to have seen the memos. Munich considers CIA's interest in [] compromised to the KGB by FELFE. His last case officer was BOGOMAZOV, the same Soviet recalled following our reporting of his approach to [] (see above).

AUDIO OPERATIONS

SECRET/EYES ALONE

SECRET/EYES ALONE

AUDIO OPERATIONS

CAPHASE II

28. Audio surveillance operation against the apartment in Cologne of a Soviet Trade Delegation official Sergey M. CHEKULIN (not known to be RIS) planned during early 1960. This was at first to be unilateral and was then later done in cooperation with the BfV. Although a joint operation with the BfV, FOB/RED-CAP felt certain it was compromised to FELFE, and therefore, to the KGB through discussions between the responsible BfV officials and Heinz FELFE.

CAMELDER (BND crypt Pinsel)

29. FELFE admitted compromising this operation which provided for audio installation in a private Soviet apartment in the Bonn area. Carrier current equipment failed shortly after installation, then replaced one year later failing again in about six weeks. When a microphone/wire installation was completed, the target apartment was unoccupied. Aleksandr Ivanovich ALEKSANDROV was the apartment's original occupant, then Albert Vasilyevich SEMMENIKOV, Third Secretary Political Section. BND asked that equipment in apartment be removed immediately after FELFE arrest.

CASEVER

30. Audio installation made in the Soviet Trade Delegation Building in Cologne. Two transmitter switch installations in 1959 effected by six consecutive black entries into the building. Radio switch failed, equipment discovered, and removed after failure, per TSD. FELFE compromised this operation to the KGB.

CAYENNE (BND crypt)

31. Plans to bug the apartment of Minister Counsellor Andrey Mikhailovich TIMOSCHENKO. BND received word he was to move to a new apartment. After a game of musical chairs in which he was reported about to move into several, it was finally discovered that he was already in a new apartment which was impossible to bug. Plans were temporarily cancelled. Then, through UJDROVER, it was learned he was to get a new telephone. CIA wanted to "hot-mike" the phone. FELFE dragged his feet and in May 1960 gave the excuses of other ops commitments, trouble getting a LP in the Bonn area and reluctance to discuss with the Bundespost authorities as reasons for definitely deciding against the venture. He also asked that FOB not discuss his decision with the local BND liaison working on the INDEX matters. The BND field people were most disappointed with the decision and believed the chances would have been

very good for the

SECRET/EYES ALONE

SECRET/EYES ALONE

very good for the operation's success. This was another example where FELFE could use his position for neutralizing even stopping any action vs. the Soviets before it really got off the ground or could cause possible harm.

DIOPIUM

32. Joint CIA/BND audio operation against the Czech Trade Mission in Frankfurt/M. during September 1959. Carrier current installation and equipment failed several weeks later at the time the target personnel moved in. BND feels that FELFE, although supposedly compartmented from this operation, was responsible for its compromise. EE/C noted it was almost impossible to determine whether the operation failed because of his compromise, equipment detected by audio counter-surveillance, or simple mechanical malfunction. Terminated.

PLASTICS FAIR, DUESSELDORF

33. Transmitter was installed in the Soviet booth, and the LP manned by the BND. No intelligible conversations were received according to the BND. Done during the 1959 Fair.

UJHOPE

34. Audio installation to be made in the apartment building at Scheidtweilerstr. 4, Cologne which was occupied by some six or eight Soviet families from the Trade Mission. This operation died at birth. BND claimed to have a real estate agent recruited who would turn over the keys to the apartments to facilitate our entry. The "agent" failed to produce the keys. The Soviets occupied the apartments a month before the BND even found out about it.

UJMILL

35. Microphone installation made during 1960 in a new building in an apartment assigned to a RIS suspect. At the last minute Soviet assigned the Bonn apartment to a less interesting individual, the agricultural attache DUKA. Little or no conversation took place between the target family. Although we had been promised the take, the BND did not even advise us when DUKA moved out and the apartment occupied by STUDENSKIY who was confirmed RIS. Later learned through a double agent that the Soviets were aware of the installation. FELFE told the SG he didn't betray this operation because "I didn't want to." We do not believe this statement at all.

UJPEEP/UJPOST

SECRET/EYES ALONE

SECRET/EYES ALONE

UJPEEP/UJPOST

36. Operation set for the Bonn area in 1959. Keys to several apartments to be assigned to RIS suspects were made available to TSD by the BND. Keys were duplicated and ready for testing. The BND (again decision undoubtedly made by the responsible officer FELFE) delayed the go-ahead, and when the tests were attempted, the target apartments were found to be occupied.

SEPIA (BND crypt)

37. Located at First Secretary DEYEV of the Soviet Embassy Economic Section's apartment in Bad Godesberg. With 90% of the drilling completed for the microphone installation, the target personnel returned home unexpectedly. The operation was dropped per BND (FELFE) headquarters decision.

STNEOPHYE (BND crypt PIAZZA)

38. Audio installation targetted against the [] during 1960/61. Involved liaison with the [] and BND. FELFE was the responsible BND officer. Numerous headaches with the operation and no worthwhile take. Operation phased out by CIA because of the FELFE investigation and his very deep involvement. FELFE admitted discussing the [] with the KGB in Vienna during September 1961 and had been given the EEI of obtaining more information. He denies telling the Soviets of the audio operations.

OTHER PLANNED AUDIO OPERATIONS

39. There were several other operations which either died in the planning stage or never progressed far in their development and are not cited here. The above are believed to represent more concrete examples of known audio operations in West Germany which were all failures because FELFE betrayed them to the Soviets almost faster than new ones could be conceived.

[]

40. Member of a West German firm constructing a plant in the Soviet Union. He was recruited while visiting the United States and was handled by ROB in the field. [] admitted to the BND he had been recruited by the AIS, and FELFE probably was able to learn of this. The operation was terminated in January 1962 when the agent declined to call off his trip to the

USSR despite the

SECRET/EYES ALONE

SECRET/EYES ALONE

USSR despite the fact he knew he might be in some danger.

Boris Alekseyevich BULAY, Sergey Nikolayevich ZELENOV, Vasiliy Romanovich SITNIKOV

41. FELFE was privy to the operational planning for either harrassment or defection attempts against the above named Soviets in connection with the planned surfacing of [] during February and March 1959. The decision was made to concentrate on SITNIKOV. All three were KGB members formerly stationed in Vienna and then assigned to the Soviet Embassy in Bonn. At the last minute the attempt against SITNIKOV was cancelled rather than attempting anything which might lessen the impact of the [] surfacing and the Life articles. It appears, however, quite probable that FELFE informed the Soviets we intended to move momentarily against SITNIKOV. Cursory file study reveals among other things that SITNIKOV was effectively removed from the more unprotected area of his own apartment to the residence of the Soviet ambassador just when we intended to take action. At the same time FELFE and the Soviets were able to lead us astray with misinformation via the UJDROVER and other channels. (Some of these same tactics were used by the Soviets in the KIMPICHEV case when the BfV's executive action plans were foiled.) SITNIKOV was shortly thereafter recalled to the USSR. FELFE was able to give the Soviets advanced notice of the [] surfacing.

[]

42. Subject was a [] employed by the Soviet Embassy in Bonn and the Trade Delegation in Cologne. CIA had believed him to be a unilateral source following his recruitment in January 1959. Early 1960 we learned he had been a BND agent per their claim since 1956. CIA terminated him in October 1960. FELFE had admitted discussing [] with the KGB though he insists he told them Subject had nothing to do with INDEX targets and concealed fact he was working for another BND section. FELFE further admitted that the Soviets gave [] his termination notice [] shortly after [] was transferred to the INDEX section as a source, and that he was asked about him again during the September 1961 meeting with the KGB in Vienna. There would seem little doubt that FELFE did compromise the BND's interest in [] and also CIA's equity in him.

[]

43. An electronics engineer connected with [] in East Germany before he refuged to the West, [] was working for MIG and the BND as well as his connections with hostile intelligence organizations. The BND reported that [] was

definitely compromised to

SECRET/EYES ALONE

SECRET/EYES ALONE

definitely compromised to FELFE in November 1959, and therefore the German and American interests in him to the KGB. [] was handled by the Positive Intelligence section of the BND until the introduction of the RIS into the case in November 1959. The RIS may have well introduced themselves in order to bring this case to FELFE's attention so they could monitor it from both sides. CIA functioned as coordinator in this case, and, therefore we were not directly involved with the agent, who has since defected and resides in West Germany.

[]

44. This represents another operation where CIA thought it had a unilateral agent only to discover after some time that he had been on the BND's payroll, and they were able to establish primary interest. [] ran a [] specializing in East bloc []. We terminated him with the agreement we would receive the take from the operation. FELFE admitted under interrogation compromising the BND's interest in [] to the KGB, but does not admit passing reports from him to the KGB or mentioning the American interest. It seems most likely that he did the latter despite his failure to add these pertinent portions to his story. Several REDSKIN agents made their reservations through []. A cursory glance at the [] and [] files, both REDSKIN agents of MIG who were apprehended in the Soviet Union, raises the strong suspicion that they may have been compromised through the [] FELFE channel to the KGB.

[]

45. Subject is employed by one of the larger East-West trade companies in Germany working primarily in the Soviet field. Recruited by CIA in 1956, he was the source of extensive economic and positive intelligence and following his "recruitment" by the KGB of CI information. [] was turned over to the BND with FELFE becoming the responsible BND Headquarters officer in March 1960. His KGB handling showed a definite change, and there is little doubt, despite FELFE's denials to the SG, that FELFE compromised this agent. [] has been terminated by the BND and warned he cannot travel again behind the curtain. His brother, [] (see below), was a CIA unilateral source, and he too had to be terminated as a result of FELFE's reporting to the opposition.

CALADEN

46. Frankfurt Operations Base project to recruit singletons for the most part in the Cologne/Bonn area targetted against the Soviet installations there.

[]

SECRET/EYES ALONE

SECRET/EYES ALONE

□ □

47. Female □ □ dealer in the Cologne area. Secured LPs for the audio surveillance operations. Along with her husband □ □ was exposed to the police and West German intelligence services circa 1959. Continued to work for us for some time but has been terminated. Most probably was known to FELFE.

□ □

48. Husband of □ □ There were some unresolved questions as to his possible past association with the RIS. Exposed. Has been terminated.

□ □

49. Technical interpreter for H. Strunck Co., Cologne. We got the lead to him through the UJDROVER/UJREMEX coverage, and the BND granted permission for our operational exploitation. FELFE, therefore, knew of our interest, and presumably also the KGB. He did not become a fully recruited source.

□ □

50. Naturalized American female. Her apartment was used as the LP for the CAPHASE II operation while she was in the United States. May not have been known to FELFE unless the BfV official who informed FELFE of the CAPHASE II operation also told him of □ □'s part.

□ □ (Identical with □ □ summarized above)

51. Note: There may have been other □ □ agents lost through FELFE which did not come to the attention of this writer. Presumably they will appear in the machine damage publication, or the responsible desk and field case officers are already aware of their compromise and have taken the necessary steps.

52. CA effort primarily directed against the EGIS. Involved the surfacing of □ □ □ □, and others. The Eastern reaction to the surfacing of □ □ the uncanny timing, and detailed knowledge justified suspicion in May 1959 that a high-level penetration had informed the opposition of the plans for this program. The effort was coordinated with the West German

services. FRAN

SECRET/EYES ALONE

SECRET/EYES ALONE

services. FRAN 3986 of 23 September 1961 raised the probability that the CANEB leak may have been FELFE's work. Further analysis of this program may be needed to definitely ascertain whether he was responsible.

[] (formerly the [] - sources on the Karlshorst Compound and Soviets in East Berlin)

[] (formerly [])

53. FELFE's compromise of this agent has not been established. The BND was not informed in this case that [] was a CIA agent, but FELFE may have been able to spot enough information from the intell reports disseminated to him or his organization to receive a clue to his identity. Recruited circa 1956, [] was employed as a driver [] until late 1959 when he began working as a driver for the [] Contact was maintained with him via OWVL and S/W after the Berlin Wall. In July 1962 he again established personal contact with BOB, was LCFLUTTERED, and the results established that he is currently under the control of an opposition service specifically directed against CIA.

[]

54. [] in the Soviet Embassy [] in Berlin-Karlshorst. Also functioned as a [] May not have come to FELFE's attention since he was not directly traced through the BND. The individual who placed him in contact with BOB, however, was traced indicating our operational interest. Contact has not been re-established since the Berlin Wall and interest has been dropped.

[] (formerly [])

55. Female [] in Berlin-Karlshorst with several Soviet [] was tipped directly to the BND and FELFE in April 1961 when we noted we intended to approach her in June. The approach was successful and she accepted recruitment with comparative ease. Since she had only been issued open code at the time of the Wall, and knowing FELFE's knowledge of her CIA employment, no plans have or will be made to re-establish contact with this agent.

CAPUZZLE

56. Telephone tap on the residence of Aleksey Dmitryevich NIKOLAYEV at his residence in Bonn, Rheinweg 12. Although this was a joint operation with the BfV officer, [] informed FOB shortly after the FELFE arrest that FELFE knew of the BfV recruitment of the Rheinweg 12 building administrator and the intention to tap the phones. The tap was disconnected mid-November 1961. In February 1962 FOB said they were reinstating it. EE/G/CE has no record to date of any production.

SECRET/EYES ALONE

SECRET/EYES ALONE

May 1958. The BND was aware of CIA's interest in her as early as 1955 and was notified of her successful recruitment in June 1958. They have subsequently received reporting from the case on a periodic basis. Since she is the only indigenous employee and the only one with continuity of service since 1958, if FELFE learned only scraps of information and passed it to the KGB, they would have been able to identify her. Knowledge that such a source existed would probably have sufficed. The BND states FELFE had no official knowledge of her, but EE/C feels that in absence of evidence to the contrary, it must be assumed she has been compromised to the KGB and most likely to the CIS. She has been handled by an officer stationed on the outside in Hamburg.

⌊ ⌋

62. Involved in East-West trade, Subject is the brother of ⌊ ⌋ (see above), and his identity and association with CIA were known to FELFE. Originally recruited and run by BOB, he was turned over to Vienna Station when he secured a new position which took him to that city. ⌊ ⌋ dealt almost exclusively with Soviets and was a productive FI source. He has been turned over to the BND as their resettlement problem since his compromise is directly laid at FELFE's door.

KUBUS

63. Planning and equipment, including communications equipment, placed within an office building of the American Berlin Compound for the BND's use in the event of an extreme Berlin emergency whereby the BND would be unable to use their normal facilities in West Berlin. One of the Soviets EEIs found on FELFE at the time of his arrest was a request for information on KUBUS. He admits discussing this with his KGB case officer, but insisted he did not know much about it. We believe he was fairly well informed. The equipment was removed and the office space returned to the U.S. Army Command immediately after FELFE's arrest. Information on KUBUS contributes materially to an CA effort which the East might wish to launch against the West Berlin "spy center" at any time in the future.

MISROUTED CIA POUCHES

64. Chief, FOB pointed out in EGFA 35993 of 4 December 1961 that before and during his tenure, circa 1957, at MOB, a few CIA pouches were misrouted to the BND. Although it is a difficult thing to tell who in the BND would have been given the assignment of analysing this material, some of it likely came to FELFE's attention. He further notes, "the material in the compromised

pouches may have been

SECRET/EYES ALONE

SECRET/EYES ALONE

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pouches may have been

It was ca. April or May '57 that some reports from MOB foreign agents were misrouted to the BND; rather doubt that internal CIA pouches were misrouted.

SECRET/EYES ALONE

SECRET/EYES ALONE

pouches may have been the only internal CIA correspondence which (FELFE) gave the (KGB). If the material could be cast in a sufficiently pejorative or embarrassing light, it would seem that the chances of photos being released in some fashion, perhaps not connected with the BND, would be pretty good."

[] (also known as [])

65. This GRU case was turned over to the BND from the BfV mid-July 1957. FELFE probably first learned of it from his deputy @HERMANN. CIA did not run the agent, but rather furnished operational support. Between 5 and 7 August 1957, the agent met the GRU in Vienna and the GRU officer Yuriy SKLAVETS was surveilled by the BfV. Through the AESTORAGE channel, we learned that shortly after the Vienna meeting the KGB told the GRU that the agent was doubled and the Vienna meeting surveilled, but asked that the GRU continue the case in order not to blow their (the KGB's) source. The [] case never became productive after that, and CIA spent considerable time and effort attempting to identify the KGB source with no success until it became reasonably clear that FELFE was the culprit.

[]

66. @DORBACH informed CIA in January 1962 that FELFE was directly involved in this case. [] eventually redefected through Homeland Committee channels. Assessment of any CIA damage in this case will have to be done by the SR desk concerned.

[]

67. An East Berlin female who worked for years in the Soviet Trade Delegation Policlinic and had been recruited by the BND in 1954, did not come to the full attention of Heinz FELFE until probably October 1960 when he assumed the Headquarters direction of this case. BOB offered full operational support to this BND operation from circa late 1956 including safehousing, and a multitude of trace material and other information on the Soviet Trade Delegation. She lost her job in the Trade delegation late 1958 and was inactive for approximately two years. By late 1960 and shortly before FELFE took over the Headquarters direction, she was allegedly hired directly by the KGB as a safehouse keeper and claimed they would allow her to remain in the apartment during agent meetings. Damage to BOB was slight after 1958 and confined largely to real estate secured for this operation. Technical assistance and advice requested from the BND for possible bugging of her East Berlin apartment was not granted, and the Berlin Wall presumably broke other than S/W contact with this agent. CIA representatives did not meet the agent. FELFE would have been able to inform the KGB that we were, however, support partners in this operation.

SECRET/EYES ALONE

SECRET/EYES ALONE

UJDROVER

68. Telephone tap on the Soviet Embassy lines in Bonn. Until late 1960 we received the raw material from this tap. After that date the BND began passing us only the processed version "due to liaison and German government problems". This was untimely and of much less value. FELFE has admitted informing the Soviets of the tap, and several instances have been uncovered in the research since his arrest whereby the Soviets used this knowledge to plant misinformation frustrating the planning and execution of some operations.

UJREMEX

69. Telephone tap on the Soviet Trade Delegation in Cologne. This too FELFE compromised to the Soviets. The comments above under UJDROVER also apply here. A 1960 year-end review of CAVENUE/CASEVER operations noted that the UJREMEX material was still being received but was evaluated as "only useful in providing background information on individuals known to be in contact with the Trade Delegation but playing little or no role in the overall effort (against this Soviet target)."

SECRET/EYES ALONE



SECRET/EYES ALONE

TAB B

SUBJECT: Exposure during Heinz FELFE's September 1956 visit to CIA Headquarters.

A. PHYSICAL INSTALLATIONS

1. Administrative Building
2. East Building
3. West Out Building
4. OCR Location

B. COMPONENTS - Briefings given to FELFE's group on the following subjects

1. TSS
 - a. CE-CI aspects of documentation
 - b. Photographic equipment
 - c. Briefing on audio surveillance and counter-surveillance
2. DDP
 - a. Organization of the US Intelligence Community
 - b. Organization of CIA
 - c. International Communism
 - d. Machine Methods program
 - e. Soviet Intelligence Service
 - f. Staff Security
 - g. Polygraph
 - h. Satellite Intelligence Services
 - i. East German Intelligence Service
 - j. CI function of CIA
3. DDI
 - a. Tour of OCR and explanatory briefing

C. CIA STAFF PERSONNEL EXPOSED DURING VISIT

FELFE also had the opportunity of renewing old acquaintances from Munich Liaison Base.

Mr. James ANGELTON	True name	Socially, also possibly introduced citing his position in CIA
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SECRET/EYES ALONE

SECRET/EYES ALONE

Mr. []] True name	Socially. FELFE also guest at his ranch in Arizona.
Mr. [ ]	] Probably true	TSS lecture
Mr. John BROSS	True name	Socially. Hosted a party in his home for FELFE and group.
Mr. [ ]	] True name	Gave briefing on security, polygraph.
Mr. James CRITCHFIELD	True name	Socially. Former MLB
Mr. [ ]	] True name	Socially, probably also local escort duty. Believed known to FELFE from Feldmann's previous service at MLB.
Mr. [ ]	] Alias	Lectured on Soviet Intelligence Services.
Mr. [ ]	] True Name	Lectured on CI function of CIA. Socially
Mr. [ ]	] Alias	Lectured on Machine Methods.
Mr [ ]	] Alias	Lectured on Satellite Intelligence Services.
Mr. [ ]	] True name	Socially. Formerly at MLB.
Mr. [ ]	] Alias	Lectured on International Communism.
Miss [ ]	] True name	Socially. Also known from previous MLB.
Mr. [ ]	] True name	Socially. Also known from previous MLB.
Mr. Thomas POLGAR	True name	Lecturing. Socially
Mr. [ ]	] True name	TSS lecture

SECRET/EYES ALONE

SECRET/EYES ALONE

Miss	☐	☐	True name	Socially. Known from previous assignment at MLB. Employment terminated
Mr.	☐	☐	True name	Socially. Escort duty.
Mr.	☐	☐	True name	Socially.
Miss	☐	☐	True name	Socially.
Miss	☐	☐	True name	Socially. Probably known from previous MLB assignment.
General TRUSCOTT			True name	Socially. Hosted luncheon.

Munich Liaison Base Escort Officers:

☐ ☐
☐ ☐

SECRET/EYES ALONE



SECRET/EYES ALONE

TAB C

SUBJECT: CIA Staff Members Compromised through Heinz FELFE

It should be cautioned that the attached list is not complete. Names of staffers compromised through operations which came under hostile control following FELFE's betrayal of the agent to the KGB are for the most part not included. These will in many instances appear, however, on the machine damage run. The degree of compromise is further amplified in each case in the machine run system.

Please note that several staffers were only known in operational alias, and some of those listed never had directed contact with FELFE.

It is recommended that the appropriate section within CI staff study former MLB TOs and the list of EE Personnel who have in the past been involved in liaison in order to determine whether additional personnel may have been indirectly compromised through the FELFE channel. It should be taken into consideration that FELFE was able from time to time to cross the compartmentation rules within the BND and learn of CIA staffers who were not exclusively involved with Soviet - or technical operations.

SECRET/EYES ALONE

SECRET/EYES ALONE

The asterisk* denotes those staffers FELFE has admitted reporting to the KGB.

<u>NAME</u>	<u>POSITION/LOCATION</u>	<u>KNOWN in TRUE or ALIAS</u>
ANGELTON, James	C/CI	True. Met FELFE socially one occasion, 1956
☐ ☐ ☐		
☐ ☐ ☐	EE/C	True. MLB/Reports until September 1962
☐ ☐ ☐	TSD	Probably true. Lectured during FELFE's 1956 HQS visit.
☐ ☐ ☐	C/OTR	True. Social contact, 1956
BARNES, Tracy		True. Former COS, Germany
☐ ☐ ☐		
(resigned)		True. Formerly at MLB
☐ ☐ ☐	AF/Overseas	True. Formerly at MLB
☐ ☐ ☐		
(Was an integrated officer)		True. Formerly at MLB
☐ ☐ ☐	Office Security Frankfurt	True. Briefings during 1956 visit of FELFE to HQS. Liaison
BROSS, John A.		True. Socially during 1956. Former COS. Germany
☐ ☐ ☐	MLB	True
☐ ☐ ☐		True. Formerly at MLB.

SECRET/EYES ALONE

SECRET/EYES ALONE

☐	☐	Security/Frankfurt	True name available as emergency contact to BND Karlshorst Liaison man in Berlin. Since FELFE subbed for the officer during his vacation presume he also received this name and ☐ ☐ office and home phone number. Believed never to have met FELFE.
☐	☐		True. MLB formerly
☐	☐		True. Formerly in MLB
☐	☐	COS, Frankfurt	Alias. Karlshorst liaison at Berlin ops Base
		*CRITCHFIELD, James	C/NE
☐	☐		True. C/MLB
☐	☐		TSD
			Presumably in alias. Audio ops Bonn/Cologne area
☐	☐		EE/C
			True. Dealt directly with FELFE as member MLB/CE until c. summer 1961
☐	☐		HQS
			True. Former COS, Germany
☐	☐		SR/CI
			Alias. Karlshorst Liaison at Berlin ops Base
☐	☐		Bonn
			True. Liaison
☐	☐		Berlin
			True. Liaison. Formerly at MLB
☐	☐		SR/CI
			Alias. Briefings on RIS 1958 period attended by FELFE. Formerly stationed Frankfurt and Berlin.

SECRET/EYES ALONE

SECRET/EYES ALONE

☐	☐		As ☐ ☐ Formerly at MLB. Probably did know true name.
☐	☐	EE/G	Alias. Karlshorst Liaison and ☐ ☐ Formerly at BOB and met FELFE twice.
☐	☐	DDI/FDD	True. Formerly at MLB
☐	☐	CI Staff	True. Direct Liaison with FELFE when stationed MLB
☐	☐		True. Liaison when formerly at MLB. Social contact during FELFE's 1956 visit to HQS
☐	☐	MLB	True. Direct contact with FELFE.
☐	☐	HQS	True. Formerly at MLB in Finance Section.
☐	☐		True. Formerly at MLB
☐	☐	HQS	Alias. Ops liaison for Soviet installations Bonn/Cologne area 1959/60
☐	☐	(employment terminated)	Presumably in alias. FROB officer for Bonn/Cologne Soviet ops.
☐	☐		True. Formerly at MLB
☐	☐	C/BOB	True. Formerly at MLB
☐	☐	Vienna	True. Formerly at MLB
☐	☐	TSD	Presumably in alias. Audio tech for Bonn/Cologne area ops.
☐	☐	CI Staff	Alias. Lectured FELFE's group during 1956 trip to HQS

SECRET/EYES ALONE

SECRET/EYES ALONE

☐	☐	HQS	True. At MLB until Sept. 62
☐	☐		True. Briefings and social contact during 1956 visit to HQS
☐	☐	C/MLB	True
☐	☐	TSD	Presumably in alias. Audio tech for Bonn/Cologne area ops.
☐	☐	MOG	True. Formerly MLB. Also liaison with BND in Berlin.
☐	☐	HQS	Possibly in alias. Briefed FELFE during 1956 HQS visit.
☐	☐	NE	True. Well-known when stationed at MLB
☐	☐	CI Staff	Alias. Liaison with FELFE on Bonn/Cologne area ops while stationed FROB, 1959 Briefed FELFE on Satellite IS during 1956 visit.
☐	☐	SR/2	Alias. Bonn/Cologne area operations.
☐	☐		True. Formerly at MDB
☐	☐	EE/P/CE	Presumably in alias. Liaison infrequently
☐	☐	SR	Alias. Briefings during turnover of ☐ ☐ to BND, March 1960 Met FELFE only on this one occasion.
☐	☐	TSD	Presumably in alias. Audio tech for Bonn/Cologne ops

SECRET/EYES ALONE

SECRET/EYES ALONE

☐	☐ - BAB-retired)		No record in Central crypt room. Appears in IBM list for damage study
☐	(Believed to be a psychiatrist on contract status with CIA)		
☐	☐	FE/Overseas	True. Well known as former C/MLB
☐	☐		True. Formerly at MLB Social contact during 1956 visit to HQS
☐	☐	Frankfurt	Presumably alias. May not have dealt directly with FELFE
☐	☐		True. Formerly at MLB in Security Section.
☐	(integrated Major ☐ ☐		
☐	☐	(P) TSD	Contract employee. Audio. Alias
☐	☐	MLB/CE	True. Still stationed MLB
☐	☐	HQS/CI Staff	Alias. Delivered lecture during FELFE 1956 visit to HQS
☐	☐		True. Formerly at MLB
☐	(integrated ☐ ☐ officer later civilianized)		
☐	☐		Audio Tech (?)
	*MURPHY, David E.	C/EE	Alias. Position at BOB known. Karlshorst and RIS liaison and briefing
☐	☐	FROB	True. Formerly at MLB Social contact during 1956 HQS visit
☐	☐		True. Formerly at MLB
☐	☐	MLB	True.
☐	☐	AF	True. Formerly at MLB, knew FELFE

SECRET/EYES ALONE

SECRET/EYES ALONE

[]	[]	TFW	True. Formerly at MLB then transfer to FROB Known to FELFE
[]	[]	HQS	True. Formerly at MLB
[]	[]	Bern	True. Well-known
[]	[]	EE/G	True. Formerly at MLB
[]	[]	EE/C	True. Liaison with FELFE as member MLB/CE section until return September 1962
[]	[]	C/EE/SA	True. Formerly at MLB Social contact 1956 visit.
[]	[]	C/Bonn	True. Formerly at MLB Position at Bonn known to FELFE.
POLGAR, Thomas		Vienna	True. Briefings and social contact during 1956 HQS visit. TDYs to MLB
[]	[]		True. Formerly at MLB
[]	[]		(resigned)
[]	[]		(deceased)
[]	[]	TSD	True. Briefing on Documentation during 1956 HQS visit.
[]	[]		True. Formerly at MLB Resides in Europe
[]	[]	MOG	Alias. Karlshorst Liaison
[]	[]	AF/HQS	True. Formerly at MLB
[]	[]	TSD/HQS	Presumably alias. Audio tech on Bonn/Cologne area ops.
[]	[]		True. Formerly at MLB
[]	[]		(Resigned. Resides

SECRET/EYES ALONE

SECRET/EYES ALONE

☐	☐	TSD	Presumably alias. Audio Tech on Bonn/ Cologne area ops.
☐	☐	MLB	True.
☐	☐	☐ ☐	True. Formerly at MLB
☐	☐	MLB	True
☐	☐	Bonn	True. Formerly at MLB
☐	☐	FROB	
☐	☐	☐ ☐	True. Liaison. For- merly at Bonn <i>not appoint directly</i>
☐	☐	Bonn	True. Formerly at MLB Well-known. Escort officer for 1956 trip
☐	☐	FROB	Probably alias. Bonn/ Cologne area ops.
☐	☐		
☐	☐	COS, Germany	True. Socially at 1956 HQS visit
☐	☐	(Resigned. Resides in	True. Close and direct contact with FELFE during Stock- ton's MLB tour.
☐	☐	☐	
☐	☐	NE	True. Socially dur- ing 1956 HQS visit. Later stationed at Munich
☐	☐		True. Formerly at MLB
☐	☐	☐ ☐	True. Formerly at MLB. Social contact during 1956 HQS visit
☐	☐		True.
☐	☐	EE/XOB	True. Formerly at MLB
☐	☐		

SECRET/EYES ALONE

SECRET/EYES ALONE

[	]	FROB	Alias. Liaison on Berlin matters, some Karlshorst.
[	]	TSD	True. MLB liaison until September 1962
[	]	OTR	True. Direct liaison with FELFE as head MLB/CE section
[	]	CI/Staff	True. Formerly at MLB

* Indicates those Felfe has admitted discussing with the KGB during the CIA interrogation of him April/May 1962. He hedged on some, however, his interrogators believed on the basis of his actions that this served as an admittal despite his refusal to give a definite answer. It is considered quite probable that he informed the KGB at minimum of each CIA name he learned, though it is certainly recognized that in many cases he was only able to give an alias and description, if that.

SECRET/EYES ALONE



SECRET/EYES ALONE

TAB D

Technical Services Division Damage Assessment

The attached damage assessment was prepared by Chief/TAD/CAB after study both at Headquarters and in the Field. It has been quoted verbatim. EE/G comments, where appropriate, are clearly indicated.

SECRET/EYES ALONE

SECRET/EYES ALONE

1. TSD personnel who have met Heinz FELFE, circumstances of meeting, equipment shown, and pertinent points of interest.

(a) [] [] (using [] []) was present during two technical planning discussions where FELFE attended. These meetings involved an audio operation STNEOPHYE in Bonn during late '60 thru mid '61.

Equipment and/or techniques revealed through these meetings and subsequent association by FELFE with the operation were as follows:

- (1) Pipe pushing techniques using a nuclear material pipe-tip for locating pipe-end underground
- (2) Remote control switches - QRS-1
- (3) Transmitters, SRT-3
- (4) Receivers - SRR-3
- (5) Recorders - Ampex UMY-3
- (6) Silent Drill - Stein Max

TSD Comments: This was a joint operation with the [] [] and [] [] Knowledge of the existence of these equipments to FELFE under the circumstances along with other FIS groups presents no serious problem.

[] [] did report one point of interest but not related to audio ops in Germany. During mid '61 [] [] met with @HOLGARS at a Munich bar prior to a STNEOPHYE business meeting. [] [] overheard someone [] [] could not remember which American staffer) talking with FELFE in English about Americans in Cuban prisons. FELFE stated "I presume it was some of [] [] buddies." [] [] felt FELFE knew he could overhear the comments. @HOLGARS then asked [] [] "Did you know any of the fellows down in that place?" [] [] answered "No." [] [] felt his answer was interpreted to mean he either did not know the men personally or he did not know anything about the case. No further mention was made.

SECRET/EYES ALONE

SECRET/EYES ALONE

At a later date [] met with @VERNER (on STNEOPHYE) who [] says always asked too many questions. @VERNER was inquiring why and where Mr. [] had been sent. @VERNER asked "Where is [] why did he have to go, is he in Berlin, in Havana, where?" [] answered "He's in Washington." and dropped the conversation.

2. TSD personnel who were probably known to FELFE and circumstances of meeting.

(a) [] [] - TSD liaison officer in Munich July '57 to Sept. '62

(b) [] [] - TSD liaison officer in Frankfurt, April '53 to June '60.

3. TSD personnel who were possibly known to FELFE, circumstances of meeting, equipment possibly known.

(a) [] [] - Bilateral audio operations '58 to '60, SEPIA, CAMELDER, CASEVER, Mc-30 microphone, SPS-1 carrier current transmitter, SRT 3R transmitter, LRS-1 remote switches and silent drill.

(b) [] [] - Bilateral audio operations, lock training, July '57 to July '62, UJMILL, UJPEEP, STNEOPHYE. Same audio devices above (a).

(c) [] [] - Bilateral audio operations '58 to '62. CAMELDER, STNEOPHYE, UJMILL, DIOPIUM. Same audio devices above (a).

(d) [] [] - Bilateral audio operations '59 to '60. CAMELDER, UJMILL. Same audio devices above (a).

(e) [] [] - Bilateral audio operations '59 '60. DIOPIUM, STNEOPHYE. Same audio devices above (a).

(f) [] [] - Bilateral SW discussions, in Munich late '59 with @SHUMAN, @SCHLINZ. General SW matters.

(g) [] [] - Bilateral document discussions in Munich and Frankfurt, '57 to '61, met @MICHEALS, @SCHUMAN.

SECRET/EYES ALONE

SECRET/EYES ALONE

5. In summary TSD cannot positively identify any operational compromises due to the FELFE case. Working with the facts as obtained from TSD records we have not uncovered any serious threats to existing or future Agency operations. We are entirely dependent upon other components to alert us on defections/compromises which utilized TSD supplied materials or techniques. To our knowledge there has been no such information in this case.

6. We cannot confirm whether any liaison requests from the BND were in actuality stimulated by FELFE thru his colleagues. There were no requests so unusual as to cause concern as to why the BND wanted the information.

7. It is felt that FELFE knew of our MKTOPAZ installations in Frankfurt through the liaison visits by other Munich BND'ers. Certainly, true identification of TSD personnel would not be difficult. However, to our knowledge there have been no compromise attributable to these visits.

SECRET/EYES ALONE



SECRET/EYES ALONE

TAB E

Damage Assessments Received from Field Bases

The attached dispatches cover the narrative damage assessments done by Berlin Operation Base, Frankfurt Operations Base, and Munich Liaison Base. The latter is more comprehensive having been prepared on the basis of information provided by BOB and FOB as well as several months of detailed study at MLB by [] []

SECRET/EYES ALONE

DISPATCH		CLASSIFICATION S E C R E T	DISPATCH SYMBOL AND NO. EGMA-59604
TO	Chief, EE	HEADQUARTERS FILE NO. 32W-5-38/19	
INFO	Chief of Station, Germany; Chief of Base, Berlin; Chief of Base, Bonn; Chief, Frankfurt Operations Base		
FROM	Chief, Munich Liaison Base	DATE	5 September 1962
SUBJECT	RYBAT/UPHILL/UJEDROWSY Damage Narrative - UJEDROWSY	RE "433" - (CHECK "X" ONE)	
		<input type="checkbox"/>	MARKED FOR INDEXING
		<input checked="" type="checkbox"/>	NO INDEXING REQUIRED
ACTION REQUIRED	See Below	INDEXING CAN BE JUDGED BY QUALIFIED HQ. DESK ONLY	

REFERENCES

As requested by [] when he last visited MLB, attached is a narrative account of the damage done by UJEDROWSY and, peripherally, by UJEDRUM. We would be interested in receiving a copy of the final version which we presume will be prepared by Headquarters. We also would be interested in any comments addressees may care to make.

Approved: []

Attachment: RYBAT
UJEDROWSY Damage Narrative

Distribution:

- 2 - EE w 2 cys att h/w
- 2 - COB/G w 1 cy att h/w
- 1 - BOB w 1 cy att h/w
- 1 - Bonn w 1 cy att h/w
- 1 - FOB w 1 cy att h/w

NARRATIVE ACCOUNT OF DAMAGE - UJEDOWSKI

INTRODUCTION

1. Lacking an admission by UJEDOWSKI of the full extent of his betrayal, it is nevertheless possible to arrive at some fairly definite conclusions in this respect. Specific areas of compromise emerge from the study of the German and American interrogations, from reviews made by those KUBARK elements directly involved with UJEDOWSKI, and from UPHILL's investigation into its own losses. The following general statements are most probably accurate:

a) During the ten years UJEDOWSKI was a staff officer of UPHILL, he played an active hostile role, fulfilling his KGB missions to the best of his not inconsiderable ability.

b) He deliberately and systematically sought out and reported to the KGB everything he could about KUBARK and UPHILL.

c) He conducted operational liaison with and reported extensively on the BfV and LfV Bavaria, and perpetuated and heightened dissension in the UPHILL/BfV liaison relationship, while using this dissension to justify his own intensive contacts with individual BfV staff officers.

d) Through operational manipulation he gained insight into, and reported on the Office of the Federal Chancellor, the Federal Ministry of Defense, the Foreign Ministry, and the Federal Press and Information Office. In this effort he ran elaborate double agent operations ostensibly for UPHILL but actually designed to penetrate these offices for the Soviets.

2. Although UJEDOWSKI's legitimate area of operation for UPHILL was in the field of Soviet CE, his knowledge of other UPHILL activity was extensive. Aside from having access to information on practically all UPHILL CE plans, programs, and operations, his network of professional and personal contacts throughout UPHILL afforded access to a wide variety of other UPHILL activity. Because of his recognized professional ability he was used extensively as a consultant by his colleagues throughout UPHILL, and occasionally became involved in some of the sensitive pet operations of the chief of his service. He had detailed knowledge of all KUBARK/UPHILL joint endeavors against the Soviet target in East and West Germany. His knowledge of BfV activity against the same target was extensive and current, and included advance information of planned executive action against Soviet intelligence officers stationed in Germany. He had detailed current knowledge of the KUBARK/UPHILL liaison picture in Munich, Frankfurt and Berlin. The American personnel involved in this liaison were known to him—those in Munich by true identity, in some cases in depth. He was generally conversant with KUBARK organization in Germany and at Headquarters which he visited officially in 1956. The same can be said of his knowledge of KUBARK's relationships with the American intelligence community in Germany, and with the German security and executive agencies. He reported to the KGB on everything which appeared to be of importance.

3. There are indications that the real extent of the damage he caused may not lie solely in the betrayal of information, operations and personnel. His energies might also have been directed to the influencing of persons and events in support of longer range Soviet intelligence and psychological warfare objectives in Western Germany. On one known occasion he was consulted by the Soviets concerning a psychological warfare campaign of their own. However, no really definitive statement can be made on this subject until UJDROWSY decides to admit the true extent of his activity, which may well be never. The compromise suffered must, therefore, be adjudged by the evidence at hand, both real and circumstantial, avoiding speculation as much as possible. Everything considered, there is a valid basis only for general evaluation of damage. A more accurate and detailed accounting must await his full confession, review of the end product of the 14,000 individual items of possible compromise being processed by Headquarters, plus additional information we expect to receive from UPHILL on a continuing basis.

CHRONOLOGY

4. A fairly clear picture of UJDROWSY's activity for the KGB emerges from the examination of his UPHILL occupational history, viewed together with the chronology of known losses. The years 1959 through mid-1961 saw UJDROWSY apparently expending much of his energies against KUBARK. Prior to that time he was engaged for the most part in reporting on and manipulating UPHILL and German agencies. Nevertheless he certainly reported extensively on all KUBARK matters routinely coming to his attention. UJDROWSY joined UPHILL in a field unit in November 1951 and had no access to KUBARK personnel and operations until he transferred to Headquarters in September 1953. At this point and with KGB assistance, he began building himself up in the eyes of UPHILL, KUBARK, the BfV and the various Federal offices, a process that continued until 1958 when his position was well consolidated. Out of necessity, most of his attention during this era was devoted to building UPHILL operations, penetrating other German offices, and reporting in depth the knowledge acquired, addressing himself to KUBARK and other matters only as specifically assigned by the KGB, or when time and opportunity permitted.

5. In 1958 began an era of active UJDROWSY interest in two major areas of KUBARK CE operations against the Soviet target in Germany. He penetrated both, in one case by invitation, in the other through constant agitation through his superiors until final KUBARK acquiescence. June 1959 saw the formalization of joint KUBARK/UPHILL targeting against Soviet legals in the Bonn area. UPHILL participation was enlisted to obtain support in mounting audio operations against the target. In 1958 UJDROWSY began a series of operational and political maneuvers culminating in KUBARK agreement to effect a joint operational approach to the penetration of the Karlshorst Compound. In both instances UJDROWSY fed to the KGB information eventually leading to the compromise of everything.

THE SOVIET TARGET IN WEST GERMANY AND FRANKFURT OPERATIONS BASE

6. Establishment of diplomatic relations between West Germany and the USSR in September 1955 led to the formation in January 1956 of UPHILL's INDEX Staff and its offensive CI mission against the Soviet Embassy in Bonn. Concurrently, the BfV formed its INBIGO Staff charged with the defensive monitoring of the same target.

These responsibilities were broadened to include the Soviet Trade Mission in Cologne upon its formation in 1958. Almost from the beginning UJDROWSY had substantial knowledge of the activity, and in March 1959 assumed responsibility for UPHILL's effort. From then until his arrest he had current detailed knowledge of all INDEX/INDIGO activity, augmented by collateral information from other German agencies and liaison services, including KUBARK. He had official entree to all governmental, administrative and police/intelligence agencies of his country, as well as to non-official organs interested in the Soviet Embassy and Soviet Trade Mission for political, economic, cultural, security or other grounds, and whose objectives, plans and decisions he had opportunity to learn, and in part to influence. The decision to attack or ignore an UPHILL INDEX target was his. To enlist UPHILL support in mounting audio operations against Soviet legals in the Bonn area, KUBARK formalized in June 1959 an agreement permitting operational liaison between the KUBARK Frankfurt Operations Base and the UPHILL INDEX Staff.

7. Detectable KUBARK damage is restricted primarily to manpower, time and money expended in totally unfruitful audio operations against Soviet legals over a period of almost three years. In the absence of UJDROWSY a measure of success at least would have been possible. KUBARK Frankfurt also cooperated with UPHILL on an operation involving a net of GNS agents in West Germany (and an attempt to defect the East Germany based Soviet case officer), and on two operations designed to provide spotting support for KUBARK operations against Soviet legals, and for leads to legal travelers into the Soviet Union. One operation involved an agent who gave [] to members of the Soviet Embassy, the other the owner of a [] bureau specializing in [] to the Soviet Union. In both cases Western use of these mechanisms was known to the Soviets from UJDROWSY prior to KUBARK involvement. Finally, KUBARK Frankfurt cooperated with UPHILL in an audio surveillance of the [] [] UJDROWSY reporting on the operation was a continuing KGB requirement.

8. Techniques utilized against the Soviets were in universal use in approaching targets of the type. Equipment used, with one exception, was non-sensitive in the sense that the Soviets most likely already knew of its existence. In the operation against the Red Chinese, KUBARK exposed its experiments with an operational aid previously not known to the Soviets, the "pipe-pusher." Although the KGB presumably already knew of the existence of a large KUBARK staff of technical people in Frankfurt occupied with activities other than joint operations with UPHILL, they certainly obtained through UJDROWSY a close impression of the KUBARK technicians involved in the joint operations, and their proficiency with the equipment they used.

9. The avenues of operational approach to the Soviet target in Germany are reasonably predictable to the KGB because of the nature of the Soviet representation, and the inherent Soviet security measures universally practiced. Nevertheless, it must have been of considerable assistance for the Soviets to know in depth precisely where, how, and by whom they were being attacked. To the extent that Western attempts to attack the Soviets in this area were coordinated with UPHILL (and most of them were), the KGB through UJDROWSY conveniently monitored and effectively blocked most attempts to approach their installations, and had abundant opportunity to neutralize any incursions nearing sensitive ground.

10. Fortunately, it is not believed any plans or programs lost through UJEDROWY can be judged peculiar to KUBARK. To reiterate, the tangible KUBARK losses suffered through liaison with UPHILL on these operations are restricted to the aliases and descriptions of the KUBARK officers involved, plus the tremendous waste of man hours devoted to an operational program initiated by the KGB from its inception.

11. Finally, not strictly a Western loss, but a definite Soviet gain is implicit in the compromise of the clandestine telephone taps on the Soviet Embassy and the Soviet Trade Mission which formed a part of the operational program. Assuming the KGB was kept currently informed of the operational product, the security of the Soviet installations was well assured. In addition, it can be documented with certainty in one case that the Soviets used their knowledge of the telephone taps to spread misleading information which obscured the fact that UJEDROWY had betrayed West German plans to apprehend a KGB agent. Certainly the Soviets must have used the same channel in other cases as well.

THE KARLSHERST COMPOUND AND BERLIN OPERATIONS BASE

12. UJEDROWY launched a concerted effort in 1958 to gather detailed information about the KUBARK effort to penetrate the Soviet Karlsborst Compound. He engineered a series of crises in KUBARK UPHILL relationships which resulted in his being briefed by KUBARK on the status of the KUBARK effort. In July 1959, KUBARK was forced to turn over to UPHILL a promising lead which, in September 1959 became UPHILL's first visible penetration of the Karlsborst target. Subsequent KUBARK UPHILL agreement to establish an UPHILL case officer within the Berlin Command compound for daily consultations on the operation, and on other joint planning against the Karlsborst target, gave UJEDROWY legitimate access to information which gradually resulted in the near neutralization of the KUBARK effort.

13. KUBARK Berlin losses in terms of tangible assets and techniques are considerable, but it is not believed the KGB, as a result of the compromise of the Karlsborst Compound operation through UJEDROWY, could have acquired valuable insight into overall KUBARK programming and planning. The operations were classic in nature; the approach one that has stood the test of time, and utilized extensively by the Soviets themselves. The immediate and long range objectives of the Karlsborst operation could easily be divined by the Soviets who did not need UJEDROWY to tell them KUBARK was primarily interested in the defection or recruitment of key Soviet personnel and, simultaneously, in establishing a facility through which Soviet intentions could be monitored. UJEDROWY could have made his most valuable contribution by providing the KGB with a check on the progress of KUBARK's operations, and with a key to the identity of the more important KUBARK agents within the target. Undoubtedly he did at least that. Fearing receipt of evidence to the contrary it is assumed that the Soviets would have taken advantage of UJEDROWY to request routine KUBARK and/or UPHILL traces on all likely Karlsborst penetrations; and, that such tracing by UJEDROWY would have compromised all of the agents KUBARK traced with UPHILL - including those traced with UPHILL prior to formalization of the joint KUBARK UPHILL approach to the target.

14. Although no uniquely KUBARK operational plans, programs, and techniques were exposed to the KGB through UJEROWSY, there remains the possibility that in one respect a combination of UJEROWSY revelations and fallacious KGB reasoning could have a detrimental effect on world-wide KUBARK operations against Soviet targets. In apprising the KGB of the scope of KUBARK's commitment against the Karlshorst Compound, and against Soviet jails in West Germany, UJEROWSY certainly contributed to increased Soviet awareness of the intensity of the KUBARK effort against Soviet installations abroad. Conclusions drawn by the KGB could conceivably have resulted in a general tightening of security standards in Soviet installations throughout the world.

MUNICH LIAISON BASE

15. Having ready access to the true identities of most KUBARK staff personnel assigned to Munich Liaison Base over a period of eight years, UJEROWSY has admitted his betrayal of a few of them to the KGB, and the assumption that he betrayed all of them must be accepted. Roughly 100 personnel were exposed. Addresses, telephone numbers, license plate numbers of the KUBARK officers were easily available to him, as were identities of members of their families. He was conversant with the mechanics of the entire KUBARK UPHILL liaison relationship, and certainly can be expected to have kept the KGB currently informed. In this connection it is noteworthy that he was completely aware of the existence of the operational houses used for KUBARK/UPHILL liaison meetings, "Brucke" and "Isar Haus". In the case of "Brucke", he had frequent access and his own gate key. He was always interested in the careers of departed KUBARK liaison officers and in replacement planning (or lack thereof). He is known to have attempted elicitation from his liaison partners of information on fulfillment of Soviet NKI's. Not a very social creature, and despite his fall schedule, he could always be relied upon to accept social invitations from KUBARK officers. During parties he chose his targets carefully, usually concentrating on wives and female staff personnel. It is believed UJEROWSY routinely photographed for the KGB correspondence received from KUBARK. Since it has been established he regularly photographed material in his office, it must be assumed the KUBARK documents were included. Certainly he had the inclination to accomplish as much as humanly possible for the Soviets. Through the years he had direct access to over 700 pieces of correspondence which went to him and to his section, and good potential access to several times as much sent to the CE Group. The memoranda contained name trace requests and operational correspondence, and transmitted KUBARK CE studies. Finally, he used the liaison relationship as a vehicle to extend his knowledge of KUBARK activity to other KUBARK elements in Germany, and was always eager to propose Munich arrange conferences with members of other KUBARK bases.

KUBARK HEADQUARTERS

16. UJEROWSY visited KUBARK Headquarters in 1956. Lacking a precise record of what occurred there, Munich must defer to Headquarters to assess any damage caused through the briefing given him, and through his exposure to KUBARK personnel and installations. Suffice it to say, it is certain he reported thoroughly to the KGB on his visit.

THE COMPROMISE OF UPHILL

18. The damage caused UPHILL and the German Government through a KGB penetration at a high access level over a long period of time must also be considered a direct KUBARK loss. Incubated, spawned and carefully nurtured by KUBARK, UPHILL has represented a major KUBARK commitment in West Germany for fifteen years, and any consideration of its security and effectiveness must realistically be viewed accordingly.

19. The UPHILL CE organization never had a single success worthy of mention. Although this was due in part to incompetence, the primary responsibility from 1953 on was directly due to UJDROWSY. His tentacles extended outward from CE to embrace much of the rest of the UPHILL organization in Germany, most notably Positive Operations, Political Collection, Source Control, the Central Index, and large segments of the field organization including the Bonn and Berlin liaison staffs. Whereas the average UPHILL officer of UJDROWSY's level and position would have a more restricted view of the totality of UPHILL activity, UJDROWSY deliberately, methodically, indeed brazenly, extended his access to the point where one can only wonder how he was able to get away with it, UPHILL rules of compartmentation being what they are. In addition, his infiltration of large segments of the rest of the German Government can only lead to the conclusion this frenetic activity was for the KGB, not for UPHILL.

20. Faced with evidence that UJDROWSY compromised almost everything he deemed important, restricted in his activity only by time and physical limitations, the compromise factor must be viewed in terms of his extensive access, and in face of firm evidence he consistently passed to the KGB voluminous material on Minox film and magnetic tapes, by S/W letters, and orally at personal meetings.

21. The compromise of the Western offensive and defensive CE effort against the major Soviet targets in Germany has been described elsewhere. UJDROWSY also informed the KGB of UPHILL CE operations against the Satellite nations, including East Germany. The degree of compromise in these areas has not yet been determined, but it is believed extensive. It is sufficient to say that the entire UPHILL CE effort has been notable for its complete lack of success, and that in large part this must have been due to the activities of UJDROWSY.

22. The identities of UPHILL staff personnel, their positions, movements, and addresses were extensively reported to the KGB by UJDROWSY, who also was always quick to respond to KGB inquiries on specific UPHILL officers. Although not possible to estimate the number of those compromised, it is likely that few, if any, key personnel in headquarters and in the field escaped his attention, and that the compromise is extensive and universal - eighty per cent might be a safe estimate.

23. UJDROWSY was in a position to compromise to the KGB all East German sources of the UPHILL Positive Operations Group. He had in his possession an UPHILL Optik, a schematic prepared by the Source Control Group indicating on an intricate chart the location and activity of all UPHILL agents in East Germany. Combining the Optik with the UPHILL reference and address files to which he had direct access, he could collect data enabling the Soviets to identify the agents. Although UJDROWSY had no access to the UPHILL agent card files, his personal notes indicate he and the Soviets knew how to distinguish cards referring to agents in the general reference index and address files, and it is assumed he probably was systematically locating same.

24. There is substantial evidence, including partial self-admission, that UJDROWEY did extensive checking of the UPHILL Index and files for the KGB. The damage potential inherent in this situation is obvious, but cannot be assessed.

25. Compromise suffered by other UPHILL elements is not as readily definable, but he was rather widely consulted, most notably by the Political Collection Group, and occasionally by UTILITY, who in at least one instance sought his advice and assistance on an operation he personally directed and considered sensitive. In addition to his other duties, UJDROWEY was the UPHILL officer responsible for consulting with members of the BfV and SS on security cases involving the Federal Ministries, and as such and of necessity was required to consult with the hierarchy of his own organization. Examination of his operating methods leads to the conclusion very little of UPHILL remained completely uncovered by UJDROWEY, although this coverage in many cases probably was spotty.

COMPROMISE OF THE INTERNAL SECURITY AGENCIES

26. UJDROWEY had official access to the BfV, all of the LfVs, and to the SG. The total compromise of the BfV defensive effort against the Soviet target has been outlined elsewhere. In addition, he systematically photographed for the KGB the BfV product, including the monthly reports, and the reports on Monitoring of Agent Radio Activities. Taking full advantage of his many official contacts in the BfV, he used his periodic visits to the BfV to gather operational information outside of his legitimate sphere of interest. In this respect, a good example of the brazen extreme to which he would go is to be found in the fact he carried a tape recorder on his BfV visits, and solicited from his BfV contacts the opportunity to record messages they might have for other persons in various sections of UPHILL. He afforded the LfV Bavaria like treatment, and to a certain extent probably gathered information from the remainder of the LfV complex.

OTHER CONSIDERATIONS

27. The Soviets, through UJDROWEY, must have compiled throughout the years a comprehensive body of information on KUNERK and German intelligence and security personnel, on their organizations, installations, modus operandi and targets, and on the mechanics of their inter-relationships. Even assuming they have other penetrations in the German intelligence and security community, the Soviets over a period of eleven years could have obtained through this agent alone enough interesting and accurate information to unleash a major propaganda campaign against American and German espionage activity based in West Germany and West Berlin. That they have not done so during the nine months that have elapsed since UJDROWEY's arrest probably means they will wait for an appropriate moment when, for one reason or another, it will no longer be necessary for them to protect UJDROWEY. This most likely will not happen until sometime after his trial and conviction, which probably will not take place before the spring of 1963.

28. A good example of material doubtless in Soviet possession, and having excellent psychological warfare potential is to be found in UJDROWSY's UPHILL files on INDEX operations. These contain detailed reporting on all conferences, agreements and measures taken by UPHILL and the Western intelligence services on the one hand, and by the responsible Federal agencies and their subordinate units on the other, regarding the matter of clandestine telephone tapping of Soviet installations in West Germany. The files outline in detailed documentary form the mechanism UPHILL used to realize its objectives - objectives undertaken on direct order of the Federal Government, and effected in secret cooperation with high governmental officials, governmental agencies, and with allied intelligence services, most notably KUBARK. UJDROWSY has admitted the KGB had a particular interest in the cooperation of the West German and allied intelligence services with the various Federal offices. Although he has not admitted passing this material to the KGB, it is unimaginable that he did not do so.

THE DOCUMENTATION

29. The major documentary sources for this narrative are:

a. The German and KUBARK interrogations of UJDROWSY.

b. UPHILL's study of their own losses. Those items bearing on KUBARK operations and security are being given to us piecemeal as they are completed by the UPHILL damage staff. Some of the material already has been forwarded to headquarters and other KUBARK addresses. Other material in our possession will be forwarded in the near future, now that the field phase of the damage assessment has been completed. Hereafter, the product of UPHILL damage staff research will be sent forward as it is received. We doubt UPHILL will prepare a final damage narrative, and if they do, doubt even more that KUBARK will receive a copy.

c. Hard fact and impressions gained from the detailed and painstaking study by [] with the assistance of other members of the Munich Liaison Staff, of pertinent field files, culminating in the production of 14,000 individual items of possible compromise.

d. Damage narratives prepared by Berlin and Frankfurt Operations Bases.

A WORD ABOUT UJDRUM

30. No mention of UJDRUM was made in this paper for the sake of simplicity, and because his role, although not minor, certainly was secondary. However, he was a KGB penetration of UPHILL even longer than UJDROWSY, was UPHILL's leading surveillance expert, and was working in UPHILL's major CE field base for the past five years. He was in a position to report to the KGB considerable CI and operational information supplementing that provided by UJDROWSY. He nicely rounded out the team that effectively provided the KGB with almost full coverage on UPHILL's CI and CE activities, not to mention the considerable insight provided on other UPHILL operational activities.

DISPATCH		CLASSIFICATION SECRET / RYBAT	FORM SYMBOL AND NO. BOGA-73024
TO Chief, MLB	INFO Chief, KE Chief of Station, Germany		HEADQUARTERS FILE NO. 32W-005-038
FROM Chief of Base, Berlin	SUBJECT Operational/CART/UJEDROMSY/RYBAT The BOB UJEDROMSY Damage Study		DATE 17 July 1962
ACTION REQUIRED None, for your information.		RE: "43-3" - (CHECK "X" ONE) MARKED FOR INDEXING <input checked="" type="checkbox"/> NO INDEXING REQUIRED INDEXING CAN BE JUDGED BY QUALIFIED HQ DESK ONLY	
REFERENCES BOGA-17657, 22 May 1962			
<p>1. To satisfy the thrust of the requirement levied in reference, we are attaching to this dispatch a BOB damage compilation prepared by <input type="checkbox"/> during her recent TDY in Berlin. While the attachment is not narrative in style, we believe that no other format would so graphically detail the sum and substance of BOB's actual losses resulting from the UJEDROMSY compromise.</p> <p>2. The main problem confronting an analyst attempting to compile a listing of definitely or probably compromised <input type="checkbox"/> agents, is the question of how much time UJEDROMSY can have had to trace AEMIDUS employees on behalf of the KGB. Until we have evidence to the contrary, we feel that it must be assumed that (a) the very fact of their employment in or access to the AEMIDUS complex automatically made all <input type="checkbox"/> of interest to the Soviets; (b) that the Soviets would have taken advantage of UJEDROMSY's access to request routine traces on all <input type="checkbox"/> and (c) that such tracing by UJEDROMSY would have compromised all of those <input type="checkbox"/> who were traced with UPHILL -- including those who were traced with UPHILL before KUBARK and UPHILL decided on jointly operating against AEMIDUS.</p> <p>3. Although our losses in terms of tangible assets and techniques are considerable, we doubt whether the KGB, as the result of the compromise of the AEMIDUS operation via UJEDROMSY, could have acquired valuable insight into overall KUBARK programming and planning. The operations run against AEMIDUS were classic in all respects. The approach was one that has stood the test of time and that has been used extensively by the Soviets themselves. True, we relied to a large extent on refugees for our leads but in other parts of the world such individuals would simply be referred to as "contacts with former access to a Soviet installation." The fact that BOB enjoyed a greater measure of control over its lead producers is a political fact of life which the Soviets would surely have understood even without the services of UJEDROMSY. The immediate and long-range objectives of AEMIDUS could also be easily divined by the Soviets; and again they did not need UJEDROMSY to tell them that we were primarily interested in the defection or recruitment of key Soviet personnel and, simultaneously, in establishing a facility through which Soviet intentions could be monitored. In the AEMIDUS field, UJEDROMSY could make his most valuable contribution by providing the KGB with a check on the progress of KUBARK's operations and with a key to the identity of the more important KUBARK agents within the target.</p> <p>4. There is, however, the possibility that in one respect a combination of UJEDROMSY revelations and fallacious KGB reasoning could have a detrimental effect on world-wide KUBARK operations against Soviet targets. In apprising the KGB of the scope of KUBARK's commitment (in terms of manpower and effort) against AEMIDUS, UJEDROMSY could not help but increase Soviet awareness of the intensity with which Soviet installations abroad are being worked on. If, the KGB may have reasoned, so</p>			
APPROVED: <input type="checkbox"/>			
Distribution: 2 - MLB, w/1 cc att 2 - KE, w/1 cc att 2 - CSB, w/1 cc att		Attachment: BOB Damage Compilation H/W	
GROUP 1 - Excluded from automatic downgrading and declassification.			
FORM 53b 10-57 1-60	CLASSIFICATION SECRET / RYBAT	<input checked="" type="checkbox"/> CONTINUED	PAGE NO. 1

CONTINUATION OF DISPATCH	CLASSIFICATION SECRET / RYBAT	DISPATCH SYMBOL AND NO. RGEBA-73024
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such effort is being expended on operations against an installation in a relatively unaccessible area, must not KGBANK do even more against installations in areas not under Soviet control? Such deduction on the part of the KGB could conceivably have resulted in a general tightening of the security standards in Soviet installations throughout the world, thereby increasing the handicaps confronting KGBANK, OCEMIVY and friendly liaison services in their world-wide operations against the Soviets.

FORM 53c 10-67 1401	<p>ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 11-17-80 BY 6032 UNLESS INDICATED OTHERWISE</p>	CLASSIFICATION SECRET / RYBAT	<input type="checkbox"/> CONTINUED	PAGE NO. 2
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SAFEHOUSES (continued)

CAKE () operation. (Terminated).

Others briefly known to () ()

STONE - () met there once. (Terminated).
SLAUGHTER - () met there once. (Reassigned to MIO).
WIKEL - () met there twice in 1957. (Currently in use)
IOTA - () met there three times late 57 and early 58.
(Terminated).

Comment re Safehouses: UJEROMSY was briefed to the effect that we employed safehouses for our ALMIDUS agent meetings and that safehouse keepers were used who normally resided on the premises.

II. INSTALLATIONS

1. IDIUS
2. GORG's office located inside the EC Compound.
3. There is, of course, the possibility that UJEROMSY may have spotted one of the liaison officers coming in or out of the BOB office at one of the times when he was inside the EC Compound. This can not, however, be verified by any info available in current files.

III. ACCOMMODATION ADDRESSES

[]

[]

[]

[]

ACCOMMODATION ADDRESSES (Continued)

[]

(Assigned to () () () ())

[]

(Cancelled)

[]

(Assigned to () ())

[]

(Cancelled)

Comment: The accommodation addresses above currently in use have been warned appropriately.

IV. BOB STAFFERS (Past and Present)

- | | | |
|---|---|---|
| (|) | - UJEROMSY direct |
| (|) | - UJEROMSY direct |
| (|) | - UJEROMSY direct |
| (|) | - UJEROMSY direct |
| (|) | - UJEROMSY direct |
| (|) | - UJEROMSY direct |
| (|) | - to @BORO - possibly indirect then to UJEROMSY |
| (|) | - UJEROMSY direct |
| (|) | - only in first name to @BORO - probably passed on to UJEROMSY, and UJEROMSY could have called for her when he was here TDY during early August 1960. |
| (|) | - true name to @BORO and possibly to UJEROMSY |
| (|) | - true name to @BORO and possibly to UJEROMSY |

Others through compromised cases: (i.e. ones in which UJEROMSY known or highly suspected to have compromised the agent)

()
()
()
()

TELEPHONE NUMBERS (continued)

89 1378 Oplaski home telephone number in possession of @BORG.
May have come to UJROWSY's personal attention also.

VII. OPS LICENSE PLATE NUMBERS (Comment: This is not complete since many
case officers did not note down the number of
the vehicle they were driving.)

B CN 114 - () Opel
B CJ 719 - ()
B DJ 758 - ()
B AZ 736 - ()
B ES 653 - ()
Tauma - he is still using this number which
blown thru () operation and probably
also ()

One known or believed destroyed: (All issued to @BORG for his backstopped
car.)

B KP 256
B AX 473 Both on @BORG's Pargeard

B AX 881
B CL 544
B AE 154 All for @BORG's VW and destroyed December 1961

VIII. COMM CAR

SW outgoing carbon #10486

One time pads: #1887
#1581

(The above all issued to GAGKY-4 (ABOORHEL-39))

Note: There are two BOB 2-way W/T sets inside East Berlin which were
issued to () an () and cached for emergency
purposes in the vicinity of their summer cottages. There is no
evidence to date that either of these has been compromised by
UJROWSY so the sets cannot be listed on this tally.

IX. INTELLIGENCE REPORTS

All went either directly to UJROWSY or he had easy access to them.
All were based on info received from () sources - and ()
) and comprised our info especially during 1958-1959 and again in 1961
of indications of Soviet moves and actions within East Berlin.

1958	6
1959	27
1960	22
1961	21
TOTAL	<u>76</u>

X. BOB FILE MATERIAL

It is impossible to estimate the vast number of traces furnished to UPHILL which could have come to the direct attention of UJROWSY. Innumerable ones were passed in connection with the () (UPHILL's () case where UPHILL source's info was either confirmed or corrected when in error. To this must then be added the volumes of the UPHILL Karlsruhe study which were traced through our files and again the info either confirmed or corrected where in error. Little of this lends itself to the damage input sheet. Where possible and valuable it was input.

XI. MO AND TARGETS

Since UJROWSY was personally briefed on BOB targets of interest in Karlsruhe, he and the KGB were rather thoroughly aware from mid-July 1959 on of what we intended and hoped to accomplish in that field. The size of the AENIDUS staff was compromised to him, the method of operation for the BOB switchboard, certain MO principles employed and eventually the KGB probably became aware of all of the officers who worked on the AENIDUS target.

XII. AGENTS DEFINITELY TIPPED TO UJROWSY

- () Identified early 1959. Was already out in West Germany.
- () Identified as BOB agent September 1960. Arrested 20 July 1961.
- () Identified as BOB agent 1 March 1961.
- () Identified as BOB agent July 1959. Allowed to remain by KGB, access to info steadily blocked. Refugeed October 1960 and resettled in West Berlin.
- () Traced her November 1959 indicating ops interest. Admitted September/October 1961 she was our agent - by then she had confessed to having been run into us by the MFS.
- () BOB ops interest tipped to UPHILL November 1958. Agent's actions especially during 1960/61 led us to believe there was a good chance he was a double.
- () Tipped directly when notified UPHILL in April 1961 we would make our approach to her in June.

AGENTS VERY PROBABLY TIPPED TO UJEROMSY

() Through indicating ops interest in () who
() brought us in contact with him.

() UJEROMSY may have become aware over the years that she was
a former agent of ours. Since resettled (circa early 1958)
in West Germany.

DISPATCH	CLASSIFICATION SECRET	PROCESSING		
		PROPOSED	ACTION	ACCOMPLISHED
TO Chief, EE; Chief, Munich Liaison Base			MARKED FOR INDEXING	
		X	NO INDEXING REQUIRED	
INFO. COS, Germany			ONLY QUALIFIED HEADQUARTERS DESK CAN JUDGE INDEXING	
FROM Chief of Base, Frankfurt			ABSTRACT	
			MICROFILM	
SUBJECT RYBAT/UJDROWSY UJDROWSY Damage Report				
ACTION REQUIRED - REFERENCES				
FYI REF: EGOA-17657, 22 May 1962				
<p>1. FOB liaison with UPHILL units on an operational basis was commenced and formalized in June 1959. The purpose of establishing this liaison relationship was primarily to obtain UPHILL support in mounting audio operations against Soviet legals living in the Bonn area. In practice this operational liaison developed into a relationship with one UPHILL officer belonging to its Dienststelle 24 in Frankfurt/M, @DORN, and the so-called Index Staff in Koeln as represented by a total of seven of its staff employees. In addition, knottier problems calling for policy decisions or UPHILL services not within the competence of Dienststelle 24 or the Index Staff were discussed directly on an ad hoc basis with UJDROWSY. Such meetings between UJDROWSY and FOB officers took place in one of three places: in Munich as sponsored by MLB, in Frankfurt at a KUBARK safehouse located at Wiesemann 37, at various public cafes or restaurants in the Bonn-Koeln area.</p> <p>2. The period of this operational liaison activity between FOB and UPHILL lasted from June 1959 through October 1961. Co-operation with @DORN of the UPHILL's Dienststelle 24 in Frankfurt was almost exclusively on matters pertaining to the CARECOVER Operation, which involved a net of GRU agents operating in the Fedrep. Monitoring this operation became a liaison nightmare in that certain portions of this net came to the attention of the LfV Rheinland-Pfalz, the LfV Hessen, the BfV, the BND, KUBARK and US Military intelligence organizations. KUBARK ultimately accepted and performed the role of senior coordinator for this operation until its executive roll-up during the early fall of 1960.</p> <p>3. Later KUBARK also made an attempt to defect the GRU officer who had been responsible for running the agent net in the Fedrep and had been doing this with wanton disregard for accepted clandestine operational principles. This approach included a \$50,000 cash offer to the GRU officer if he would defect to KUBARK. The fact that KUBARK considered such a defection to have so high a</p>				
Distribution:		GROUP 1		
2 - C/EE		Excluded from automatic		
2 - C/MLB		downgrading and declassification		
2 - COS/O				
GROSS REFERENCE TO		DATE TYPED	DATE DISPATCHED	
		3 July 1962		
		DISPATCH SYMBOL AND NUMBER		
		EGOA-37527		
		HEADQUARTERS FILE NUMBER		
		324-5-38/19		
CLASSIFICATION		ORIGINATING		
SECRET		OFFICE	OFFICER	TYPIST
COORDINATING				
OFFICE SYMBOL	DATE	OFFICER'S NAME		
RELEASING				
OFFICE SYMBOL	DATE	OFFICER'S SIGNATURE		
FORM 53b USE PREVIOUS EDITION. (40)		HQ COPY		DISPATCH

cash value was astounding to the UPHILL officers involved, @DORN and UJDROWSY. Since KUBARK's willingness to offer such a cash reward was indicative of its policy towards Soviet intelligence personalities, this policy certainly became known to the RIS through UJDROWSY. As stated KUBARK's main role in the CARECOVER operation was, however, primarily that of senior coordinator among the services involved. This fact plus the degree to which KUBARK was successfully able to perform this function is also known to the RIS through UJDROWSY.

4. We do not feel that other noteworthy indications of KUBARK modus operandi, capabilities, or plans were betrayed to the RIS through KUBARK liaison with UPHILL's Dienststelle 24. One must bear in mind that the CARECOVER operation, if one disregards the access it offered to a seemingly vulnerable RIS officer, basically consisted of extremely low-level agents. Their handling did not require the use of operational procedures not already well known to the intelligence community--both East and West.

5. As we have said, dealings with the UPHILL Index Staff located in Koeln were established to facilitate audio operations against Soviets residing in the Federal Republic and concentrated in the Bonn area. Efforts aimed at initiating these operations resulted in the expenditure of a great amount of man hours of both KUBARK and UPHILL case officer time. None of the operations attempted produced intelligence, operational or otherwise, of any value, perhaps due in part to UJDROWSY's knowledge of them. In these audio operations UPHILL supplied operational support in terms of obtaining listening posts, providing surveillance, physical descriptions of the targets, etc. KUBARK's contribution, without exception, consisted of providing technicians and equipment for the audio installation itself. We are assured by MUTOFAZ that one must assume the RIS was already aware of the existence of all the audio equipment used in KUBARK operations accomplished jointly with the UPHILL Index Staff. From these operations the RIS would have learned through UJDROWSY the stress KUBARK places on such operations in relatively "controlled" Western areas of operations. The RIS would also have developed some respect for the difficulties encountered by a Western IS operating in a democratic operational setting.

6. From a technical equipment point of view, we can assume that the RIS learned little new about AIS techniques through UJDROWSY. It would have learned, however, that KUBARK has a large staff of technical people stationed in Frankfurt, presumably occupied with activities other than joint operations with UPHILL. We cannot imagine what further insight the RIS might have obtained into KUBARK plans, capabilities or operational assets through FOB liaison with the UPHILL Index Staff, assuming the KUBARK personnel involved restricted their conversation with UPHILL Staff members to the operational business at hand.

7. FOB also cooperated with the UPHILL Index Staff on an operation directed at () legals in the Bonn area. This operation by virtue of the difficulties in obtaining a suitable listening post for it ultimately involved the () and () and resulted in untold liaison and coordination difficulties. Again in this operation UPHILL supplied operational support while KUBARK was to perform the technical installation and supply the equipment. The audio equipment used in this operation was also non-sensitive in that the RIS in all likelihood already knew of its existence. On the other hand we must assume that KUBARK "blew" its experiments with an operational aid previously not known to the RIS. This piece of equipment is known as a "Pipe-pusher" and was to be used to push a pipe, in which wires were to be placed between two buildings.

8. No truly new techniques, other than the "Pipe-pusher", were used in the operation against the Red Chinese. The RIS would have learned that KUBARK has a great interest in attempting to penetrate these installations and places great stress on endeavors so aimed. Again, it is felt the RIS could have gained little not already known or assumed about KUBARK operational interest in the Bonn Red Chinese installation.

9. In addition to audio operations, FOB dealt with the UPHILL Index Staff on several operations designed to provide spotting support for KUBARK operations against Soviet legals in the Fedrep and for leads to legal travelers into the Soviet Union. The first type of operation is represented by () the second by the () operation.

10. The () operation involved a singleton agent in contact with certain members of the Soviet Embassy through giving them () KUBARK discovered that () was also employed by UPHILL and receiving a salary from both organizations. Obviously the agent was blown to the RIS via UJDROWSY before the FOB-UPHILL negotiations on final disposition of the case.

11. The () operation involved a singleton agent running a () specializing in () to the Soviet Union. KUBARK again discovered that the agent was also in contact with UPHILL and receiving dual salary. The case was coordinated with the result that UPHILL was to continue to run the agent and supply FOB with the "take", consisting of information on individuals intending to go to the Soviet Union using the services of () Again Western use of () as a spotting mechanism was known to the RIS from UJDROWSY prior to FOB/UPHILL liaison on this subject.

12. Conclusions: To the extent that Western attempts to attack the Soviet target in the Fedrep were coordinated with UPHILL, the RIS through UJDROWSY could conveniently monitor and effectively block most of these attempts to approach their installations and, of course, easily neutralize them as soon as the attempt seemed to be approaching sensitive ground. It is felt, however, that because of the nature of the Soviet official representation in the Fedrep and the inherent security measures practiced by the Soviets, the avenues of operational approach are reasonably predictable to the RIS. We suggest that RIS predictions as to the general nature of KUBARK endeavors and plans against the Soviet target in the Fedrep were not materially enhanced by UJDROWSY's knowledge from FOB/UPHILL liaison but merely confirmed.

13. To be sure, the RIS obtained a closer impression of MKTOPAZ technicians involved in these joint operations and their proficiency with the equipment they use. It seems likely, however, the existence of MKTOPAZ in Frankfurt was known to UPHILL and presumably UJDROWSY through normal liaison conducted in this field via MIB.

14. Examination of the limited number of contact reports still available on FOB/UPHILL case officer contacts from the period in question reveals that the majority of our meetings with UPHILL concerned the nuts and bolts of operational activity, how to obtain the blueprints of an apartment, whether it would be preferable to make a black entry through an available window or door, problems involved with transportation of a clothes chest with concealed tape recorder from Frankfurt to Bonn and similar activities. We cannot imagine that the RIS found this information particularly enlightening.

15. The operational plans and techniques used by FOB and UPHILL against the Soviets are probably universally used in approaching operations of this type. They would undoubtedly have been more successful had the RIS not had UJDROWSY to aid them in focusing on the specific targets against which they were applied. Probably real KUBARK losses on operations involving FOB/UPHILL liaison can be restricted to the aliases and descriptions of the KUBARKers involved plus the tremendous waste of man hours of work devoted to operations monitored by the RIS from their inception. In our review we have discovered no plans or programs lost via UJDROWSY which realistically can be judged as peculiar to KUBARK.

Approved: _____

DISPATCH	CLASSIFICATION SECRET RYBAT	PROCESSING		
		PRO-POSED	ACTION	ACCOMPLISHED
TO	Chief, EE; Chief, Munich Liaison Base	XX	MARKED FOR INDEXING	
INFO.	Chief of Station, Germany		ONLY QUALIFIED HEADQUARTERS DESK CAN JUDGE INDEXING	
FROM	Chief of Base, Frankfurt		ABSTRACT	
			MICROFILM	
SUBJECT	RYBAT/UJDROWSY/REDCAP UJDROWSY Damage Report; Frankfurt Base REDCAP Operations			
ACTION REQUIRED - REFERENCES				
<p>Refs: A. EGQA-17657, 22 May 1962 B. EGPA-37527, 3 July 1962</p> <p>1. Reference B gives a general summary of estimated damage suffered by Frankfurt Base as a result of the KGB penetration of the BND, UJDROWSY. We felt that it might be useful to discuss in a bit more detail the effect of the UJDROWSY penetration on POB operations targeted against Soviet personnel station in the German Federal Republic. This particular aspect should be examined more closely in order better to plan for the future.</p> <p>2. <u>KGB Knowledge of KUBARK Background Information on Soviet Target Personalities:</u></p> <p>a. The majority of positive identifications of Soviet intelligence officers available to Frankfurt Base from KUBARK files originated with Soviet defectors; the next largest contributor to this field of information was FJNOCTURE; the smallest proportion originates with unilateral operations. It has been the practice in liaison with the BND for KUBARK to provide identification of Soviet personnel, stationed in or visiting the Federal Republic, as intelligence officers on the basis of defector reports and FJNOCTURE information. The BND has prepared a Handbook of Soviet Officials in the German Federal Republic which is revised regularly so that it presents a current listing of BND information on the individual Soviet officials. The BND Handbook would appear to contain all information passed to the BND by KUBARK.</p> <p>b. In view of UJDROWSY's intimate connection with BND Soviet operations and his statement that he photographed every document of any interest for the KGB, we have to assume that the BND Handbook of Soviet Personalities in the Federal Republic and any changes or additions to it were passed to the KGB on a continuing basis. UJDROWSY has not admitted</p> <p>GROUP 1 - Excluded from automatic downgrading and declassification</p>				
Distribution:		DATE TYPED		DATE DISPATCHED
2 - EE		29 August 1962		
2 - MLB		DISPATCH SYMBOL AND NUMBER		
2 - COS/G		EGPA-37810		
		HEADQUARTERS FILE NUMBER		
		32W-5-38/19		
		CLASSIFICATION SECRET RYBAT		

to having identified the information originating with KUBARK as such, but the KGB would have little difficulty guessing the source in the case of () and () or PJNOCTURNE. The KGB is then aware of two fundamental factors in KUBARK operations against the Soviet target in West Germany: a) KUBARK intelligence on Soviet personalities originates to a large extent with defectors and previously with PJNOCTURNE, and b) the KUBARK intelligence is shared with the BND and probably with other German services such as the BfV.

c. The leads obtained by FOB from UJDROVER and the audio operations directed against Soviet installations may well have been worthless at the outset due to Soviet a priori assumption that all individuals having more or less continuing contact with Soviet officials would have been previously recruited by the West German services and that all telephones are monitored. It should be noted, nevertheless, that the KGB was given irrefutable evidence that not only do the West German services use these methods but, of greater significance, they are aided and abetted by the AIS. Furthermore, the KGB was given an opportunity to observe a conflict of operational interests between the BND and KUBARK arising from the fact that both services had access to UJDROVER material. A pertinent example is the case of () a rather ambiguous () used by the Soviet Embassy and Trade Mission. At one period () was receiving salaries from both the BND and KUBARK. We have to assume that the KGB noted with interest the crossing of operational wires between the BND and KUBARK and were interested in learning which service had priority in exploiting operational leads originating with the UJDROVER material. (The BND enjoyed the dubious privilege of retaining the full services of ()

d. The above is a very brief review of the type of KUBARK information available to the Frankfurt Base and from which Soviet target personalities in the German Federal Republic were selected. UJDROVSY has undoubtedly reported to or confirmed to the KGB relevant details originating with KUBARK forming the basis for the selection of targets in the Soviet community.

3. KGB Knowledge of KUBARK Operational Methods:

a. An approach to a Soviet target personality was planned based on the intelligence obtained from a defector, as described above briefly. In the German Federal Republic such an approach and most attempted penetrations of the Soviet target would have been coordinated with the BND and/or the BfV until the end of 1960, when FOB's policy on cooperation with these services was modified as a result of the () information concerning a KGB penetration of the BND.

b. One example of earlier FOB planning, illustrative of KUBARK operational methods, was the proposed approach to Vassiliy Romanovich SITNIKOV in March 1959. To recapitulate briefly, SITNIKOV was identified by () at the time of the latter's defection in Vienna in February 1954, as the chief of the U.S./England Section of the KGB Residentura in Vienna. SITNIKOV had been in Vienna about two years as of 1954. In January 1959 it was learned from a BfV list of Soviets requesting German visas that SITNIKOV was being assigned to the Soviet Embassy in Bonn. The information was received about two months before the publication of the Life magazine articles based on () subsequent book. Coordinated planning for an approach to SITNIKOV, either to induce a defection or to offer harassment, was undertaken between the Frankfurt Base and Headquarters. Both West German services, the BND and the BfV, were involved in the planning and UJDROVSY, as the BND representative, participated in most of the conferences. The proposed approach to SITNIKOV was cancelled because the opinion in Headquarters was that the propaganda value of ()

articles and book would be reduced if the KGB decided to exploit the approach to SITNIKOV as a propaganda counter-measure. We must assume for the record that the KGB, via UJEDROVSKY, was currently informed of all discussions; that the KGB knew the initial targeting was based on defector information; that the KGB knew both West German services were involved and what role was to be played by each in the operation; that the KGB was informed of the financial and other commitments KUBARK was willing to make, including the care of SITNIKOV's family, etc. SITNIKOV was recalled in July 1959, having served a scant six months of his tour.

c. The case of () was cited above as an example of an operational lead obtained from UJEDROVSKY material. Although this is not a new type of operational activity, the KGB obtained evidence via UJEDROVSKY that the BND was sharing with KUBARK the material from UJEDROVSKY in the Federal Republic, and the KGB almost certainly was informed that the BfV, the BND's sister service, was not cut in on the UJEDROVSKY product. We must also assume that the KGB is well informed on the extent of the technical assistance provided by KUBARK to both the BND and the BfV in mounting audio operations and on the problems arising from the rivalry between the two West German services which KUBARK encountered.

d. Double agent operations, generally, have not been shared with the BND. We must assume, nevertheless, that many of the emigre DA operations which were directed by the Munich Operations Group are known to the BND. This assumption is based on the fact that, frequently, the agent was traced with the BND when the operation first developed, or the unavoidable emigre gossip mill brought the agent to the attention of the BND. It is fairly certain that () for example, was known to UJEDROVSKY as a KUBARK double agent but no positive proof exists that a () another KUBARK DA operation of long standing, was revealed to the BND as a KUBARK double agent.

e. One incident has aroused the suspicion that () may also be contaminated by the BND. In August 1961 FOB learned from the list of Soviet visa applications received from the BfV that one Serafim Dmitriyevich GRECHINSKIY was to be assigned to the Soviet Embassy in Bonn as a high-ranking diplomat. On the basis of the reporting from () and a photograph shown to () GRECHINSKIY was identified as the KGB intelligence officer who had handled () during the latter's KGB-sponsored trips to Moscow and also during his visits to East Berlin. UJEDROVSKY was arrested in November 1961, approximately two months after GRECHINSKIY's visa was granted and approximately the date when he would have appeared in the Federal Republic. As of August 1962, one year after the visa application, GRECHINSKIY has not appeared in West Germany. Inasmuch as UJEDROVSKY has not been very communicative in his debriefing by the German legal organs, we do not have confirmation of our suspicion that GRECHINSKIY was connected with UJEDROVSKY directly or through (). We must face the possibility that the () operation is also known to the KGB.

4. Conclusion:

On the basis of evidence obtained to date regarding UJEDROVSKY's knowledge of FOB's previous REDCAP operations, we have good reason to believe that almost all REDCAP activity prior to December 1960 was revealed to some degree to the KGB by UJEDROVSKY. Although the operational methods and the technical equipment were not completely original and the rationalization can be made that the KGB undoubtedly assumed such activity was taking place, we have to face the fact that we lost what reporting sources we possessed, whether UJEDROVSKY or the (), which were producing some information on the Soviet colony in the German Federal Republic. Since we became aware that

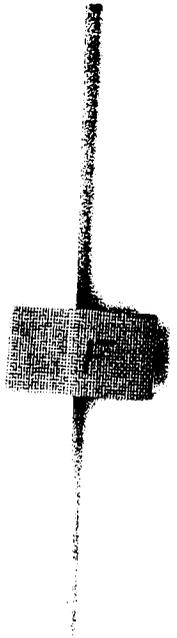
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DISPATCH SYMBOL AND NO.
EGFA-37810

UJDIROMSY was a KGB penetration of the BND, we have been attempting to rebuild, by means of unilateral operations, reporting sources with access to the Soviet official community and (hopefully) knowledge of Soviet intelligence operations in the Federal Republic. This is and will be a slow process for two reasons: a) the UJDIROMSY experience has taught us that we must basically aim at unilateral operations, even though coordination with local services provides certain short-cuts, and we shall continue to have to work with liaison on some aspects; b) the KGB can anticipate many of our operational movement if the same pattern is followed as has been in the past eight to ten years.

Approved: []



SECRET/EYES ALONE

TAB F

Paper Prepared by the BND for Presentation to the BUNDESGERICHTSHOF

The attached paper was prepared by the BND for the Bundesgerichtshof, specifically for the use of the pre-trial judge in his interrogations of FELFE and CLEMENS. The paper presents the history of the BND INDEX staff, outlines the FELFE and CLEMENS roles in betraying the activities of the staff to the KGB, and summarizes the KIRPICHEV and PRIPOLTSKV cases, documenting how FELFE betrayed the former and how, despite his denials, most probably betrayed or attempted to betray the latter.

Section V, paragraphs 8 through 13, concern FELFE's attempt in late May 1962 to smuggle out of prison, a summary of the operations involved in tapping the telephone lines of the Soviet Embassy and Trade Mission in West Germany.

The briefing paper goes into considerable detail in pointing out how the Soviets, through FELFE, were not only able to protect the security of their personnel and operations in the Federal Republic, but were also able to a certain extent to direct the course of the counter-intelligence effort against them often calling the shots of the Western services.

SECRET/EYES ALONE

TRANSLATION

I.

The Establishing of and the Mission of the INDEX Staff

1. The establishment of diplomatic relations between the Federal Government and the Government of the USSR on 9 September 1955, which in January 1956 led to the first preparatory measures connected with the opening of a Soviet Embassy (hereafter referred to as SE), resulted within the UPHILL Headquarters following lengthy preparatory studies and conferences, in the grounding on 9 January 1956 of the INDEX Staff. This staff was entrusted with working out all intelligence questions arising within UPHILL, with regard to its mission from the Federal Government, resulting from the establishment of a Soviet Embassy in the Bonn area. The BfV organized an "INDIGO Staff" with a similar mission at the same time.

2. On the basis of pre-war German experience with Soviet missions in Berlin and on the basis of the experiences of other western security services with Soviet missions operating in their capital cities it was clear that, in connection with the monitoring of anticipated Soviet activity in the Bonn area, it would be difficult in specific cases to differentiate clearly enough between machinations of various elements of the Soviet intelligence services on the one hand and the "normal" political-diplomatic and commercial Soviet organs on the other hand to make possible a completely logical and definitive separation between the missions of UPHILL and the BfV. As the basic premise it was agreed that the security/police type d e f e n s i v e monitoring of the SE would fall to the BfV while UPHILL, in line with its mission, would assume responsibility for o f f e n s i v e investigative and counter intelligence activities.

3. It was to be expected (and these expectations were consequently borne out) that the SE and the Soviet Trade Mission additionally established in 1958 (hereafter referred to as the STM) would be active in the following areas of equal interest to the BfV and UPHILL:

a) The preparation and carrying out through the use of conspiratorial methods of espionage, sabotage, infiltration, confusion, and other illegal operations in inner and foreign political, military, scientific and technical and commercial areas as well as activities directed toward eastern immigrants living within the BRD (here in general lie the responsibilities of the various elements of the Soviet secret and intelligence services);

b) The overt and covert (according to Soviet terminology: o p e r a - t i o n a l) cooperation with Communist, pro-Soviet, neutralist, left-and-right-radical, intellectual and other groups within the BRD which are interested in an intensification of German-Soviet contacts and which allow themselves - wittingly or unwittingly - to be used in support of Soviet efforts directed

against the constituted government of the Federal Republic. Experience has shown that the groups of persons encompassed here are viewed by the Soviets as a reservoir of political and intelligence agents and are therefore studied carefully and cultivated. (Here the "normal" organs of Soviet diplomacy work closely together with the interested agencies of the secret and intelligence services.)

4. As might have been anticipated, the practical necessity for developing the basic knowledge needed for the successful monitoring of this secret activity led to a satisfactory type of cooperation between the INDEX and INDIGO Staffs which was established on a case-to-case basis and which was characterized by the exchange of all information developed by both staffs.

5. UPHILL staff officer CARBAR, as Chief of the Staff "Positive Operations Against the USSR," took charge of the INDEX Staff as of 9 January 1956. The day-to-day operations of the staff were headed up by the representative of the Counterintelligence Group, [] both were in continuous contact with those governmental agencies, particularly the BfV, which were interested in the Soviet Embassy.

II.

UJDROWSY, UJDRUM and the INDEX Staff, 1956 - 1959

1. UJDROWSY was not a member of the INDEX Staff between January 1956 and February 1959. For this reason, UJDROWSY was at first only quite generally informed about its establishment, organization and missions. Nevertheless, in view of his position as Referent for Operations Against the RIS within the Counterintelligence Group, he had, from the beginning, the necessary opportunities to monitor relatively closely the development of this undertaking due to the similarity of missions.

2. UJDROWSY got a closer look at the detailed work of the INDEX Staff from July 1956 on when UJDRUM was charged with the job of building a small INDEX sub-office in the Cologne/Bonn area for carrying out the operations which came to the attention of the INDEX Staff.

3. [] who was detailed to Cologne to assist UJDRUM during the summer and fall of 1956, was able to make the following personal observations during this time: At that time, UJDROWSY regularly contacted UJDRUM during his business trips to Cologne. The official reason for these meetings remained completely unclear; the visits had, as far as [] could ascertain, a purely private, comradely character, although UJDRUM used them to relate to UJDROWSY all the details of his own official INDEX activities. He did so, according to what he told [] in order that UJDROWSY, who was a "powerful man within the Headquarters," could open the eyes "of the ones up there" to the practical difficulties facing UJDRUM with his small INDEX unit. From

the discussions UJDRUM and UJDROWSY had during duty hours (and () was privy only to these) it could be concluded that the pair regularly met privately after duty hours to the extent possible under the circumstances. The official UPHILL files indicate that between 30 June and 17 November 1956, UJDROWSY made seven duty trips to Bonn and Cologne. () is of the opinion that practically all of these trips afforded an opportunity for the indicated type of meeting between the two Soviet agents. () could also ascertain that UJDROWSY was informed well and in detail about the majority of INDEX matters brought up by UJDRUM.

4. UJDRUM stated (p 7 of the Protocol) he had betrayed to the RIS "about half" of what he learned officially between July 1956 and the time of his being replaced as Chief of the INDEX Sub-unit in March 1958. If one accepts as correct this quite vague admission, then one may conclude that with the facts provided by UJDRUM, the RIS possessed broad enough knowledge to levy well-conceived questions on UJDROWSY and thus had, through UJDROWSY, the possibility for determining the reasoning behind and the background of the individual missions assigned UJDRUM by the Munich INDEX Staff to include ultimate objectives toward which he was being directed - things which UJDRUM could not report to the RIS.

5. The combined treasonable activities of UJDRUM and UJDROWSY in the first INDEX epoch 1956/1958 may have taken the same form described by UJDROWSY for 1951/1952 during his interrogation on 30 November 1961, appearing on page 71 of the interrogation report. At that time (1951/1952), UJDRUM worked in Munich and UJDROWSY was a member of UJDRUM's supervisory staff in Karlsruhe. During his business trips to Munich, UJDROWSY contacted UJDRUM, discussed with UJDRUM those cases he (UJDRUM) was working on or knew about officially, (cases) which UJDROWSY "likewise was able to read in Karlsruhe," and "informed UJDRUM of the evaluation and plans" of the Karlsruhe Staff. The material assembled in this manner - at least UJDROWSY claims - was passed on to the RIS by UJDRUM. In view of UJDRUM's apparently limited ability for written reporting, one probably does not err in the assumption that the written text of the messages transmitted to the RIS in 1951/1952 stemmed from UJDROWSY and not UJDRUM.

6. In this connection, it must be pointed out that during his period of employment with UPHILL, UJDROWSY was shamelessly curious and recognized as such, and that with disregard for all standing security regulations and through the fabrication of alleged or the twisting of actual interrelationships between his operations and the official duties of other departments and areas he was able to garner information, the access to which would normally not have been granted him. The INDEX area of operations naturally furnished UJDROWSY a particularly opportune point of departure for his technique of conducting o p e r a t i o n a l d i s c u s s i o n s since INDEX in the first analysis attempted to monitor the activity of the RIS, (the same activity) with which UJDROWSY was also engaged. What knowledge of INDEX matters UJDROWSY won in this manner prior to February 1959 can today no longer be reconstructed since the incidents were as a rule rather fleeting, must have appeared genuine to the persons with whom the discussions were held, and because written protocols covering the innumerable discussions carried out in this manner were not made.

7. UPHILL staff officer [] who headed-up the Munich INDEX Staff and supervised the Cologne sub-office from January 1956 until June 1958, continually complained about UJROWSY's open and concealed prying into INDEX matters.

8. During the interrogation on 4 December 1961, UJROWSY admitted he was questioned by the RIS on 31 August 1957 or at an earlier meeting "in what ways the intelligence activities against the Soviet Embassy in Rolandseck were carried out." He claimed he had been able to give the RIS "no satisfactory answer" at the time since he "knew as good as nothing." (Protocol, p 91) In a further statement on this subject on 12 February 1962, UJROWSY attempted to create the impression that he was aware of the operational activity of UPHILL against the SE and the STM only from February 1959 on. He explained things with the same agent to [] and [] on 27 April 1962 whereby he stated he had "first begun to concern himself with the INDEX Complex in 1959 or 1960." (p 116, para 150 of the KUBARK report)

9. In these admissions aimed at playing down the actual facts, UJROWSY obviously omitted mention that between July 1956 and March 1958 he learned the complete scope of the INDEX operational activities from UJROM. By the same token, he did not mention that not only in this period but also in the following time span - until February 1959 (when UJROM no longer had access to INDEX information) - he made considerable attempts to gather and no doubt gathered the very information which he needed for the satisfaction of the RIS requirements through cleverly arranged official discussions within UPHILL of the type outlined in paragraph 6.

10. In conclusion, it can be said in characterizing the work of the INDEX Staff during the first three years of its existence (1956/1959), that during this period so-called basis material was gathered almost to exclusion: information about personnel and procedures with regard to organization, functions, connections and methods of operation of both Soviet installations, (facts) which are essential for those whose mission it is to detect threads of secret intelligence activity conspiratorily embedded within the broad stream of official and innocuous activity and contacts. During this period, the INDEX Staff did not uncover any genuine intelligence contacts by a functionary of either of the Soviet missions which would have allowed UPHILL to penetrate it using counterintelligence techniques (something the BIV INMGO Staff accomplished several times, see section IV, below). It is, however, UPHILL's opinion that mere knowledge of the fact that the work of the INDEX Staff was, until 1959, in a large sense that of collection and collation which had not yet resulted in an operational penetration of an intelligence operation of either of the Soviet missions, was of great worth to the RIS in that it allowed them to parry those security and control measures encountered from the German side and to take effective measures of their own.

III.

UJROWSY As Chief of Operations of the INDEX Staff

1. A fundamental turning-point came on 1 March 1959 when UJROWSY, following a brief period of reading-in, was charged with operational responsibility for the INDEX Staff. From this moment until the day of his arrest, UJROWSY had access to:

a) All previously won and concurrently developed items of information of the INDEX and INDIGO Staffs concerning personnel, organization, contacts, and illegal and legal activities of the SE and the STM augmented by collateral information made available by German agencies and friendly services;

b) Official entree to all governmental, administrative and police/intelligence agencies of the Federal Republic as well as to non-official organs which were interested in the SE and the STM for political, economic, cultural, security or other grounds and whose objectives, plans and decisions he had opportunity to learn and in part to influence;

c) Extensive latitude inherent in his mission to decide which observational or operational projects of UPHILL should be seized upon, carried out, attacked in force or ignored by the INDEX outside assets of UPHILL now subordinate to him.

2. The systematic exploitation of the chances offered him by the RIS through the "L E N A" case had already brought UJROWSY a close and absolutely officially backstopped contact with the UPHILL Political Collection Group. It had also afforded him the - from case to case well grounded - entree to the Sicherungs-Gruppe of the BKA, to the BfV and to the security personnel within the Foreign Office, the Federal Chancellors Office and the Federal Press and Information Office as well as to the appropriate agencies of the US intelligence services. It is also obvious that the INDEX area of operations newly assigned UJROWSY must have contributed to a considerable degree toward reactivating previously established official contacts through new, highly interesting topics of discussion and toward winning for him new contacts within and without the Federal Government of Germany which were of the highest worth to his actual employer, the RIS.

3. The previously cited admission by UJROWSY on 4 December 1961 (pp 90 and 91 of the Protocol) makes clear that the RIS was continuously interested in the "East relationships," and relied particularly on him to be informed about the "question of the cooperation between UPHILL, the ASEW and the BfV," and of the "cooperation of the various agencies (intended were: the Foreign Office, the Federal Chancellors Office, etc.) with the BfV and UPHILL," and to receive reports concerning "ways in which the intelligence activities against the Soviet Embassy in Rolanseeck would be carried out."

4. The RIS thirst for information expressed here naturally did not come from abstract attempts to win theoretical knowledge about the bureaucratic divisions of responsibility in Bonn. As UJDROWSY himself states, the questions the RIS repeatedly levied upon him have a deeper meaning which is obviously the RIS operational plan to use its well-placed pair of agents, UJDRUM and UJDROWSY, for, among other things, the protection of the illegal activities of the Soviet Embassy in Rolandseck and, later, the Soviet Trade Mission in Cologne. In this respect, the alleged information passed to the RIS by UJDROWSY is simply as unbelievable as the alleged naively-phrased questions of "Alfred's" about organizational truisms.

5. The RIS knew that through the "LENA" case and through (his) handling of security cases with other Federal agencies, that the agent UJDROWSY, himself, was involved in the "cooperation between the various agencies." The RIS knew that UJDROWSY had much greater insight than UJDRUM into the "intelligence activities against the SE," and the RIS knew that from 1 March 1959 on UJDROWSY as UPHILL's INDEX case officer personally took considerable part in this work. If, then, before March 1, 1959 the RIS directed questions to UJDROWSY which even distantly resembled those outlined in paragraph 3, above, these questions could have been asked only for a concrete reason with regard to a specific case. By claiming that he first gained access to INDEX matters from February 1959 on, UJDROWSY could have successfully avoided to that point even being asked about specifics.

6. If the RIS posed to UJDROWSY questions about "Bonn relationships" and the organization of the effort against the Soviet Embassy after 1 March 1959, it could have been even more certain than before that UJDROWSY was in the position to and prepared to either answer such questions immediately from his own knowledge or, thanks to his official entree to the Bonn agency in question, to make speedily the necessary inquiries and to report.

IV.

The KIRPITSHEV and PRIPOLZEV Cases

1. As particularly characteristic of the type of operations for which the RIS expected to use UJDROWSY in his new capacity as INDEX Chief, the successfully executed rescue operation involving the RIS case officer KIRPITSHEV, who operated in the BRD until 21 February 1961, might be cited. One thanks conceit in this instance for his reluctant confession of having arranged a rather nice success for the RIS: He had, as UJDRUM stated on p 6 of the Protocol, asked UJDRUM sometime during 1961 to query the so-called "Alfred" "if everything worked out and KIRPITSHEV got out all right," a question which "Alfred" answered UJDRUM in the affirmative. In view of this clearly incriminating consequence of his own professional error, UJDROWSY saw himself forced, on 1 February 1962, to retract first, the false version of the KIRPITSHEV affair given in considerable

detail on 21 November 1961 and attested to subsequently. He then signed a statement (pp 269-271) concerning the KIRPITSCHEV case - still containing minor inaccuracies but basically approaching the truth more closely - in which he portrayed himself in the dual role of a p r o t e c t o r for a KIS case officer in the NSD and an a d v i s e r to the Soviet intelligence central in Karlsruhe. Ignoring the coincidental and chance-attributed character which UJEDOWSY imparts to his account to conceal that this was a p l a n n e d and - even for his own consistently treacherous activities - c l a s s i c o p e r a t i o n, then the facts indicate that:

2. Shortly prior to 11 February 1961 (according to UJEDOWSY; the memorandum allegedly prepared by him concerning the matter cannot be located in his files), UJEDOWSY learned in the course of a routine INHEK-INHECO conference in Cologne that during routine surveillance of KIRPITSCHEV, a member of the Soviet freight and transport insurance office "SOVAO" in Hamburg, conclusive evidence of the man's intelligence activities had been uncovered, raising the possibility of executive action against KIRPITSCHEV. At UJEDOWSY's next meeting in Berlin with his Soviet case officer which took place - by chance? - soon thereafter, namely on 11 February 1961, "Alfred" posed to him - by chance? - "the question of various Soviets who had been in the Federal Republic or who, in part, were presently residing there." Included among the persons named to UJEDOWSY by the KIS was KIRPITSCHEV - by chance? In response, UJEDOWSY informed the KIS officer that he recently - by chance? - heard that KIRPITSCHEV had been engaged in proven intelligence activities and that executive action was planned. UJEDOWSY allegedly left unanswered the KIS officer's questions about details, particularly regarding the source of the BfV information.

3. The KIS then asked UJEDOWSY whether it would endanger him if the Soviets "undertook something." UJEDOWSY replied that he saw no danger to himself if KIRPITSCHEV was withdrawn from the NSD "with the necessary finesse." In his confession, UJEDOWSY went as far as to admit that the suggestion that KIRPITSCHEV could "fall ill" during a business trip to East Berlin might have originated with him.

4. Directly following this meeting with his Soviet case officer (according to the files, on 16 February 1961), UJEDOWSY - by chance? - conferred in Munich with the BfV INHECO Regent. He learned from him details of the counter espionage case in which KIRPITSCHEV was involved including the cryptonym ("Kritic") used by the KIS for the eastern emigre in contact with both KIRPITSCHEV and the BfV. In connection with this meeting, UJEDOWSY allegedly reported to the KIS via a letter containing secret writing "roughly as follows":

"In the KIRPITSCHEV matter, executive action planned. Measures as discussed possible."

5. Without doubt - to enlarge upon UJEDOWSY's clouded and misleading account - he reported to the KIS what he knew about the date planned for KIRPITSCHEV's arrest in this or a subsequent message. At the 16 February

meeting mentioned above, UJEROWSY learned that a formal interrogation of "Kritik" would be held in Munich on 21 February by representatives of the SG of the BKA for the purpose of preparing the legal basis for the subsequent move planned against KIRPITSCHEV in Hamburg. Whether UJEROWSY also learned at the same time that the action would take place on 23 February cannot be ascertained from the memorandum for the files prepared by him concerning this meeting. In any case, with the date 21 February, the RIS had a "terminus ad quem": they knew that until at least this time, they could still successfully snatch KIRPITSCHEV out of the arms of the German police.

6. The exfiltration of KIRPITSCHEV engineered by UJEROWSY, as far as can be reconstructed from UPHILL files, took the form that KIRPITSCHEV left Hamburg the afternoon of 21 February, spent the night of 21/22 February in the Hotel "Gretenhof" in the immediate vicinity of the SE in Rolandseck (the possibility cannot be excluded that this overnighting was fabricated) and - by which means cannot be determined - arrived in East Berlin by early morning on 22 February.

7. This operation was preceded, accompanied and followed by a rash of false information deliberately spread by the RIS with the now clear purpose of indirectly shielding from possible suspicion UJEROWSY, the very person who prevented KIRPITSCHEV's arrest. It would exceed the scope of this presentation if the details of these clever RIS efforts which were blended into other cases were enumerated here. Isolated incidents should suffice:

a) Through a deception type telephone conversation (UJEROWSY betrayed to the RIS that UPHILL tapped the telephone lines of the Soviet Missions, see p 307 of the Protocoll), the RIS convinced the German agencies as late as the afternoon of 21 February that KIRPITSCHEV would return to Hamburg by the evening of 23 February from a trip upon which he was about to depart. UPHILL passed this report to the BfV.

b) The statement which KIRPITSCHEV's wife made in Hamburg 25 February to the effect that her husband was "severely ill in Berlin," was "confirmed" by a telephone call from the SE in East Berlin to the STM in Cologne on 16 March, and UJEROWSY immediately passed to the BfV this "confirmation" which he got via the telephone tap.

c) On 27 February, the employees of the Soviet Hamburg office (among whom was an UPHILL source - presumably betrayed to the RIS by UJEROWSY) were notified officially that KIRPITSCHEV "had been stricken by an inflamed appendix", "was confined to a Berlin hospital," etc. UJEROWSY also passed this report to the BfV in a routine manner, although for some reason not until 13 March.

d) On 3 March, KIRPITSCHEV's wife, traveling via Rolandseck to join her husband in East Berlin, stated in such a manner that it would be overheard by the UPHILL source mentioned in sub-paragraph c, that she had been under surveillance in Hamburg by an unknown person whom she had also spotted previously observing her house. UJEROWSY also passed this RIS fashioned bit of deception information to the BfV on 13 March.

e) On 8 May 1961, the BfV INDECO Referent passed to UJEROWSY, himself, the last report to come to UJEROWSY's attention regarding the RIS efforts to shield their agent UJEROWSY; namely the RIS, using conspiratorial means, had notified "Kritic" by letter that KIRPITSCHEV fled the Federal Republic for security reasons since he had been under surveillance during his last meeting with "Kritic."

8. To the outsider, it might seem a construction after the fact if the - above in paragraph 7, a) through c) - telephonic utterances of Soviet functionaries are now presented as RIS efforts to protect their agent UJEROWSY indirectly from any suspicions pointing toward him. However, in this connection, a statement should be pointed out which was made by one of UJEROWSY's one-time prison mates in Koblenz, one Otto HEINEMANN (see p 6 of the report of his interrogation into his relationships with UJEROWSY): "It... occurs to me ... that UJEROWSY once told me that the Russian secret service knew that the telephone lines of the Mission and the Embassy in the Federal Republic were tapped and that the Soviet service therefore purposely passed on false information. UJEROWSY told me that."

9. For understandable reasons, UJEROWSY had no comment on any of the incidents outlined in paragraphs 5 to 8, above, even in his revised version of the KIRPITSCHEV operation. He concluded his recounting of the events "after careful consideration" with the assertion that he had given the RIS "no tip concerning the BfV agent," since he (this lay within the framework of his interrogatee tactics followed in other instances) "did not wish to betray the source" and "also did not wish to endanger myself." However, in a manner completely characteristic of him, UJEROWSY overlooked two things:

a) Even accepting the scarcely credible and uncheckable claim that he did not betray "Kritic's" identity, it must nevertheless be clear even to UJEROWSY, himself, that it would have cost the RIS little effort to reconstruct in East Berlin with KIRPITSCHEV's help exactly who the double agent must have been who reported KIRPITSCHEV to the BfV.

b) Moreover, UJEROWSY must himself admit that the risk he personally ran by betraying the action planned by the BfV, with the resultant recall of KIRPITSCHEV, was in itself much larger than - and therefore not compensable by - the naming to the RIS in East Berlin of an emigre residing in West Germany.

10. The KIRPITSCHEV case indicates with ample clarity:

a) That UJEROWSY was prepared or could be forced by his case officer to take upon himself considerable personal risk in order to serve the goals of the RIS and to frustrate the efforts of the German authorities;

b) That UJEROWSY had no scruples about sacrificing the interests of the Federal Republic in a case which he - assuming as credible his innumerable protestations in this regard - absolutely could not have been forced to betray to the RIS because he would have later had the possibility - in the face of a successful arrest of KIRPITSCHEV - to tell his (RIS) case officer that the BfV had not informed him of their intentions (exactly what he claimed to have done in the PRIPOLZEV case outlined in following paragraphs);

c) That UJEDROWSY must have betrayed to the RIS so many fundamentals and so many details of the INDEK complex that it was possible for the Soviet agencies to take the defensive measures described in paragraph 13, above, (sic) (probably paragraph 7, above), in a form that, as the outcome proved, accomplished the desired result.

11. A second, similar affair took a completely different tack. In course of the routine exchange of information between the INDIGO and INDEK Staffs, UJEDROWSY learned on 8 May 1961 in Cologne, as can be determined from a memorandum for the record dated 16 May 1961 found in his official files, that the BFV had obtained conclusive evidence of intelligence activities on the part of the engineer V. A. PRIPOLZEV, a member of the USSR TM in Cologne, and held it under control in the form of a counter espionage case with the goal of initiating action by the executive authorities against PRIPOLZEV at the appropriate time. During the course of a further discussion at the BFV, regarding which UJEDROWSY prepared a memorandum on 17 July, he learned that PRIPOLZEV was active as the RIS case officer in three cases monitored by the BFV, and that it was assumed in Cologne that he was an officer of the military intelligence service of the USSR, the GRU.

12. UJEDROWSY's admission on p 139 of the Protocol that he had "knowledge of the planned measures for a long period of time prior to PRIPOLZEV's arrest" which was subsequently, in fact, actually carried out on 25 August 1961, agrees with the facts of the case. From number 9 of the list of KEI's which the RIS handed UJEDROWSY in Vienna in September 1961, and which was seized at the time of his arrest on 6 November 1961, (the passage is repeated on p 138 of the Protocol) it is indicated that the RIS wanted to know, "why were, for example, the preparations for the arrest of PRIPOLZEV not reported?" Concerning this question, also posed him orally, UJEDROWSY claims he was able to convince the so-called "Alfred" "only with effort" that he had no prior knowledge about the PRIPOLZEV matter. (p 139) Also, after UJEDROWSY corrected on 1 February 1962 his false version of his role in saving KIRPITSHEV to one somewhat more believable, he still continued to maintain - covered by the written "reprimand" of the RIS - he had not betrayed the imminent arrest of PRIPOLZEV to the Soviets. (p 275, repeated on p 336 and p 369 of the Protocol.)

13. Seeing that the arrest of PRIPOLZEV was successful in contrast to that of KIRPITSHEV, one could accept the cited statements of UJEDROWSY's and view them as confirmed (by the) facts. In this regard, one might conclude that UJEDROWSY was afraid to go through again, as early as August, a risk similar to that he took in February and March. However, there is at least one indication that UJEDROWSY could also have been just as ready in this instance to work for the RIS to the detriment of the Federal Republic. Namely, on 24 August 1961, UPHILL staffer DOELLNER, responsible for counter espionage matters within the UPHILL governmental liaison office in Bonn, telephoned Munich and requested the dispatch of a linguist who should support the officers of the Sicherungs Gruppe at the arrest of PRIPOLZEV scheduled for 26 August. In this manner, UJEDROWSY learned on 24 August the date for the executive action, (a date) which had been carefully kept secret by the BFV and the SG prior to that

time. UJEROWSY was "quite indignant" about the conduct of the BIV with regard to himself (according to a memorandum made by DOELLNER at that time with regard to the telephone conversation) and declared: "Why don't they tell us something as important as that? And then with such short notice!" He complained to DOELLNER that the BIV had told him with regard to PRIPOLZEV, "We are aware of it but we intend no action for the present." In this situation, it must be viewed as completely possible that UJEROWSY had the desire but not the opportunity to warn the RIS, particularly since PRIPOLZEV's actual arrest took place on 25 August.

V.

INDEX Operations HARTUNG and FRUNDEBERG

1. The statements UJEROWSY made on the subject of the intercept coverage of the telephones of the Soviet Embassy and the USSR Trade Mission are scattered over pages 298 to 307 of the Protocol. They are characterized by an enormous lack of clarity and apparently directed toward possibly removing altogether or at least reducing considerably the treasonable character of what he "discussed" with the RIS in this connection. "Summarizing" his deposition (p 307), UJEROWSY claimed that he had simply "c o n f i r m e d" to the so-called "Alfred" that such intercept coverage existed on both Soviet missions and had "explained" to him that they served the purpose of "determining the extent of the contacts to German and commercial firms." (p 307)

2. According to UJEROWSY's recollection, the RIS interest in this complex, which was neither large nor even difficult to satisfy, arose only o n c e - which was first (said to be) "the end of 1959," (pp 304, 306) then later "either on 5 September 1959 in Vienna or on 13 December 1959 in West Berlin." (p 307) According to UJEROWSY, the so-called "Alfred" was himself aware of the "legal question" involved in this unconstitutional violation of the right of telephonic privacy and even characterized this as "completely expected." He was simply interested in the following two points:

a) The objective of these intercepts which UJEROWSY described as harmless and, in particular, not targeted against Soviet citizens (something the so-called "Alfred" allegedly found hard to believe.)

b) The addresses of both listening posts where the necessary technical equipment had been set up (to which UJEROWSY allegedly made no "precise reply," explaining that the intercepts were carried out "conspiratorily.") (p 305)

3. Following this allegedly one-and-only discussion with the RIS on the subject of the intercepts, "their interest was satisfied and no further discussions ensued subsequently."

4. One can agree in principle with UJEROWSY's deposition that the KIS viewed the tapping of the telephones of USSR establishments in foreign countries as completely expected. If, however, (the question of) UJEROWSY's admitted "confirmation" of this Soviet assumption can be justifiably evaluated as other than treason, (it) does not come within UPHILL purview (to judge). That even the mere confirmation of such an assumption can have enormous and not strictly intelligence ramifications is shown in the single example of the KIS o p e r a t i o n a l exploitation of the tapped telephones touched upon in Section IV, paragraph 7: through UJEROWSY, the KIS possessed certain knowledge that the spreading of misleading information with the help of telephone conversations was an ideal method of hindering the attempts of the West German authorities to discover who had betrayed and thus thwarted the planned measures against KIRPITCHEV. It must be underscored that this does not remain the only case in which the KIS through the opportunity offered it by UJEROWSY served its own ends by exploiting to the prejudice of the BRD this very entity established to protect the security of the BRD.

5. Additionally, in March 1959, when he took over the running of the INHEX operations, UJEROWSY received from his predecessor two files containing detailed reporting on all conferences, agreements and measures which had been made and, respectively, carried out from 1956 on by UPHILL and the Western and allied intelligence services on the one hand and the responsible Federal agencies and their subordinate units on the other hand regarding the matter of telephone tapping. These (files) included:

a) The HANFUR File in which staff officer CAESAR, who had been appointed to the post by UPHILL (see Section I, paragraph 5, above) had preserved all correspondence relating to the preparation and execution of the intercept operation against the Soviet Embassy in Rolandseck;

b) The FRIEDBERG File which brought together that analogous material pertaining to the similar operation against the Trade Mission in Cologne. In contrast to the HANFUR File, which for all intents and purposes was closed, this latter file, which as of March 1959 was not yet closed since the FRIEDBERG preparations were not yet complete, was continued by UJEROWSY and finally brought to close only on 30 September 1959 through the initiation of the intercept coverage.

6. It is self-evident that the contents of both these files entrusted to the Soviet agent UJEROWSY must have been of eminent interest to the KIS:

a) Their o p e r a t i o n a l - i n t e l l i g e n c e - o f f i c i a l value must be characterized as unusually great for a service which, according to UJEROWSY's own admission (pp 90, 91) had a "particular interest" in the cooperation of the West German and allied intelligence services with Federal agencies and (an interest) in the intelligence activities directed against the USSR installations within the BRD: here is laid bare in concrete documentary form the mechanism which UPHILL used to realize its objectives in an area (of operations) in which it was involved - in considerable part upon the direct orders of the Federal Government - in secret cooperation with high governmental officials, governmental agencies and with allied intelligence services.

b) In addition, and in even greater mass, a political - propagandistic bombshell lies buried in the information contained in the files, (material) which must be viewed as particularly well suited for use in "exposé" campaigns against the Federal Government and UPHILL. That particularly this type of action, so characteristic of the RIS, is in no way unknown to UJROWSY was admitted by UJROWSY himself - if only unwillingly and after admonition - in connection with the AESKEWER affair in which he (p 181, paragraph 230 of the KUBARK report) finally came around to stating that he had been "pulled into" the "exposé action."

7. UJROWSY has, until now, made no statement - since he has not yet been expressly interrogated in this regard - concerning whether he photographed for the RIS all or portions of the contents of the HARPUNE and/or FRUNDBERG files or whether he betrayed them totally or partially word-for-word or in summary fashion through verbal, written or tape recorded reports to his case officer. Since his probable betrayal of the status of the affairs cannot be proven, it is to be expected that he will deny (betrayal).

8. In connection with the above, it is necessary to go into the content of the clandestine letter found in two copies on the persons of UJROWSY's cell mates, Otto HERRMANN and Josef KAUFMANN on 22 May 1962 and turned over to the investigative authorities. In this remarkable document, UJROWSY set forth in condensed form that very information concerning the intercept coverage of the USSR missions in Germany which he allegedly did not betray to the RIS and which from the political-propagandistic standpoint is decisive. There is no addressee, but it appears from the statements of HERRMANN and KAUFMANN that the two documents - each identical - were to have been sent to UJROWSY's wife, whereby it is fully unclear at present what Frau UJROWSY was supposed to have done with them to fulfill UJROWSY's wishes in the matter. The future course of the investigation will indicate whether it is possible to satisfactorily determine UJROWSY's motive and the aim pursued by him in this action.

9. In our opinion it is conceivable that UJROWSY prepared the document for the sole purpose of influencing the investigative authorities by leading them toward a sort of pseudo-proof that he had up to that time given a "truthful" account of his betrayal of the telephone coverage and that only from his prison cell had he undertaken to betray to the eastern services the document's details. He may have - as judged from his perspective - considered that he probably achieved the following objectives, namely

a) One of his fellow prisoners would turn the message over to the investigative authorities as anticipated, or

b) His wife would hand it over to the pre-trial judge or an UPHILL representative.

10. At the same time, UJEROWSY could have been taking pains to create the impression with the investigative authorities - since the original of the type-written document is missing - that this first copy - by whatever method - was successfully smuggled out of the prison and possibly delivered to the Soviet Embassy, a recipient, it must be pointed out, closely involved with the contents of the document and (an establishment) which UJEROWSY once mentioned in a conversation with HERZBERG (see his interrogation of 24 May 1962, p 2). The motive in this case could be:

a) The hope of bettering his position by the involvement of the Bundes Chancellor and the State Secretary, thus restricting the course of the investigation, or

b) A simple feeling of hatred and revenge.

11. Finally, it is c o n s i d e r a b l e that UJEROWSY could have actually been successful in delivering the above mentioned - and to our knowledge not yet located - original copy of the document into the hands of a person with the means to pass it on to the KGB either directly or indirectly. In this way, the information contained within the document would be to a certain extent r e l e a s e d to them, that is to say, the use of that information in an expose' campaign directed against the Federal Republic would be possible without the KGB' having to fear a consequent endangering of UJEROWSY's position.

12. In both closing paragraphs of the documents, UJEROWSY attempted, as he also did on p 304 of the criminal police interrogation by the way, to create the impression that he had had inner doubt ("headaches") about the travesty on the postal secrecy regulations caused by the UPHILL technical operations. It is not clear whether these scruples cropped up only regarding the listening in on telephone conversations or if they also cropped up in connection with the installation of audio devices. In the course of his job as INDEX operational chief, UJEROWSY had engaged with a passion in both forms of technical operations in close cooperation with the AIB. They constituted a major part of the tasks newly assumed by him in March 1959, and were that part given highest priority by him and about which he stated, on p 298 of the Protocol: "... I found (it) quite interesting and I also found satisfaction in this work."

13. It is true that UJEROWSY painstakingly collected items from publications dealing with the legality of trespasses on the privileged secrecy of the Post and that he presented these to his superiors. It is not true, however, that he presented in this way objections to this particular type of UPHILL operation in the context that such operations should be cancelled because of their violation of the Constitution or that he declared himself unwilling to participate in such operations. More accurately, he defended thereby the opinion shared by UPHILL that it was necessary to work out a new legal basis for this substantive question which better protected the undeniable security interests of the country than the present regulations. In addition, it should be pointed out that UJEROWSY, if he

was earnestly convinced that he as a government official had been drawn into or forced to participate in the carrying out of illegal and unconstitutional undertakings, had at any time not only the right but also the duty to at least state to his superiors that he could not reconcile such undertakings with his conscience.