

VIA: COURIER
(SPECIFY AIR OR SEA POUCH)

DISPATCH NO. EGFA-297

EYES **SECRET** SECURITY INFORMATION ALONE
CLASSIFICATION

TO : Chief of Mission, Frankfurt

DATE: 15 October 1952

FROM : Chief, FHB

ATTN: []

SUBJECT: GENERAL— OPERATIONAL/CALL

shown [] before fudy

SPECIFIC— The IC/PROWL Apparat Flap and its Effect on KIBITZ-15

1. My last meeting with KIBITZ-15 was on the evening of 8 October 1952. At the time of that meeting, neither of us knew of the flap caused by Hessian Minister President Zinn's disclosure of the BDJ's partisan organization. My next meeting with KIBITZ-15 is scheduled for the evening of 16 October 1952 at a safehouse in Heidelberg.

2. Knowing KIBITZ-15 as I do and realizing that the question of his "status" vis-a-vis the German Government has always been of great concern to him, I am sure that he spent the last week doing a great amount of soul searching regarding his activities for us and the future.

3. Among the courses of action KIBITZ-15 might take are the following four:

- (a) Go to the Bonn Government (where he has a number of very good and well-placed friends) or, to ZIPPER and tell all about his activities for us.
- (b) Lay the groundwork, or at least plan it, for doing (a) above, but wait until he has seen me before doing it. In this connection he might even ask my cooperation in making correct connections in Bonn.
- (c) Or he could do the opposite of (b) and plan, with Bonn's help, another "flap".
- (d) Quit entirely or give me a date which will be the latest that he will actively participate in the KIBITZ Program.

4. It is believed that KIBITZ-15 will or has made one of the above choices because the current flap has put him in somewhat of a spot. If the Bonn Government does not know of his operations now, he is still safe from, we will say, unfavorable publicity. However, if the Bonn Government finds out themselves about KIBITZ-15's operations a month or a year from now, they could easily roll him up with a very adverse publicity and thereby nullify his military ambitions which are uppermost in his mind. I have said before

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Hand carried by []

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FORM NO. 51-28 A
MAR. 1949

NAZI WAR CRIMES DISCLOSURE ACT

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Date: 2005

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

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in dispatches that he has no regard for Bonn or for politicians; this is true! However, he is not dumb and, with his military ambitions, he certainly realizes that it would be much better for him to be working for the Bonn Government in a quasi or official capacity, than to be working for the Americans in clandestine activity.

5. With the above possibility in mind, the undersigned and [] discussed all angles of the KIBITZ-15 Net in respect to the current flap, with [] and []. We have drawn up the following balance sheet regarding the KIBITZ-15 Net:

WHY WE SHOULD KEEP THE KIBITZ-15 NET.

1. It is a going group which could possibly (?) be expanded under tight control.
2. We have nothing to replace it.
3. It could be used as camouflage for our staybehind operations.
4. It could be turned into a paramilitary (Resistance) organization(?).
5. It is anti-Soviet in its motivation.
6. It could be used in a machiavelian sense as bait for the Soviets in time of hostilities.

WHY WE SHOULD NOT KEEP THE KIBITZ-15 NET.

1. Getting rid of it now, if possible, i.e. turning it over to the Federal Government or to ZIPPER, would eliminate possible discovery of such organization at a later date and an ensuing flap.
2. In relation to (1) above, turning it over to Bonn now might be used as a "sop" in our relations with Bonn over the present flap.
3. If KIBITZ-15 has not already done so, he could at any time "turn us in" to Bonn.
4. In relation to (3) above, control of KIBITZ-15 will always be a problem.
5. The compartmentation of the Net as a whole is not very good and the possibility of compromise or its discovery by the German Government is ever present.
6. Administratively — from our viewpoint — now would be the time to turn it over to Bonn for: we have three new safehouses which are unknown to KIBITZ-15; [] is going home on leave in November; [] is being considered for reassignment to a position of more responsibility, by EUCA.
7. KIBITZ-15 has always been worried about his "status" and he is sure to bring the point up now. "Turn the entire operation over to Bonn", might be our ready answer as far as our relations

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WHY WE SHOULD NOT KEEP THE KIBITZ-15 NET.

with him are concerned in seeking a painless solution.

8. Because of bad compartmentation, doubts over control and motivation of KIBITZ-15, (what does he really want) the question "can it ever operate" is always in my mind.

9. The type of people in the KIBITZ-15 Net, although strongly anti-Soviet, do not always possess the high mental and initiative standards required of a staybehind agent.

10. The loyalty of the whole show is more towards KIBITZ-15 and/or Germany than towards the U.S. or the West.

11. During the period which the undersigned has been case officer, the KIBITZ-15 show has taken up 75 per cent of the time of personnel assigned to the project and about the same percentage of money allotted. Question: Aren't we putting most of our eggs in one basket?

12. KIBITZ-15 has stated that he has good connections in Bonn, especially in the Blank Ministerium which is planning the new German Army. Whether or not such "connections" know of KIBITZ-15's activities for us is unknown. However, they could be used, flap-wise, by either party at any time.

13. Although KIBITZ-15 has never mentioned specifically ZIPPER, he no doubt has either witting or unwitting connections with ZIPPERITES. These also could be used by either party to compromise the operation.

6. In considering the above, which might be called the pluses and minuses of what should be done with KIBITZ-15, the facts known to KIBITZ-15 and his sub-agents that might compromise us are:

(1) He knows our general operating procedure.

(2) He knows safehouse in Unterschondorf, (now being released, but it will still be used operationally by MOB) Ulm and Heidelberg. However, arrangements have been made to exchange the Ulm place for a new house -- unknown to the KIBITZ-15 Net -- effective this week.

(3) KIBITZ-15 and some of his sub-agents know the operational cars used by case officers. It is not known whether or not KIBITZ-15 (or others) has had the foresight to take down the license numbers.

(4) KIBITZ-15 himself very probably suspects that our headquarters is in Frankfurt even though we have never given him any indication that it was or was not. He has this knowledge from the fact that [] had [] had

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KIBITZ-15 to dinner at his home in the HICOG Project a week before departing for the United States. During the dinner, KIBITZ-15 learned []'s correct name when []'s child said, "Daddy, what name do we use tonight, Kessler or (true name)".

(5) KIBITZ-15 and a number of his sub-agents know:

[] as []
[] as [] ; it is possible that KIBITZ-15 knows []'s true name through the license number of []'s privately owned vehicle which KIBITZ-15 has seen. [] sold this vehicle about a month ago and if KIBITZ-15 did not get his name previously, he has no way of getting it now.

[] as []
[] as []
[] as []
[]'s []
[] as []
[] as []
[] also met KIBITZ-15 one time.

(6) Although the cover used by case officers in KIBITZ-15 show has always been "U.S. Army out of Washington", KIBITZ-15 has given me some indications that he at least suspects that we are DISCLAIM for he has mentioned, on two occasions, [] and asked obliquely what connection we had with him. []

(7) KIBITZ-15 knows or can easily find out, all data on household help in Ulm and Unterschondorf.

(8) KIBITZ-15 probably suspects that we have operations other than his in the staybehind field. (Both the U.S. staff side and KIBITZ-15 Net agents were trained and met in the Ulm and Unterschondorf safehouses prior to the undersigned's taking over the operation. This was changed in late July when we obtained the Ludwigsburg safehouse which is used only for the non-KIBITZ-15 side of the program.)

(9) KIBITZ-15 has seen all of our secret W/T equipment — RS-1, RS-6 and TR-1 W/T sets, together with ADK, oscillator and instructograph for W/T. Operators in KIBITZ-15 Net and, of course, all sub-agents who are W/T candidates have seen and used this equipment if they were cleared.

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(10) KIBITZ-15 and his operators who have been cleared and/or reached a pertinent stage in training, are familiar with our W/T operating procedure and BROWN/A signal plan. No W/T operator or any other person in the KIBITZ-15 Net, including KIBITZ-15, has in his possession a signal plan of any type, crystals, or a W/T set other than a TR-1. (KIBITZ-15 has four TR-1s in gas cans given to him by [] These will be picked up.)

7. In considering all of the above points and the fact that we have no contract with KIBITZ-15 -- he refused to sign one for [] and mentioned this refusal to me soon after I took over the operation -- and the fact that he always emphasizes that he is working with the U.S. for Germany, it is believed that the entire operation should be turned over (by DYCLAEM approach) to the Bonn Government or to ZIPPER as soon as possible. If this is not feasible immediately, it is believed there should be a moratorium on operations until the position of DYCLAEM is clarified in regard to the establishment of clandestine para-military/staybehind operations in Germany.

[This proposed action pertains only to the KIBITZ-15 Net in the staybehind program. The U.S. recruited and controlled staybehind agents are not believed a danger, security-wise, to DYCLAEM. This is based mainly on the fact that the compromise of ~~any~~ any one of U.S. staff controlled staybehind agents would be the compromise of only one man or team and not the entire program. The undersigned has, over the last sixty days, placed operational emphasis on the U.S. staff side of KIBITZ and, if KIBITZ-15 and his Net are turned over to the German Government or ZIPPER, this will free staff personnel to concentrate on individual U.S. recruited and controlled agents. Considering the reassessment of the U.S. position in this field, it is believed that it would pay us to concentrate on recruiting and training a small or reasonable number of high-quality U.S. controlled staybehind agents instead of the mass-type organization that KIBITZ-15 or his like will always evolve us in. (All recruiting has, however, been stopped temporarily per DIR 22611, 8 October 1952.)]

8. At my next meeting with KIBITZ-15 on the evening of 16 October 1952, I will, of course, have to see what his reaction to the flap has been before taking any action. Here is my proposed plan of action:

(a) If KIBITZ-15 says he wants to go to Bonn with his case, I will agree (as suggested by [] and []) and attempt to have him let me make the arrangements for him to see someone in Bonn, or in the "Gehlen Gruppe". If he says that he will go himself, I will attempt to get the "Who and When" so we can act first.

(b) If KIBITZ-15 does not directly say what he has done, I will attempt to elicit all I can about what he has done so we can act accordingly.

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9. N.B - In a meeting between the undersigned, [redacted], [redacted], [redacted] and [redacted] on 3 November 1952, the following course of action in connection with the KIBITZ-15 program was agreed:

a. At an exploratory meeting which I would have with KIBITZ-15 in the near future, I would advise him that because of developing German sovereignty, German participation in EDC and the relationship of both to NATO, we were giving some consideration to advising the Federal Government of the existence of the net, but before so doing, (1) wanted to obtain his reaction, (2) his opinion as to who specifically should be contacted in the government if an approach were made, and (3) determine whether he had as yet made any approach himself and if so, to whom.

b. If KIBITZ-15 were agreeable to such an approach and no other adverse factors appeared, we would then contact the government (probably the BfV or the Interior Ministry), advise them in general terms of the net and the purposes for which it had been organized, point out that to date there have been no security "flaps" resulting from the net's existence, stipulate our intention to maintain the net under direct U.S. control or ZIPPER until such time as the Federal Government was prepared to take it over, and ask for Federal Government reaction to these proposals, and specifically for their recommendation as to whether the net should be passed to ZIPPER, held by us, or phased out.

10. Before implementing the proposals contained in paragraph 9, it is our understanding that the personal approval of [redacted] would be required since a disclosure of our operations -- although on general terms -- to the Federal Government, is involved. The approach to KIBITZ-15 outlined in paragraph 9a, also must await further information from POB on the details of KIBITZ-15's possible connection to ZIPPER, directly or through the Selbsthilfe.

11. As an alternative to the action proposed in paragraph 9, we might discuss with [redacted] and his STORCH case officer, the advisability of turning over the net to ZIPPER with or without any recourse to the Federal Government. The factor favoring this alternative is the STORCH program itself within ZIPPER. We understand that ZIPPER is giving consideration to expanding STORCH, and has held discussions in this vein with USAREUR.

12. Formal approval of the course of action suggested in para 9 or 11. above, or an alternative directive is requested.

NOTED BY: [redacted]

APPROVED: [redacted]

HGS/cfp

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In view proposed review by a qualified officer this will be history by the time you receive it. HGS