

Venus case file

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AIR

ORBW-246

APR 7 1953

[]

Chief, WE

Intelligence
Operation VENUS

Reference: ORBA-92

1. Headquarters has taken considerable time in order to study and evaluate operation VENUS from all aspects. Among Headquarters comments on the operation in general are:

a. From the information presented it has all the earmarks of being a most valuable operation. This is primarily so because few others of its nature have the degree of control over the principal, in this case "Peter" and as a matter of fact this case, as a double agent case, is almost unique.

b. Of particular interest is the fact, brought out in the AVH requests to Peter, that there are Soviet attempts to coordinate intelligence activities among the satellites, e.g. the requested information on Polish and Czech activities. The handling of the case would appear to reflect Soviet briefing and indirection.

c. Headquarters would like to compliment the [Belgians] handling of the matter to date, which reflects considerable professional competence.

2. Before answering, in detail, your request concerning the case, there are a few points to be made:

a. Any information which can be given to the AVH people concerning ZAKO or MEREK should be considered expendable and you can inform [Belgians] that KUBARK is not interested in the MEREK.

b. We regret that ZAKO is involved in the case and suggest that, from now on, his involvement in the future of the operation be kept to a minimum.

3. A review of the case reflects the following:

a. Peter is acting for

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- a. Peter is acting for three services, ZAKO organization the MHBK, the AVH and the [Belgians]
- b. Among the three, he possibly is closest in loyalty to ZAKO.
- c. His loyalty to [B] is probably based on a fear of expulsion from Belgium rather than any affinity for [B]
- d. His work for the AVH, although possibly motivated in part by any financial gain he obtains from them, perhaps a desire to keep relations with authorities of the present Hungarian government as a kind of insurance, primarily results from his desire to help the [B] and thus retain his position in Belgium.
- e. Peter has had direct relations with the AVH for approximately four years and with [B] for slightly longer. His numerous comings and goings, contacts and reports indicate that he is quite experienced in several matters pertaining to agent operations and at least from the information available as contained in OBBA 92, he has produced little intelligence information other than names and dates. His main worth lies in that he has exposed the fact that the AVH is expending not inconsiderable energy against the MHBK and in addition, the matters discussed in para 1 b above, plus the fact that he has identified several Hungarian IS personnel.

4. Paragraph 8 of the reference requests Headquarters' assistance on several aspects of the case which are answered below:

- a. Aside from reports [] there are no Headquarters traces on any of the persons mentioned in the reference except as below. You may pass this information to [B]

EROS, Joseph - report March 1950 lists EROS as Consular Secretary of Hungarian Legation, Vienna; Nov 1950 lists EROS as Second Officer, whose office is off limits, suspected of having lists of and reports on all Belgian Communists, has daily liaison with USSR, often seen with his deputy in Belgian mining area.

FULOP, Andre - no info. Josef FULOP listed as KPO agent having some contact with HENGL, Laszlo.

TELEKI, Jozsef - In Andras KOVACS debriefing - not known as regular courier, and may therefore be of security interest.

KOVACS, Zoltan - Vienna Report Aug '49 lists KOVACS as clerk with Hungarian Restitution Mission in Vienna; Linz Jan 1950 Zoltan KOVACS was one of the 1st persons fired when Elemer BANKY became chief of the Hungarian Restitution Mission; Vienna Jul 1949 lists KOVACS, 32, wife and 3 yr old son living in Vienna--clerk, interpreter and translator, Communist; VoekLabruck Jan 1947 states he is newly employed civilian with KPC in Hungary; MAV Apr 1947 officer in Hungarian Military Intelligence 1942-43, has close contact with Russian circles in Budapest and Vienna, active informant of Dr. Gyorgy FRATER attached to Hungarian Consulate, Vienna.

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BORSANYI, Imre - Brussels is his diplomatic post, entirely faithful to Communist regime, one of the young Communist replacing older and less reliable diplomats.

FESTSZANUSI, Belor - Nov 1950 subject is in charge of coding telegrams; Brussels report June 1949 lists him as assistant to representative of Hungarian Foreign Commerce in Brussels.

PETER - MBEK representative in Belgium, military head of MBEK in Belgium, ZAKO's representative in Belgium, (1944 report) politician at University of Economic Sciences and Technology, Budapest-close friend of Tibor Eckhardt; 46 reports him as Major in HIS, in charge of HADIK; 49 report lists him as commanding officer 14th Battalion of Border guard; 1946 report states PETER reorganized HADIK after Dec 44, HADIK did not last and PETER left with VKF/6.

b. Advice and assistance in fulfilling the requirements mentioned in paragraphs 7 (a) and 7 (c) of the reference.

(1) After due consideration, it is the Headquarters consensus that we cannot brief Peter on his reply to an opposition request to visit behind the Iron Curtain. There are several lines of reasoning, each of which mitigate against such a briefing:

(a) Headquarters does not believe that there is any method of controlling him should he make such a trip.

(b) Should he go, he would operate blindly for [B] as it does not seem possible, as far as we are concerned, to provide any communications means.

(c) There is the possibility that the AVH is attempting to get him to accept a trip to either Hungary or a Soviet controlled region such as the Soviet zone of Austria in order to seize him for trial. His history is such that he may very well be considered an enemy of the regime, in addition, it would be a feather in the cap of the AVH to induce the return of an escaped "traitor" who is in addition a relatively high ranking officer of a "state-enemy" emigre group. His biography, attachment "A" of the reference, shows him to have been actively anti-Soviet and anti-Communist.

(d) However, past experience with respect to the AVH has shown that they have taken others with histories similar to PETER to Hungary in order to train and indoctrinate them for agent operations in the countries where they presently reside and as further penetration of Hungarian and other emigre groups. We therefore, believe that should the AVH ask him, again, to go back that he be encouraged to go. The chances are excellent that he will return and his debriefing upon such an occasion should prove valuable.

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(2) To provide Peter with a coherent and detailed story of all that he may be able to tell the opposition about the MEBK in order to minimize the possibility that he appear evasive to his opposition case officer would seem to be outside of our competence. This is especially true since Peter himself is an officer of the group, ZAKO is aware of the case and in contact with Peter and [B] This being so, it seems that the best source would be ZAKO himself. KUBARK does not consider ZAKO or the MEBK to be worthy of support and in addition, there is a very real element of danger in concocting a story for Peter to tell the AVH since the ZAKO organization is well penetrated by the AVH and therefore, any story would be immediately checked and if not true would jeopardize anything Peter might do with the AVH. Therefore, we suggest that the source of such a story would best be ZAKO and Peter rather than [B] or KUBARK. For your information, Headquarters believes that any story told to the AVH would be worthless unless it were true, not necessarily the whole truth, since it is considered that the penetration of the MEBK by the AVH is sufficient that an untruth would cut off any further use Peter may have.

(3) Paragraph 8 (c) is best answered by the simple statement that KUBARK is not exploiting the MEBK and, at present, at least, has no intention of such an exploitation. Our reasons are in essence, an attempt at exploitation is uncontrollable, the organization is too well penetrated. ZAKO has, for years, attempted aid from and liaison with practically every service and government in the west and himself is discredited as an adventurer and probable paper-mill. In addition, we can see no use or worth to an exploitation of the MEBK.

(4) For the reasons given in paragraph 2 above and because we feel that exploitation of Peter's agents, based on present knowledge or perhaps lack of it, do not offer sufficient inducement to KUBARK to attempt such exploitation.

5. We suggest that any story prepared by Peter for his AVH case officer be thoroughly checked and that he be impressed with the necessity of giving only the truth.

6. For your information and guidance, there is no limit to what Peter can give the AVH on ZAKO and MEBK since, as far as we are concerned we consider all such information as expendable and well worth expending to increase Peter's use. We would like, however, to be informed on all use that is made of information Peter can develop for AVH. In addition, we suggest that you attempt to convince [B] to limit use of ZAKO himself to an absolute minimum. We consider that ZAKO's personal headquarters and the MEBK are so penetrated that he would be absolutely unreliable and dangerous to any operation. Therefore, the less he has on "Peter", for example, the more secure the operation.

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