

Subject: MALAXA, Nicolae

NO #
15 May 1950

Most of the information in our files consists of that obtained from IID and Archives. Both of these sources should be checked as well as FDP to which I&SS forwarded a report from a New York source in March 1948.

In January 1950 OO/C reported that the firm of Sargent and Doman, 60 Wall Street, was handling the legal affairs of Malaxa and within a few weeks of the report had received a \$10,000 retainer. Shortly after this report Malaxa is said to have dismissed the firm as his advisers.

In February 1950 the General Services Administration inquired about Malaxa in connection with his bid for purchase of a California plant. At that time Malaxa was residing at the Sherry Netherlands, was interested in the Westcorp, 445 Park Avenue, New York, and had as his Washington representative, one Oscar Colcaire, 3700 Fordham Road, N.W., Washington, D. C.

In March 1950 OO/C furnished information to the effect that a source had refused to give information because Malaxa, his employer, was reputed to have access to CIA information on himself through the above-mentioned Oscar Colcaire.

The following information was received as a result of an applicant-type investigation conducted by the FBI in early 1950:

(1) An Army Officer who was with the Allied Control Commission in Rumania was interviewed concerning an applicant and during his testimony described Malaxa as a wealthy Rumanian industrialist who was involved in politics. He characterized Malaxa as shifty and unpredictable and stated that Malaxa had probably collaborated with the Germans to protect his interests during the German occupation of Rumania.

(2) In 1948 David Lee Von Ludwig, who is the stepson of Grady Cameron McGlasson, was interviewed and stated that Malaxa had originally contacted McGlasson in an effort to have the latter person intercede to forestall the confiscation of his property by the Russians. Von Ludwig stated that Malaxa gave McGlasson a contract promising to pay him \$100,000 plus a percentage of the gross for McGlasson's efforts in assisting Malaxa in obtaining a U. S. visa, in arranging a meeting with Henry J. Kaiser, and in assisting in forming a company in this country to hold a major part of the stock in his Rumanian industries. Another part of this contract called for McGlasson's assistance in obtaining visas for George Palade and his wife who were Malaxa's son-in-law and daughter. Von Ludwig stated that McGlasson avoided contact with Malaxa on the latter's arrival in this country. The contract was finally settled by payment of \$8,000 by Malaxa to McGlasson for which the latter executed a receipt for \$300.

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(3) Malaxa was interviewed in 1948 and stated that he had written a contract with McGlasson in Rumania, that he had given McGlasson \$2,000 in Bucharest and had sent another \$3,000 prior to leaving Bucharest. He stated that on his arrival in this country he found that McGlasson had done nothing to promote his interests in this country but demanded \$33,000. Malaxa stated that he paid \$12,000 to McGlasson's representative for which he received a receipt for only \$300. McGlasson's representative was identified as one Lyman Tucker who had served in the American Military Mission in Rumania. Malaxa denied that he had hired McGlasson to obtain a visa for him.

(4) A New York attorney, one Bernard R. Lauren, advised in 1948 that McGlasson had contacted him in 1946 in connection with efforts to unblock Malaxa's funds in this country. Lauren stated that McGlasson ran into difficulties in negotiations with the Kaiser-Frazer Corporation and that Malaxa subsequently dealt directly with Lauren in this matter. Lauren stated that he was instrumental in obtaining a visa for George Palade and his wife and that he, Lauren, was instrumental in having an official of the Kaiser-Frazer Corporation write a letter to the State Department in connection with Malaxa's visa.

(5) Oscar Colcaire was interviewed in February 1950 and identified himself as an adviser to Malaxa. He stated that he had turned over various sums of money to McGlasson in connection with the latter's activities for Malaxa until the question of a \$25,000 fee came up which Colcaire considered to be exorbitant. Colcaire stated that Malaxa refused to pay this amount until Bernard Lauren had threatened to expose Malaxa's plans to place his properties under American control. Colcaire stated that Malaxa's wife and child were still in Rumania at that time and that Malaxa paid McGlasson in order to avoid possible Russian reprisals. Colcaire had in his possession letters which contained the details of the agreements with McGlasson and a release dated in January 1947 whereby McGlasson renounced claims against Malaxa and his companies for "\$1.00 and other considerations".