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V148/BSM
JMS/1

135

War Room (through Mr. Noble)

13 Jan 45

Lord Rothschild sent to V.B.Z. three £10 notes taken from NEBEL when arrested. These were forwarded to us for Sir Edward Reid to make the usual enquiries. I attach a note by Sir Edward Reid on the result of his investigations.

Th. Clay
Theresa Clay.

B.1.G.
13.1.45.

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B.1.C. Miss Clay

In accordance with your note of 10.1.45. I took the 3 £10 notes which were in the possession of NEBEL to the Issue Department of the Bank of England. They inspected them and said that they were all 3 forgeries of the type which is believed to be of German manufacture.

I accordingly left the notes with them and they gave me their receipt for them which I send you herewith for you to put in the appropriate files.

This incident is an interesting one as if we are to assume that Ant. VI S drey these notes from Germany and gave them to an agent for him to live on, this will be the first occasion that we know of where the Germans have deliberately paid an agent of their's with forged notes.

In the cases which we have had before where agents have come from Lisbon and some of the notes which they have had in their possession have been forgeries, what has happened is that the Germans bought in the Black Market in Lisbon notes which they believed to be genuine and handed their agents forged notes by mistake.

It is almost inevitable that the possession of forged notes will cause the holder of them to come under observation and it is almost incredibly stupid to give forged notes to an agent who, you hope, will escape notice.

Consequently if this episode means that the German Secret Service sent an agent to France to do sabotage and equipped him with forged notes, this is a new feature in the technique of the German Secret Service and may be worth having on record.

(Sgd) E.W. Reid.

R.1.E.
11.1.45.

— 2 —

Ostrich

CX 12727

Case Officer VB

14 January 1945.

ND 3

Section V

From D.S.O. HUT 3

Following received T.O.O. 1319482/1 "ZZ"

(ALP/SH 151 for Crusade)

Weekly progress report number 10 for week ending 13th January 1945.

4. Development of DA Cases.

B. OSTRICH. It is hoped that OSTRICH will cross the lines in 12 AG area within the next few days. The following agents in the Jeanne organisation and connected with the OSTRICH case are being interrogated: RENE PONCIN, HENRI CATHELAIN, ROGER LAMBIC, CHARLES AUGUSTE MOREAU, MADAME NEY, reports on HENRI PONCHELET, MAURICE ZELLER and on D.C.'s connected with the case are being sent to VBZ.

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