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15 May 1946

TO: SAINT, Stockholm (Information Copenhagen, Oslo and London)

FROM: SAINT, *gg*

SUBJECT: Referat VI - D/3 (Scandinavia)

REFERENCE: XX-10595 of 22 January 1946
(Interrogation Report on PAEFFGEN, Theodor)

1. Since the reference document has not been sent to you the following excerpts thereof are for your interest.

"Stubaf GROENHEIM, formerly with the old SD Haupt Amt (III-3), was in charge of the Referat (of O20 Report on JOHST). GROENHEIM was relieved in August 1944 and in October was sent to Abt VI, BdS OSLO, to collect intelligence on Sweden and to organize an I-net in Norway. In his report he stressed the difficulties facing him in the latter task.

GROENHEIM's successor was Stubaf BUSSINGER. Stubaf BROSS, HB for Amt VI in Finland, had done excellent work there, and when that country was forced out of the war in September 1944 he returned to Germany and was sent to Sonder Kommando Nord, Stubaf FINKE was HB in Sweden but had to be recalled in March 1945 upon the insistence of the Swedish Government. Dr KRUEGER, FINKE's assistant in Stockholm, was recalled 31 Dec. 44 and assigned to the Auswertung section of VI-D. The chief evaluation officer (Auswerter) of the section, H/Stuf DOERING, went to OSLO in February 1945 to help GROENHEIM. H/Stuf ZOELLNER evaluated information from Finland. O/Stuf MUELLER, a recent arrival at VI-D, did the same for Sweden. U/Stuf WAHLSTAB kept the card index. H/Stuf DAUFELDT, the brother of PAEFFGEN's predecessor as Gruppen

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Leiter of VI-D, was a member of Abt VI, B&S OSLO, at the time PAEFFGEN assumed control of VI-D. At the end of 1944 DAUFELDT was recalled for disciplinary reasons and transferred to Amt I for reassignment.

Denmark and Norway, being German-occupied territories, were outside the jurisdiction of Amt VI. Their internal intelligence service was controlled by Amt III. In 1944, however, Sweden's stiffening attitude toward Germany's intelligence operations on Swedish soil led Amt VI to prepare offices in OSLO and COPENHAGEN. VI-D was represented in COPENHAGEN by H/Stuf DAUFELDT and in OSLO by H/Stuf KRAUSE. PAEFFGEN saw that neither measured up to his task and took remedial action by replacing them in Autumn 1944. H/Stuf CARSTENN was sent to COPENHAGEN, H/Stuf GROENHEIM to OSLO. Their assigned mission was to maintain intelligence contacts with Sweden and to organize I-nets in each country. In the rapidly developing situation the results of their work were negligible.

VI-D's Haupt Beauftragter in Sweden was O/Stubaf August FINKE. Ostensibly an assistant commercial attache with the German legation in STOCKHOLM, he was considered one of the ablest agents in the service of the SD. FINKE was known to be one of SCHELLENBERG's Sonder Linien (special sources). Before his assignment to Sweden, FINKE was Gruppen Leiter VI-A, succeeding Stubaf Dr FILBERT and preceding Standf Dr SANDEERGER. FINKE was a bon vivant with a vehement dislike for sustained work. As to his accomplishments and abilities in intelligence work, PAEFFGEN and SCHELLENBERG did not agree. SCHELLENBERG once told Dr HUETTL that FINKE had worked well and that he had managed to set up a comprehensive intelligence net which yielded good information. PAEFFGEN, on the other hand, took exception to the lack of factual material contained in FINKE's numerous reports. Although FINKE had a wide circle of acquaintances in STOCKHOLM, he never succeeded in establishing a good connection with Swedish, let alone British or American, sources

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(CF Third Army Interrogation Center Special Interrogation Report: German Intelligence Operations in the West; source, Maj Friedrich BUSCH, last with Luftwaffe Fuehrungs Stab).

According to BUSCH, FINKE's specialty was to turn up information concerning convoys between Great Britain and MURMANSK. FINKE's alleged source was a German named SCHMIDT who had an affair with an English girl who in turn had an affair with an Irish priest. This priest was supposed to have been the British Ambassador's father confessor. This is hardly plausible, especially since the British Ambassador was a Scotch Presbyterian.

FINKE's colleagues at the Legation treated him as an interloper and expressed relief when he was withdrawn in February 1945 at the request of the Swedish Government. FINKE's assistant, Dr KRUEGER, was withdrawn in December 1944 at the request of the German Foreign Office.

FINKE found his informants among Swedish and German newspaper correspondents, and among the staff members of the German legation. Graf DOUGLAS, a German national who was related to the Swedish General DOUGLAS, was slated for an appointment at the German legation in STOCKHOLM. He supposedly went to STOCKHOLM in January 1945 as an agent for MIL Amt C (East). He may also have worked for FINKE.

Von GOSSLER,* representative of the German Railways Publicity Bureau (Reichs Bahn Werbe Zentrale) at STOCKHOLM, worked for FINKE as well. He was expelled from Sweden at the end of 1944 on suspicion of espionage. According to FINKE, he was a mere purveyor of society gossip.

Dr DANKWART, Counsellor of the Legation and the German Ambassador's right-hand man, was not kindly disposed toward FINKE, and planned to organize an I-net in Sweden through the facilities of the German legation. BAUERSTELD, who worked on exchange students' matters in the Kultur Abteilung of the German legation, and Dr PENZLIN, STOCKHOLM correspondent of Dr GOEBBELS' newspaper Das Reich, were among FINKE's agents. So also was Countess KNYPHAUSEN, the divorced

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wife of a German news correspondent in HELSINKI, who went to Sweden in 1943. She was a Norwegian citizen, supposedly the daughter of the Premier of the Norwegian Government in Exile. Her excellent connections in Swedish and Norwegian circles yielded but little information of political value.

The dean of GIS agents in Sweden was Dr KRAEMER. At the request of SCHELLENBERG, KRAEMER also collected political information. His reports on the political situation in England before and after the YALTA conference seemed well authenticated and were rated very highly (see Third Army Interrogation Center Special Interrogation Report No 2, par 2, on source HASSO). After a long drawn-out dispute, the vexing question of whether KRAEMER had dealings with the Allies was decided in the negative. KRAEMER, who for many years had been with Abwehr I-L, was taken over by Mil Amt C after the reorganization in Spring 1944. His activities were coordinated by Obst/Lt von DEWITZ of Mil B, the chief of the Evaluation Section West of the Luftwaffe Fuehrungs Stab, since most of his information concerned England. At first SCHELLENBERG suspected KRAEMER of working for an enemy intelligence service. KRAEMER's steadfast refusal to divulge his sources of information and his extravagant style of living increased this suspicion, and SCHELLENBERG told PAEFFGEN and Obst/Lt I G OHLETZ (Gruppen Leiter VI-C and Mil Amt C) to keep an eye on KRAEMER. Neither OHLETZ nor PAEFFGEN (who had KRAEMER investigated by FINKE) were able to find incriminating evidence.

According to PAEFFGEN, KRAEMER knew a great deal about British politics and was a capable analyst of political information. Maj Friedrich BUSCH, second assistant to the air attache of the German Embassy from March 1943 to Fall 1944, claims that KRAEMER had many powerful friends in BERLIN for whom he took foreign currency to Sweden. Among them were Maj BENTHEIM of the Luftwaffe Fuehrungs Stab; Obst/Lt KLEINSTUEBER, chief of Abt I-L Amt Abwehr and last reported with KO MADRID; SCHELLENBERG; and Reichs Marshal GOERING. BUSCH also suspects KRAEMER of having appropriated certain files concerning the USSR which were missing after one of KRAEMER's frequent visits to BUSCH's office. Hptm ZETSCHKE of the

Luftwaffe Fuehrungs Stab cautioned SCHELLENBERG in August 1944 about KRAEMER. BUSCH himself was recalled to BERLIN at the insistence of KRAEMER and was warned by the Gestapo to cease prying into KRAEMER's affairs.

Among other stories, KRAEMER reported that the Danish inventor, Niels BOHR, wanted to make the secret of the atomic bomb available to Germany. HITLER was supposed to be so impressed by these reports that he appointed SS Brigf ALBRECHT head of an atom-splitting department in his headquarters.

SCHELLENBERG, under questioning at this Center, claims that the whole issue centering on KRAEMER's alleged British affiliation was used by SS O/Gruf Heinrich MUELLER, Amts Chef IV, as a pretext to undermine SCHELLENBERG's position. SCHELLENBERG clearly recognized that if MUELLER should succeed in establishing KRAEMER's treason, it might seriously jeopardize his position as chief of Mil Amt. He therefore resolved to back KRAEMER to the hilt, disregarding several weighty elements of doubt in his own appraisal of KRAEMER's sources. Over and above considerations of the safety of his own position, SCHELLENBERG claims to have liked KRAEMER's reports, inasmuch as they lent support to the political line expounded by the EGMONT reports. As long as KRAEMER's reports continue, at least by implication, to stress the imperative need of arriving at a negotiated accord with the Western Allies, SCHELLENBERG was prepared to accept the KRAEMER material and use it in the EGMONT reports in full knowledge of its having been derived from British sources.

The VI-D representative in Finland was Stubaf BROSS. According to PAEFFGEN, he was a top-notch intelligence agent and had the advantage of working in a country friendly to, and allied with Germany. As a cover occupation BROSS held a job with OT. He worked by himself and had connections with men high in Finnish political circles.

BROSS was well-informed on political trends prevailing in Finland, and, during the critical phase of Spring and Summer 1944 his reports proved to be sound

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and well-authenticated. When the Finnish-Russian armistice forced him to quit the country in September 1944, he managed to organize a stay-behind net which continued functioning until March 1945.

After the evacuation of Finland, SCHELLENBERG ordered the formation of a Sonder Kommando NORD to collect military and political information originating in Finland, with special emphasis on the USSR and Russian methods used in Finland. Freg/Kptn CELLARIUS, the former Abwehr representative in Finland, and two of his assistants, SS Stubaf BROSS and, at a later stage, Dr KRUEGER, former assistant to FINKE in STOCKHOLM, formed Sonder Kommando NORD, with CELLARIUS in charge. Both Mil C and VI-D were authorized to issue directives. Sonder Kommando NORD had its headquarters in HERINGSDORF. At the end of January 1945, after first notifying HELSINKI, CELLARIUS and BROSS went by submarine to the west coast of Finland to pick up a Finnish intelligence officer, Col. FABRITIUS. Notes were compared on the prospects of activating a secret intelligence net in Finland and organizing a system of communications between Germany and Finland. FABRITIUS undertook to select prospective agents from among his subordinates and sent them to Germany for training as W/T operators. It was arranged that the agents be returned to Finland, equipped with W/T sets. However, this was never done. At the beginning of February 1945, BROSS's communication channel to Finland, upon which the operations of Sonder Kommando NORD hinged, went out of existence. All the while that PAEFFGEN was in BERLIN efforts to resume communications were in vain."

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