

Chief
 Chief, EE; Chief, NY; Chief of Station, Germany;
 Chief, Non-Operational Staff
 Chief, Foreign Liaison Page
 CHIEF/DISEAS/USARMYCOM
 CAPTION "REPERMILL" CASE

XX

NO REVISIONS REQUIRED

ONLY QUALIFIED DESK
 CAN JUDGE MATTER

SECRET

REF: REPERMILL 10

- REFERENCES: A. 100A-35781, 31 December 1964
 B. 100A-35702, 14 December 1964
 C. 100A-32506, 6 November 1964

1. On 26 January 1965 SIEMERSEN returned the audio device we had loaned him and gave us the following story: The meeting took place as planned and CATIDE used two audio devices, hoping thereby to achieve a stereo effect and thus increase the chances of getting an understandable recording. The receiving stations were outside in cars rather than in a boat as was originally planned. SIEMERSEN said that from a technical standpoint the operation worked fine but that there was so much incidental noise in the place they were not able to get too much out of the conversation. In addition to the audio devices CATIDE had two surveillants, two young men with "existentialist (but real) beards" sitting at the next table and also had the cooperation of the waiter who served the two principals. According to SIEMERSEN the Czechs mounted a counter surveillance in positions that made it possible to watch the principals as well as the entrance.

2. SIEMERSEN stated that CATIDE had indications of deceit on the part of the "agent" but no proof. As support for this statement he cited the following:

1) The "agent" had always claimed that the meetings took so long because the "resident" spoke very little German and very little English, thus making their conversations very difficult. Through the audio devices and the surveillance CATIDE established the fact that the "resident" spoke fluent German.

2) There was a long conversation between the "agent" and the "resident" on the basis of a document of many pages (according to the waiter the document seemed to carry a series of names). The "resident" made marginal notes on the document on the basis of answers supplied by the "agent". The "agent's" contact report made no mention of the document.

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- CONTINUED -

CLASSIFICATION		DATE	
SECRET		11 February 1965	
CLASSIFICATION		REF. FILE NUMBER	
SECRET		32W-5-38/1	
ORIGINATING		EXT.	
CAPTION		TYPIST	
COORDINATING			
OFFICER'S NAME	DATE	OFFICER'S NAME	
		18 FEB 1965	
RELEASING		OFFICER'S SIGNATURE	
OFFICER'S NAME		DATE	
		File	

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Reced On: Meetings with
 SIEMERSEN between

and

File: Repermill File

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 DATE 2008

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4. [REDACTED] stated they planned to try again to monitor a meeting between [REDACTED] and his "resident"; the meeting is to take place in the same city [REDACTED] [REDACTED] [REDACTED]. PETERSEN attempted to disguise the location by stating the meeting took place in Hamburg. He also said that the "agent" [REDACTED] he was meeting an "illegal". PETERSEN is obviously not a very careful listener because he had earlier said that the action would take place in a neutral country and that a "legal resident" had suddenly turned up in the case.

5. On 3 February 1965 DOELLNER permitted [REDACTED] of MLB to listen to a portion of the tape. The noise level was extremely high but the conversation appeared to be in German. DOELLNER indicated that the audio device was unfortunately some distance from the table. He also said, however, that a portion of the conversation was carried on in the Czech language. He quite clearly was not aware of what PETERSEN had told us. DOELLNER said they would try again to monitor a meeting in March and asked to use our device again.

6. In trying to piece together a coherent picture of this CATIDE case we think that our information comes from the following sources:

a) PETERSEN's statements to us at various times since we first asked Rex HUBANK assistance in the case as well as a few chance remarks made by DOELLNER and other of PETERSEN's subordinates. (Reference A and paragraph 1-4 above);

b) [REDACTED]'s statements to [REDACTED] based on [REDACTED]'s own observations (Reference B);

c) [REDACTED]'s statements to [REDACTED] based on what the debriefed and talkative CATIDER told [REDACTED] in October or November 1967 (Reference C);

7. It is [REDACTED] that deliberately attempted to disguise the true nature of the case but must perhaps have told us certain "facts" that are substantially correct. The same can be said concerning the talkative CATIDER; we have no reason to believe everything he said corresponds to the true facts but some of what he said must be essentially correct. We are also taking into account the fact that [REDACTED] was passing hearsay information to [REDACTED] when he repeated what the talkative CATIDER said; in such cases there is always a good chance of a [REDACTED] resulting.

8. We are willing to accept the following items of information as essentially correct:

a) A meeting did take place in Copenhagen between two individuals, one of whom was Joseph LENSKY [REDACTED] who presumably is the "legal resident" who recently turned up in a hitherto unproductive CATIDE "double agent" case. We know also that the meeting was surveilled by the [REDACTED] who used at least one audio device and that the Czechs mounted a counter-surveillance of the meeting.

b) The language of the meeting was German and Czech.

c) The decision of CATIDE headquarters to monitor this "double agent" case was based on more than a suspicion of the D/A's bona fides and is in fact an investigation into a CATIDE staffer suspected of working with the CIS. We cannot believe that the talkative CATIDER, no matter how drunk, would make up the story of the CATIDE staffer being involved; after all such a story reflects rather unfavorably on his own service. Furthermore, we have two significant statements from PETERSEN:

1) He said very early that UTILITY was personally interested in the case, which would make it more than a routine D/A matter;

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2) It should be noted that the entire monitoring of the meeting that took place without the knowledge of the "agent's" CATIDE case officer or the latter's station chief (i.e., only CATIDE headquarters personnel knew about the investigation). This statement may contain elements deliberately calculated to mislead us but it nevertheless indicates the seriousness with which CATIDE views this case.

3) Since CATIDE will attempt to monitor another meeting, we can assume that CATIDE has not yet reached a definitive position in its investigation.

4) In addition to what we can be reasonably sure of in this case, certain discrepancies and peculiarities in the stories that have been developed from the various sources are of considerable interest:

a) Both PETERSEN and the talkative case officer mentioned that a double agent was involved in the case but the latter claimed him to be a Czech citizen. If this were the case why couldn't he conduct his business with the "resident" entirely in the Czech language instead of mostly in German?

b) Why was it necessary for a double agent to explain to CATIDE why his meetings with the "Czech resident" took so long (he had claimed language difficulty). Since a D/A is presumably under at least apparent control of the intelligence officer meeting him there should be no particular reason for either service to question him on this point. PETERSEN, however, makes this a key point in his explanation of how the surveillance of the meeting had indicated deception on the part of the "agent".

c) If CATIDE suspected that one of their own staffers was a recruited SIS agent, how did they expect to prove anything by monitoring a meeting between the "double agent" and a Czech "legal resident"; why not monitor a meeting between their own staffer and the "agent"? In this connection note the peculiar statement of the talkative CATIDER, who (when presumably referring to the meeting to be monitored) said it was the 34th such meeting in a number of years between the double agent and the CATIDE staffer who is now under investigation. Are we to assume that there were two meetings in Copenhagen to be monitored? It hardly seems likely.

d) Summing up we have

1) According to PETERSEN, a double agent of long-standing attending a meeting in Copenhagen with a Czech intelligence officer who has newly appeared on the scene and who is a legal (i.e., diplomatic) resident; a surveillance has been laid on to check the "agent's" bona fides. Furthermore since the regular CATIDE staffer who supposedly handles the "double agent" was not informed of the investigation, he presumably was not even in Copenhagen (provided our theory of only one meeting holds up).

2) On the other hand we have, according to the talkative CATIDER, a meeting taking place between a CATIDE staffer and a "double agent".

3) What we know to be the case was a meeting between an identified Czech intelligence officer under diplomatic cover and an unknown individual who spoke German and Czech.

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... [] can help us to fill some of them) we have developed
 ... [] appears to fit not only with what we, for the
 ... the truth but also with the various discrepancies and
 ... information provided by the different sources involved.
 ... we are inclined to presume that the
 ... the man who met with Joseph LENSKY)
 ... currently under investigation as a
 ... staff officer who is currently under investigation as a
 ... agent. It is our hypothesis that the staffer may well
 ... have been handled by the
 ... (or rather have been handled by the
 ... staffer) recently
 ... to have recruited
 ... the CATIDE point of view, then, the
 ... LENSKY). To quote PETERSEN,
 ... was not a D/A but a penetration (i.e., LENSKY).
 ... caused CATIDE headquarters to analyze
 ... a relatively unproductive operation "caused CATIDE
 ... that there was something "rotten
 ... the case". This analysis indicated that years ago KUBARK
 ... in the State of Denmark". A file check further indicated that
 ... the particular CATIDE staffer in question, therefore
 ... the current investigation was launched. The story of this being a double agent
 ... had caused CATIDE about the particular CATIDE staffer in question, therefore
 ... the current investigation was launched. The story of this being a double agent
 ... CATIDE would certainly not want known. The reason why this deception (vis-a-vis
 ... CATIDE's liaison partners) did not succeed was the talkativeness of one of
 ... the CATIDE headquarters officers who visited Copenhagen and had too much to
 ... drink.

9. NYI: On 1 February 1965 PETERSEN was transferred from the position
 of Chief, CATIDE/CE to become Deputy and Chief of Staff to BREICHLIN, Chief
 of Technical Operations; he has been replaced by GKASTELL. It appears, however,
 that he may be dealing in the future with GOELLNER on this case; he is the
 Chief of CATIDE's Liaison Operations officer in charge of the investigation
 and it appears he may be willing to tell us more than PETERSEN did. We will
 keep you advised of any future discussions of the investigation we may have
 with GOELLNER.

10. Any assistance [] can provide to aid us in getting at
 the true facts in the case will be greatly appreciated. In addition to the
 questions posed in Reference A we would appreciate any information you may be
 able to elicit on the meeting that is apparently scheduled for March. We
 would also be interested in knowing whether two audio devices were used as
 stated by PETERSEN. In this connection paragraph 4 of Reference B stated
 that "the CATIDE officers offered the use of some KUBARK audio equipment".
 Did they actually say the device came from KUBARK or was the word KUBARK
 used merely because [] was already aware that KUBARK had loaned
 the equipment to CATIDE for the operation?

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