

# BEST AVAILABLE COPY

Mr. Tom Kelly, 5965 - Secret Service

Frederick Schwend, formerly an officer in the Nazi Army, was born June 20, 1908, at Beckingen, Germany; the son of Albert and Helene (Hermann) Schwend. He is a mechanical engineer and resides with his wife, Hedda (Neuhold), in a modest dwelling at Vitarte KM 17, Lima, Peru, under the name Fritz Paul Schwend Hermann. He is employed by the Volkswagon Distributors, 824 Avenida Wilson, Lima, Peru, in charge of their mechanical section.

In 1955 Schwend was sentenced to 24 years in prison by an Italian Court for a homicide allegedly committed in Italy in 1944 while he was still in the Nazi Army. Although this conviction was later reversed by the Italian Court of Appeals, Schwend is still wanted by the Italian authorities in connection with this offense, and is the subject of Interpol Circular No. 158/58/A3185. However, before they can proceed with a new charge against Schwend, Italian government officials feel it imperative they locate and interrogate another individual allegedly involved in this matter; one Aloise Glavan. Therefore, Italian authorities will not now extradite Schwend, and his position in Peru is apparently stable. This is further emphasized by the fact that Schwend is reportedly "a man of some influence" in Peru, and is well known to the Peruvian Military Intelligence Unit.

Our interest in Schwend stems from reports that he was allegedly an important figure in the distribution of the counterfeit British currency manufactured by the Nazi Military Authorities during World War II. Schwend has admitted that he had handled the counterfeit British pounds in line with his official duties with the German Intelligence Service, but he has denied actually manufacturing these notes. In view of the quality of those counterfeits, and the magnitude of the Nazi counterfeiting operation, we feel it is in the best interest of this country to establish definitely whether Schwend is presently engaged in counterfeiting activities, either as a consultant or director.

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