

SECRET

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CASE NAME: PFEIFER (previously BASTLER)

AGENT NAME: Stefan Leo (Istavn) BALOGH @PFEIFER

GIS C/O: (Hq) Erich KUTSCHKE @KUTZBACH
 (Ass't) Dr. Joseph SCHNEIDER @UTILITY
 (Agent Handler) Heinrich SCHMALSCHLAEGER V-67

CIA C/O: [] NAME VIS A VIS GIS:

OPPOSITION C/O: @SANDOR
 @GABY
 @PETER

OPPOSITION SERVICE: HIS (AVH)

OPPOSITION TARGET: Hungarian emigres and emigre groups; miscellaneous information re the Amt BLANK office. Some indication was given that PFEIFER might also be used as a courier.

OPPOSITION CONTACT: Personal contact between PFEIFER and the various Hungarian case officers, principally in Linz/Urfahr in the Russian Sector of Austria. Meetings also took place in Vienna in the Soviet Sector. A meeting was planned for Munich but did not materialize. PFEIFER was given an accommodation address in Vienna.

GIS CONTACT: Personal contact between @PFEIFER and V-67, presumably in Passau.

SUMMARY: @PFEIFER came to Passau in 1944 and assumed a leading role in the Hungarian Restitution Commission. During the time the Commission was operative, allegations, never completely resolved, existed regarding @PFEIFER's possible activities on behalf of the HIS and the SRIS. @PFEIFER remained in Passau following the eviction of the Hungarian Restitution Commission from Germany by the US Army in 1948. This case originated in September 1953 when the GIS, aware of the difficulties of determining where the control would lay but hoping to exploit this HIS/SRIS connection if it in fact had existed, contacted @PFEIFER through V-67. V-67 persuaded him to write to his former employer in the Hungarian Restitution Commission, ostensibly to renew old friendships and actually in the hope that an opposition recruitment pitch would be forthcoming. Letters were exchanged until the spring of 1954 culminating in an invitation to @PFEIFER to meet his former employer at a cafe in Linz/Urfahr in May. To no one's surprise PFEIFER found two Hungarian case officers at the rendezvous in place of his friend. A long period ensued during which time both the HIS and the GIS attempted to establish the bona fides of the D/A and considerable speilmaterial changed hands. A third Hungarian case officer was introduced into the affair, but during the entire time no identification was made, although it was believed that at least one of the Hungarians was Istvan SZABO who has been identified as an AVH'er. @PFEIFER failed to make contact with his AVH contact at the

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- EXEMPTIONS Section 3(b)
- (2)(A) Privacy
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scheduled principle and alternate meetings in January/February 1956, giving all GIS and CIA parties time to reflect on the course the operation had taken. GIS was undecided as to the future of the case and a certain amount of conflict existed. @KUTZBACH wanted to cut V-67 out of the case altogether and turn it over to Dnst. 2 or the LfV, but V-67 evidently had support in high places. CIA, meanwhile, had two reasons for hoping the case could be continued: 1) to further monitor the AVH efforts directed against RFE, and particularly one American employed there; and 2) to prolong the @PFEIFER - AVH meetings until an opportunity for a surveillance arose. With respect to the second reason, the latest AVH case officer introduced into the operation appeared to be a resident of the Federal Republic and had scheduled alternate meetings in Munich. After much hesitation on the part of the GIS, they finally agreed that a Munich meeting could be surveilled. As of this date no decision re the future of the case has been forthcoming from the GIS and no further contact between @PFEIFER and the AVH has occurred.

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