

VIA AIR (REPLY AIR OR SEA ROUTE)

DISPATCH NO. KAVA-2166

CLASSIFICATION

TO : Chief, EE [ ]  
 Attn: [ ]  
 FROM : Chief of Base, Vienna [ ]  
 SUBJECT: GENERAL— Operational/ZIPPER/ROESSELSPURNO  
 SECINFO— KUBARK-BROADWAY Conference on Josef Adolf URBAN's Operations  
 REF: VIKM-9719

DATE: 19 March 1953

By Action Dept.	by
See para. [ ]	by [ ]
by [ ]	

1. Circumstances of conference. After delays caused by absences at various times of officers who have contact with the Graglets, a conference was arranged between Graglet/4 and [ ] which occurred over luncheon at the Restaurant Zur Linde, Vienna I, Kottenturnstrasse 12, on 16 March 1953. Graglet/4, an old friend of [ ] who is not a member of the covert element of BROADWAY, made it clear that he was speaking for the covert element. On a recent visit to Salzburg, he had attempted to learn what was known about Josef Adolf URBAN by GRUELER, and he had been advised by [ ] to query [ ]

2. Topics Discussed. [ ] had prepared a memorandum (Appendix A herewith) for his own use indicating the topics in the order in which he hoped to discuss them; the conversation followed this list in order. [ ] had also prepared a memorandum on URBAN's connections (1 copy at Appendix B herewith) for passage to Graglet/4 at the end of the conversation.

3. Structure of URBAN's Operations.

a. Subordinates. Graglet/4 permitted [ ] to copy the following list of names from his notes:

- Frans PROHASKA
- Friedrich KINDL
- Heinrich KLAUS
- Frans KRATOCHVIL
- Ludwig DESCHWANDTNER
- Stefan KIEFER
- Frans RICHTER

URBAN allegedly gave these names to his BROADWAY case officer as those of members of his collecting mechanism. Gragas traces are negative on all these names; GRUELER and GRACORA traces in Vienna and Salzburg are being run.

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FORM NO. 51-28A

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b. Other associates. Graglet/u also gave [ ] four additional names which he said were objects of curiosity on the part of BROADWAY. BROADWAY wished to learn whether these persons exist and what is known about them.

Robert KNECHTL  
Josef HAUERL  
Heinrich FROELICH  
Wilhelm Anton OERLEY

Gratlas traces are negative on all those except FROELICH, on whom [ ] gave verbal traces to Graglet/u, identifying FROELICH as the man whom URBAN had introduced to various persons as his "Chief of Staff." [ ] Note: This introduction was made to GRUESOME/201, who was not mentioned in the conversation with Graglet/u.) A card in the Gratlas files indicates that in 1948 we possessed a report on Wilhelm OERLEY, but this report is no longer in the Gratlas files.

c. Involvement with Dr. Wilhelm HOETTL. Early in the conversation Graglet/u said rather offhandedly that he hoped we would be able to avoid protracted speculation over the status of HOETTL, but later he stated that, in his opinion, there was undoubtedly an operational connection between the two men. [ ] commented that in the case of OIS oldtimers, it is always difficult to know from week to week which cases have been picked up and which dropped, adding that, as a matter of habit, we are always interested in any information on HOETTL.

d. The Possibility of Deception. Late in the conversation, [ ] advanced as a theory to be considered the possibility that Soviet Intelligence is permitting the collection of garbage or is actually passing garbage to the URBAN group in order to establish a channel for future deception. This idea was evidently a new one to Graglet/u and he gave as his immediate opinion the judgment that a garbage operation is much too low level and too loose to be expected to function as a deception channel. He agreed that this did not rule out the possibility of a connection between URBAN and the Soviet Intelligence which might be maintained for some reason not at the moment apparent to us.

e. Contact with BROADWAY. Graglet/u stated that the URBAN operation was purely under the jurisdiction of the covert elements of BROADWAY and that he was not aware of the identity of the case officer handling the operation. He implied that there was direct contact between a British national and URBAN. He stated that BROADWAY receives two types of information: (1) miscellaneous gossip and rumor of a general nature and (2) waste paper collected from Soviet installations in Austria. He added that only the second category was of interest to BROADWAY.

f. Contact with ZIPPER. Graglet/u was aware of contact between URBAN and ZIPPER but affected not to be abreast of recent organizational developments in ZIPPER or of the precise relation between ZIPPER and KUBARK. He rather ingenuously asked whether the group, which [ ] had referred to as the (true name of UTILITY) group was not coded as RUSTY. [ ] stated that this was a previous ODIBEX code name, no longer in use and did not volunteer the KUBARK cryptonym, although it is probable that this crypt is known to BROADWAY since it is known to GRUELER. [ ]

stated that ZIPPER maintains a base near Munich at which KUBARK also maintains a base and added that ZIPPER operations generally follow the pattern of the Abwehr so that the acquisition of ~~operational~~ operational information through ZIPPER channels is frequently impossible. [ ] also made it clear in answer to a question of Graglet/h's that KUBARK bases in Austria do not have direct contact with ZIPPER agents.

g. Contact with FIS and the BEDFELLOWS. [ ] asked Graglet/h directly whether he was aware that URBAN had other customers than BROADWAY and ZIPPER. Graglet/h stated that he did not believe that the garbage is being passed to other customers and that, although URBAN is known as having had French connections in 1947-48, he did not believe that the French were involved in this operation. [ ] then stated that the French were receiving some part of the take from this operation through [ ] certainly in Paris and possibly in Innsbruck. [ ] identified [ ] by true name but did not identify [ ] he ascertained the nationality and affiliation of the BEDFELLOW group, and Graglet/h indicated some familiarity with the activities of this group in Ankara in the period immediately following World War I.

h. Joint Discipline of URBAN.

a. POB Proposal (PULL 5016). [ ] proposed officially that KUBARK, BROADWAY and possibly the FIS agree to gang up on URBAN and demand complete operational information on his operations, suggesting that a single price be paid by this customer-cartel and that all customers receive the total take.

b. Graglet/h Reaction. Graglet/h replied that he personally would favor such a course of action although he was a little uncertain about the mechanisms of establishing cooperation with the French. He indicated that he has liaison with a French Intelligence representative in Vienna and might be able to present such a proposal through this man. [ ] indicated that we have never engaged in local liaison with the French and suggested that perhaps the proper place to coordinate with them would be in Paris, where presumably BROADWAY, KUBARK and the French all have some sort of contact with the Chief of the BEDFELLOW group. Graglet/h then indicated that he would refer the question to the covert element of BROADWAY for their reactions.

c. Mechanics. Graglet/h pointed out that to be effective any joint discipline of URBAN would probably have to be announced to him simultaneously by all of the representatives of Western intelligence services with whom URBAN is in contact. This would presumably require a conference in Salzburg at which members of five nationalities would come to know each other. [ ] stated that he would not care to invite any intelligence officer to expose himself at such a meeting to [ ] and that he was not certain a BROADWAY case officer would care to expose himself to a ZIPPER principal agent. Graglet/h said that perhaps some arrangement could be made for recognition signals whereby a representative could be delegated by the covert agencies to meet URBAN and announce the change. [ ] and Graglet/h agreed that these details could be worked out later when reactions of BROADWAY and KUBARK had been received. Graglet/h indicated that he himself

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would be willing to meet URBAN on behalf of the BROADWAY case officer and suggested that [ ] might be willing to meet URBAN on behalf of KUBARK. [ ] expressed reservations on this point.

5. Status of KAUDER-MIATT. At the beginning of the conversation with Graglet/4, [ ] stated that apparently a certain amount of KUBARK's interest in URBAN had been stimulated by a report from Germany that URBAN was doing business with Richard KAUDER. [ ] then asked what the status of KAUDER is in the service of BROADWAY. Graglet/4 said that, as [ ] undoubtedly knew, KAUDER was a perpetual CE target of BROADWAY and that particularly since the dismissal of Victor <sup>ATMAN</sup>ANN, BROADWAY had been very interested in learning what KAUDER was doing. [ ] stated that our interest in KAUDER was essentially the same.

[ ] Note: The impression persists that Graglet/4 is withholding information about KAUDER and that he has considerable information on KAUDER's present activities in Salzburg.) In summary, [ ] attempt to elicit further information on KAUDER was unsuccessful.

6. Hungarian Sidelight. After the conversation in the restaurant, Graglet/4 sat a few moments in [ ] automobile and read through the notes attached as Appendix B. He commented particularly on paragraph seven, stating that the Graglets have recently had Imre KLEIN in jail but that he had been released again. A short, general conversation followed on the density of fabrication activities in Graz. Graglet/4 stated that if [ ] has any particular information on the activities of Hungarian fabricators which he wishes to pass, Graglet/4 is the responsible officer. His last remark was, "When we get this GHS business cleared up, we must get together and clean up the Hungarian mess as well." [ ] has no reason to believe that Graglet/4 is aware of [ ] present function in Bratislava.

Enclosures:  
Appendix A  
Appendix B

Distribution:  
3 - ME  
1 - Grover  
1 - Grattas  
1 - Carding  
2 - POB (via SOB)  
1 - Fran (via SOB)  
1 - WTL/CE (471)  
1 - EPM (521)

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APPT 11 A to EAVA-8166

16 March 1953

Notes for Craglet Conference on URBAN.

1. KURANK received a report in Summer 1952 that URBAN was doing business with KAUD H. Since KAUD H. was suspected of Soviet affiliations and since URBAN was at that time providing garbage to the ex-Abwehr Group which KURANK sponsors in Germany, Washington put out several queries.
2. What is the present status of KAUD H. vis-a-vis Broadway?
3. What is the present status of URBAN, vis-a-vis Broadway?
4. Notes on URBAN connections are to be handed to Craglet/ and discussed after 2 and 3 above have been exhausted.
5. Is Craglet/ aware of any sponsorship of URBAN other than Broadway and Zipper? (Try to learn extent of knowledge of FIS and Bedford connections.)
6. What is the status of Bedford/7, vis-a-vis Broadway?
7. Propose joint financial and operational control of URBAN as suggested by FOD. (FOL-5016: "We hope solve URBAN case if all his customers, FIS, DIS, AIS (Zipper) present coordinated demand all details URBAN operations as price continue taking his product on basis single fair price from all customers who all to get complete take.")
8. What is Craglet/ 's present assessment of HOSTILE?
9. What is Craglet/ 's opinion of the theory that Soviet Intelligence may be using fabricator organizations as witting or unwitting channels for deception?

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APPENDIX B to RAVA-2166

Notes on the Connections of Josef Adolf Urban

1. Franz Rupertsberger, Polizeidirektor of Linz, formerly Sicherheitsdirektor of Upper Austria, Socialist, sponsored in his police career by Minister of Interior Lukas Rainer, functioned jointly with Urban as principal agent of an expensive CIC operation which provided vast quantities of fabricated information on Hungary, Czechoslovakia, the Austrian Communist Party and the Cominform during 1947-49. Rupertsberger was able to suppress the evidence against Urban in the joint British-American prosecution of the leaders of the Nazi Edelweiss Movement, of which Urban was one of the founders, and thus prevent Urban's execution for treason under Austrian law. Rupertsberger's key subordinate during this period was the police official Niegrind Peter.

2. Fritz Werdnick & Fredy Langer, a hotel-keeper in Salzburg, functioned as courier and cut-out between Peter/Urban/Rupertsberger, to the Czech fabricator group of Miles Trubeda and (initially) to Fernand Manin, White Russian representative of General Haganap, as well as to several American offices in Germany. Werdnick is or has been in close touch with Josef Klampfer of Graz.

3. Josef Mascher, now in Soviet custody, is best known for his activity as part of the Urban/Rupertsberger complex. His specialty has always been fabricated information on the Austrian Communist Party, but he has also provided CIC with quantities of fabricated GB. It should be noted that Urban is currently furnishing Communist Party information to numerous customers, and Mascher is thought to be the source of this particular information, which has been recently determined to be fabrication. In 1947-50 Mascher provided false information on the non-existent Cominform General Staff which he attributed to a secretary in the office of Walter Pollitscher, a Communist propaganda official in Vienna. Mascher, increasingly enough, was also at this same time one of the numerous sources of reports mentioned in paragraph 9 below.

4. Wilhelm Hosttl, currently residing in Alt Amsee and using his journalism and penning for cover (v. Die Arbeiter Front, by Walter Baron & Hosttl, published by the Mittelungenverlag, which is owned ostensibly by Hosttl's wife and is reported to be largely financed by Soviet funds through the journalist and allegedly French-Soviet double agent Alexander Yodopivac), was referent in Edleutenabschwitt Wien and as such Urban's operational superior. Hosttl's chief was Willy Janek, chief of RAVA/Art VI E in Vienna, who is now active in neo-Nazi politics in Munich and is in steady correspondence through his secretary Elisabeth Prunke, who has acted as a letter-drop or accommodation address for Urban, with Hosttl. Hosttl is perhaps the most active former SO man in Austria, being involved directly or indirectly in nearly every intelligence venture. Like Urban he made an extremely good living in 1947-49 by supplying fabricated information to CIC. He represents himself as the official German MI representative for Southeastern Europe. There have been persistent reports for several years that Hosttl is a Soviet agent. These are supported by a known connection between Hosttl and the Nationale Liga and by unclarified instances of direct association with Soviet agents.

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5. Herbert Baumann, a lawyer now in Soviet custody, who had been imprisoned by the Nazis for his activities and who was the first president of the Union of Academic Freedom Fighters, was apparently first contacted in 1947 on behalf of Urban and Graf. His fiancée and later wife joined the Communist Party in 1945, was employed as a secretary by the Ministry of Interior in 1947 and assigned to the Soviet Civil Censorship Office in Vienna, where she is thought to be functioning at the present time as some sort of supervisor of Austrian personnel. She is reported now to be a trusted and fairly high-ranking Communist. Her position in Civil Censorship would normally bring her into contact with Soviet intelligence officers who may be presumed to have access to the take from Soviet military censorship, which would include material suitable for passing as trash.

6. Alfred Fikovsky & Alfred Huber, now in Soviet custody, is known to have had contact with Urban as early as 1947. He is reported to have good Soviet and communist contacts, since his uncle is the indigenous manager of the Hotel Imperial, a Soviet billet and headquarters building in Vienna.

7. Josef Klampfer, Hungarian Volksdeutsch living in Graz, furnished fabricated Hungarian information, much of which originated with Irene Klein, in an extensive CIC operation of which the principal agents were Karl Ankler of Salzburg and Karl Krautberger of Vienna (now Munich). Winkler and Krautberger were sponsored by Ferdinand Graf in an attempt to interest CIC in a resistance organization. Klampfer is an associate of Erika Werdnick. In late 1951, Werdnick reported to Heinz Kuhn, an informant of CIC in Salzburg, that Klampfer had told him that Klampfer and the dentist Rudolf Reich of Voecklabruck had been employed by Soviet intelligence since shortly after the war and that they comprised one of several deception bases. A number of reports implicating Reich in Soviet espionage activities are on record with G-2. We include Richard Kauder & Klatt in our chart of the Klampfer complex, showing connections between Kauder and Winkler, which actually run through (Dr.) Roman Lopp, former official of the Cologne Feldpolizei who is now confidential secretary to Archbishop Hübner of Salzburg. Kauder's presumed connections with enemy intelligence are substantiated by statements to G-2 by British intelligence, which in 1950 disclosed Kauder's close associate (Dr.) Viktor Fiszmann on suspicion of being under Soviet control.

8. (Dr.) Adolf Slavik, founder and chief of the Soviet-sponsored organization of ex-Nazis in Austria the Nationale Liga, is presumed to be a collaborator of Urban's, since in a communication intercepted in the summer of 1950 Urban stated that he could arrange a meeting with Slavik at any time.

9. Reports circulated in late 1949 and early 1950, which came onto the record via journalistic, police and CIC channels, name Urban together with the Baumann group and Vedpivec as members of group sponsored or controlled by the KPOs which had allegedly penetrated Ferdinand Graf's intelligence service and were furnishing deception material on Communist and Cossack matters. This series of reports, the sources of which were difficult to ascertain, gave an aggregate impression that some central office had been established (usually said to be located in the CCR) to produce and disseminate false information on communist matters through the intelligence markets of Vienna.

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10. Heinrich Strangl, a multiple agent of various western services (British, French, Swiss, U.S. Austrian police, etc.) was a creature of Wilhelm Koettl, who he met through Josef Kersch, and was also an associate of Urban. After numerous adventures he was arrested in the Soviet zone of Austria and has not been heard from since. His files, which were acquired immediately after his disappearance, indicate in the clearest and most amusing way the precise manner in which his material was revised and expanded by Koettl for resale to other customers. It is within the limits of conjecture to suppose that Strangl, who undoubtedly broke under Soviet interrogation, is now in Soviet control and may be acting as a channel of deception to Koettl or to the Urban group.

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