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ZAKO

IN

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WASH 01864

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29 JULY 1951

TO: [ ] CITE: WASHF

RE: [ ] 9095 PARA 6.

FOLLOWING FOR YOUR INFO ON ZAKO:

1. ZAKO PLAYED NO POLITICAL ROLE HUNGARY BEFORE ■■ END WAR. BECAME G-2 IN ARROW CROSS REGIME OCTOBER 1944, ORGANIZED ANTI-SOVIET RESISTANCE MOVEMENT NAMED KOPJAS UNDER SS AND ARROW CROSS AUSPICES. CAPTURED BY U.S. ARMY MAY 1945. OFFERED HIS AND KOPJAS SERVICES TO BRITISH AND U.S. AT THAT TIME BUT REJECTED BECAUSE OF FASCIST BACKGROUND. FRENCH PICKED HIM UP SINCE THEY HAD NOT BEEN AT WAR WITH HUNGARY. SETTLED IN FRENCH ZONE AUSTRIA AND ENJOYED THEIR SUPPORT SINCE. THEIR MONTHLY SUBSIDY 1949 REPORTED TO BE 30,000 AUSTRIAN SCHILLINGS.
2. DESPITE HIS APPARENT BREAK WITH VARIOUS OTHER EMIGRE ARROW CROSS REMNANTS ZAKO STILL UNACCEPTABLE TO HUNGARIAN NATIONAL COMMITTEE. HOWEVER ZAKO MAY RIGHTLY CLAIM ADHERENCE TO HIS LEADERSHIP OF SIZEABLE NUMBER EMIGRE HUNGARIAN VETERANS IN MHBK (ALSO RECVD: HHBK) ORGANIZATION.
3. BETWEEN 1947 AND 1950 KOPJAS REMNANTS IN HUNGARY WERE WIPED

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DECLASSIFIED AND RELEASED BY  
CENTRAL INTELLIGENCE AGENCY  
SOURCE METHOD EXEMPTION 3B2B  
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TOP SECRET

PAGE 2 WASH 01864

OUT BY HUNGARIAN SECURITY SERVICES LARGELY DUE TO ZAKO'S ILL ADVISED AND EASILY PENETRATED OPS. ZAKO'S INTELLIGENCE CHIEF MURDERED BY H.I.S. AGENTS JANUARY 1950 NEAR INNSBRUCK. SINCE THAT TIME OUR INVESTIGATIONS INCLUDING DIRECT QUESTIONING OF ZAKO AND HIS CHIEFS HAVE CONVINCED US HIS PRESENT INTELLIGENCE PRODUCTION BASED ALMOST ENTIRELY ON DEBRIEFING OF HUNGARIAN REFUGEES COMING THROUGH AUSTRIA PLUS FABRICATION. EVALUATION UNIFORMLY LOW.

4. ZAKO'S POLITICAL AIMS TO BECOME BOSS OF HUNGARIAN EMIGRATION AND MILITARY MANPOWER FOR POSSIBLE TAKE OVER IN HUNGARY ARE AT CROSS PURPOSES WITH HIS INTELLIGENCE AND RESISTENCE POTENTIAL FOR US. HE HAS ESTABLISHED REPRESENTATIVES IN MOST WESTERN [REDACTED] CAPITALS WHO USE DISTRIBUTION AND ADVERTISING OF ZAKO'S INTELLIGENCE "PRODUCT" AS ENTREE WESTERN GOVERNMENTS. U.S. CURRENTLY PURCHASES ZAKO'S REPORTS THROUGH: AUSTRIAN POLICE, OGIVE SALZBURG, ZIPPER, CIC AUSTRIA, ITALIAN LIAISON, O/O WASH, PLUS HALF DOZEN USMA'S. 14 DIFFERENT OFFERS OF ZAKO'S OPS TO U.S. AGENCIES PLUS SEVERAL TO BRITISH RECORDED SINCE 1947. HQS MOST RECENTLY DEALT WITH 2 INDEPENDENT ATTEMPTS GAIN A-2 WASH SUPPORT. ZAKO WANTED TO NEGOTIATE HERE. OGIVE AND BGRHYTHM NEGOTIATING IN SALZBURG WITH ZAKO'S "CHIEF OF STAFF" WHO CLAIMS WILLING DELIVER ZAKO'S ASSETS WITHOUT ZAKO.

5. WE THUS NEVER LACKED OPPORTUNITY PICK UP ZAKO DIRECTLY, AND PARA 4/2 REF FAILS TO WORRY US. DEGREE HIS MOVEMENTS PENETRATION BY HUNGARIAN SERVICES, UNCONTROLLED CHARACTER HIS OPERATIONS, REFUSAL REVEAL OPERATIONAL DETAILS, CURRENT LACK OF ASSETS IN HUNGARY MADE DIRECT RELATIONSHIP UNDESIRABLE. REALIZE HOWEVER

TOP SECRET

**TOP SECRET**

PAGE 3 WASH 01864

THAT HE INFLUENCES IF NOT CONTROLS MANPOWER POOL ON WHICH WE SHOULD DRAW FOR AGENT RECRUITMENT. WE INTEND BRING THIS MANPOWER UNDER OUR CONTROL BEFORE PROCEEDING.

6. [ ] AND [ ] IN GERMANY RECENTLY INSTRUCTED DISCUSS WITH EUCCOM POSSIBILITY ESTABLISHING HUNGARIAN GUARD OR LABOR COMPANY WITH ZAKO COOPERATION. WE INTEND CONTROL GUARD COMPANY PERSONNEL AND USE FOR SECURE ASSESSMENT AND RECRUITMENT ■ FOR OGIVE AND ■■ BGRHYTHM MISSIONS. WE CAN THEN DO WITHOUT ZAKO. IF EUCCOM NOT WILLING, WILL TRY USFA.

7. PLEASE NOTE THAT ZAKO'S FAILURE TO SECURE DIRECT U.S. FINANCIAL AID, AND "LIMITED MEANS AT UNAMBITIOUS DISPOSAL" ARE MOST ESSENTIAL ELEMENT IN BRINGING HIM TO TERMS IN ACCORDANCE PARA 6 ABOVE.

8. PLAN IN PARA 6 FORESEES NO FRENCH PARTICIPATION AND MUST NOT BECOME KNOWN TO THEM UNTIL IMPLEMENTED. IF OPS EXCHANGE SUGGESTED IN WASH 01864 CAN BE ARRANGED, WE CAN, WITHOUT REVEALING OUR PLAN, BENEFIT FROM THEIR EXPERIENCE IN RUNNING A HUNGARIAN GUARD COMPANY FOR SIMILAR PURPOSES IN INNSBRUCK. FURTHER, PLAN PARA 6 IS NOT ONLY METHOD OPERATION AGAINST HUNGARY AND OTHER JOINT OPS WITH FRENCH CAN PROBABLY BE DEvised. WHETHER ZAKO SHOULD PLAY ANY ROLE IN THESE CAN BE DETERMINED LATER.

**TOP SECRET**