

SECRET
SECURITY INFORMATION

3P

30 January 1953

MEMORANDUM FOR THE RECORD

ATTENTION: [] []
SUBJECT: CC-2 Interrogation Resume
Second Sitting 29 January

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1. At this session attention was focused on the circumstances surrounding CC-2's preparation of monthly political summaries for Willi Hoettl, and extensive querying in this regard brought the disclosure that early in 1952 Hoettl informed CC-2 that he had been designated the Austrian representative of the Deutsche Soldaten Zeitung. Since Hoettl felt unqualified to fulfill this assignment alone, he offered to share his salary with CC-2 if the latter agreed to prepare a monthly political situation summary on Austrian affairs. CC-2 readily accepted the offer, and a 600 schilling monthly emolument was agreed upon for this service. CC-2 insists that he completed his summaries after reviewing the Vienna and Salzburg press and adding some of his own ideas on political trends and sometimes making recommendations for improvements which were required on the local political scene. He didn't consider that any of these reports contained classified information and insisted that none of the data incorporated was wittingly extracted from reports which came to him in conjunction with his work for Grossbahn. He confessed that on only one occasion was he aware that information from a summary was published in the Soldaten Zeitung and admitted that almost from the beginning he had surmised that the summaries were designated for a recipient other than the paper's editorial staff. His guess was that they went to the Austrian desk of the Bonn Government and was pleased to think that his reports were helping to give the Germans a true picture of Austrian politics and he was thus helping to cement proper Austro-German relationships.

2. In July 1952 CC-2 learned that Eric Kermeyer had intrigued against Hoettl and managed to pull the newspaper assignment away from the latter. Notwithstanding this knowledge, CC-2 continued to submit his reports to Hoettl and was compensated for them through August. Thereafter he continued to provide Hoettl with the summaries gratis, prompted by a feeling of obligation and because of his friendship for Hoettl, and because of the fact that he scrutinized the press daily and prepared political summaries as an avocation and in order to keep himself abreast of the local political scene. He saw no reason for not continuing to transmit his product to Hoettl even though he was no longer on the latter's payroll.

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3. CC-2 did not report this phase of his relations with Hoettl to Grossbahn because he was afraid that the latter would not approve of their collaboration. As a result, he said that his conscience bothered him on this score and he found himself in a quandry, torn between his professional loyalty to Grossbahn and his devotion as a friend to Hoettl. He said that he had reached an impasse in this respect and that this state of affairs was decisive in making him decide to pull up stakes here and move on to Germany.

4. CC-2 considered it incredible that what he regarded as routine overt political reporting should be appraised by the ultimate recipient in Germany as first-rate information. [] pointed out that Hoettl had duped CC-2 in this regard and that he had also lied to him about his influence with high-ranking officials of the American intelligence service; furthermore, that Hoettl is an intelligence flop who had sunk to the gutter of the game and might drag CC-2 down with him if the latter did not open his eyes. CC-2 was evidently impressed by these revelations and behaved like a repentant schoolboy, volunteering to break off his ties with Hoettl.

5. Repeated cross-examination failed to budge CC-2 from the premise that he did not divulge details of his work for Grossbahn to Hoettl or anyone else, although he did acknowledge discussing the subject in a generalized way with Hoettl on an occasion when Hoettl sounded off regarding his service for CIC at Lambach.

6. The importance and the proper perspective of these admissions can best be gained from reviewing the wire recording transcript.

7. CC-2 remembered that he was introduced to Harry Mast by Hoettl in a Bad Ischl cafe in 1952 and that he also happened to meet Mast by coincidence on two occasions thereafter, when the two were passengers on the same train. He avowed that he never discussed intelligence matters with Mast and left the impression that he considered the latter to be a relatively characterless individual.

8. CC-2 denied that he had ever met or heard of Karl Haas. He likewise denied that he had ever met Theodore Albert.

9. He insisted that he had never divulged information on his carriage test to anyone but confessed that he had discussed the lie detector as such in general terms with ~~Dr. Otto~~ Schulmeister and Hoettl. In the latter instance he affirmed that Hoettl had introduced the subject on the basis of his knowledge of the machine that he had seen at the Lambach CIC office.

10. When queried on his reason for withholding information on Hoettl's interest in the American intelligence service and in Grossbahn from the

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latter, CC-2 asserted that he had always reported these conversations to Grossbahn.

11. CC-2's relations with Taras Borodajkewycs date back to their university days at Vienna in 1936 - 1937. It was Borodajkewycs who introduced CC-2 to Hoettl in 1938 and paved the way for the latter to arrange for CC-2's reinstatement as a journalist in the Nazi press association. In the post-W W II period he has seen Borodajkewycs frequently and recalled that he had prepared reports for Grossbahn on Borodajkewycs's affiliation with the Soviets and on his suspicion that Borodajkewycs was working for the Russian intelligence service.

12. A review of CC-2's friends and intelligence contacts disclosed that Dr. Otto Schulmeister probably surmised that CC-2 was engaged in clandestine work for the Americans, but CC-2 avowed that he never discussed this subject or acknowledged his affiliation to Schulmeister.

13. CC-2 could not recall any instance in which he had been the target of blackmail or had been pressured into admitting that he was employed by the Americans.

14. At this session CC-2 again impressed [] by his direct and lucid answers to all queries. He left the impression that he is an intellectually honest but professionally naive person who was having his eyes opened for the first time. At the end of the session he expressed his appreciation for this opportunity to get things off his chest and volunteered to sit again for questioning if it were thought necessary to do so.

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