



**Forging an Intelligence Partnership:
CIA and the Origins of the BND,
1949-56**

**Part III: ZIPPER Operations
and Counterintelligence**

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CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B2B
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DATE 2007

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TO : Foreign Branch 8
FROM : Foreign Branch 8
SUBJECT : Emigrant Groups

3 August 1949

1. As a direct result of the investigation of Odeum conducted in December 1948, there was obtained the considered opinions of Odeum on the subject of emigrant groups. Odeum's classifications and comments are attached as also are two charts on Russian emigration and anti-soviet resistance movements in the American zone of Germany.

2. It is believed that the attached information will be of interest to officers in FBS who may be studying emigre movements. Attention is invited particularly to paragraph 6 in which Odeum concludes that the entire OUN, UHVR, UPA complex bears watching but deserves little consideration in terms of material support and intelligence usefulness.

Richard Helms

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EMIGRANT GROUPS

1. ODEUM makes three broad classifications of emigrant groups:

- a. Russian groups;
- b. Ukrainian, Polish, and other non-Russian groups within the Soviet Union; and
- c. Balkan groups.

RUSSIAN GROUPS (see Attachment 1).

2. Until recently, a clear-cut distinction was made between the so called "Old Emigration" and the "New Emigration." Recently, however, the two groups began to come together in the AEOUM (Anti-Communist Center for the Liberation of the Russian Peoples). Nonetheless, ideological convictions are usually all that remains to emigres, and one common characteristic, therefore, of all emigrant groups is the adherence to a narrow ideology, all deviations from which are hated and slandered. Despite partial unity obtained in the AEOUM, therefore, strong suspicions and antipathies still exist between the two groups, with the "new" emigration accusing the "old" of being politically disinterested and living primarily for its own well-being, or that its political views are based upon ignorance and lack of experience with present developments in the Soviet Union; or on the other hand, the common accusation leveled by the "old" against the "new" emigration is that it is unfamiliar with non-Bolshevistic, i.e. democratic concepts, and that it is not really anti-Communist, but that it is merely fighting excesses of communism. (For this reason, ODEUM, when evaluating the claims and counter-claims of one group vis-a-vis another, habitually extracts 50-60% of the contents as being unreliable).

a. The Old Emigration in the main is comprised of organizations formed between the Revolution and 1922, and its ranks are primarily filled with veterans from White Russian armies. The three principal organizations are:

(1) WMS (Supreme Monarchist Council), a small faction of old-timers adhering to the concept of Czarist rule. The monarchist idea is not popular, and the group is therefore small. Nonetheless, it has some clever individuals, the most important of whom is a Mr. S. BURIN, and it is determined to play an active part with the New Emigration. Due to its activity it does, in fact, play a larger role than that to which its numerical following should entitle it.

(2) NYS (National Workers' Union), described by ODEUM as an honorable and reliable group whose principal preoccupation is with the vocational training and placement in various Western European countries of its second generation. It has taken great care to avoid penetration by the Soviets.

(3) BOVS (General Russian Veterans' League), established in the early 1920's in Sofia, and composed of the majority of emigrants veterans who fought the Communists during the Russian Revolution. Its

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leadership is quite old, being headed by General ARCHANGELSKI, who is over 80 years of age.

b. The New Emigration received its organization impetus in 1944 with the publication of the so-called "Vlassov Manifesto" in Prague which outlined two main points, the over-throw of Bolshevism, and the right of self-determination of future government(s). Since that time the principal groups which have arisen or have been modified are:

(1) KOER (Committee for the Liberation of the Russian Peoples), founded by Vlassov, and out of which two main subordinate groups developed:

(a) RDA, the political element of the KOER; and

(b) BSM (Fighting League of Russian Youth), the militaristic and youthful element of the KOER.

(2) SBOER (Fighting League for the Liberation of the Russian Peoples), an outgrowth of the BSM, which developed intelligence and propaganda functions.

(3) SAF (League of Andrew's Flag), which contains elements of the earlier RDA, and which also has close associations with the SBOER. Considerable influence is exercised on this group by General GLASHAP.

(4) AEOER (Anti-Communist Center for the Liberation of the Russian Peoples), formed recently and claiming leadership of all groups, not only of the New Emigration, but of the Old as well. It is recognized by the majority of the groups, derives its leaders primarily from the Old Emigration, and its followers primarily from the New, and is, in a sense, the nucleus for a united Russian Government-in-exile. After its formation, however, a split occurred between two of the important leaders, KROMIADI and GLASHAP, and the latter withdrew from AEOER, together with his principal associates. AEOER, however, retained control of SAF by decree. Because it is the strongest central authority in the over-all Russian emigration, AEOER, together with SAF and SBOER, appears to have been fairly well penetrated by the Soviets (see names in red on Attachment 1).

3. Politically, ODEUM considers that the AEOER is the most representative of all Russian groups, although its leadership is not unchallenged, and although it is to a slight degree penetrated. The latest declaration of the plenum asking for support of the emigres and for a definite statement from the Western Powers as to how they intend to handle the Russian peoples after the defeat of the USSR indicates that the AEOER is definitely seeking unofficial backing. ODEUM is at present translating a study on this question which was initiated as a result of discussions on this subject four or five months ago with Mr. Dulles, Mr. Offie, a Mr. Davis, and others.

UKRAINIAN GROUPS (see Attachment 2):

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4. The political complexion of the various exiled Ukrainian groups ranges from the leftist URDP (Revolutionary Democratic Party), with an even more leftist and suspect sub-group, the URDP(s) in Regensburg, to the extreme rightist OUN(R) party of Bandera, standing for the fascistic principle of a one-party government and one-party state.

5. After the war, the problem faced by the various groups (see attachment) within the Ukrainian emigration was one of effective unification. Finally in July 1948, the UNO (Ukrainian National Council) was revived with the support of all groups except the Hetman Party. To get Bandera's cooperation, UNO made the concession that Bandera should be responsible for partisan activities in the Ukraine and that he should still be entitled to continue UOVR (Ukrainian Insurgents Army). UNO then proceeded to the election of UHR (Ukrainian National Government). Sometime thereafter, both the leftist parties and Bandera withdrew their support from the UHR with the result that today UNO is supported by all parties except the Hetman, but UHR, under UNO, cannot rely on the wing parties.

6. ODEUM is beginning to believe that UPA and UOVR have been highly over-rated, citing the fact that when the Soviets started their last attempt to smash UPA in the Ukraine, UPA personnel trickled out by the dozens only. In ODEUM's opinion the influx into western areas would have been far more considerable were there in fact strongly organized and numerically large UPA bands operating in the Ukraine. Even within OUN(R) (Bandera) the same doubts appear to be gaining circulation, particularly at the "followers" level, and questions have been raised as to what courier channels exist to the Ukraine, as to where money collected from Bandera supporters is going, etc. A ODEUM agent, described as "absolutely reliable," and a member of UHR, has also informed ODEUM that he doubts the existence of UPA in any form other than small groups hiding in woods for self-protection, and that UHR's lip-service belief in the existence of well-organized UPA groups is to a large extent due to the desire to secure Bandera's cooperation, and thus to attempt to maintain as united a front as possible within the emigration. The majority of the intelligentsia among the Ukrainian emigration, including those who are post-war emigrants, follow the UHR, and not the Bandera complex. ODEUM points out that these comments and tentative conclusions might not be valid in the event of war, in which case strongest support within the Ukraine would be given to any group or groups, regardless of other political factors, who offered liberation from Russia. At present, however, ODEUM concludes that the entire OUN(R)----UOVR, SPOUVR, UPA complex should continue to be watched, but deserves little consideration in terms of material support and far-reaching intelligence usefulness. UNO and UHR are cited as the central organs most deserving of support, if any is to be given.

Note: It may be of some interest in comparing these comments and remarks with those contained in MEM-A-793 (SECRET), to note that the main sources of the latter, Erinloch, together with Lebed, have been fired within the past several months according to an unvaluated ODEUM report.

7. Below the levels discussed above are three main organizations representative of peoples contained within the boundaries of the USSR who are absolutely anti-Russian:

a. ABN (Anti-Bolshevik Peoples' Block), comprised primarily of Ukrainians and at present headed by STERSKO, and propagates the conception of

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a. Greater Ukraine, freed from the Bolsheviks.

b. Prometheus League of the Atlantic Charter, founded in Warsaw, and propagates the concept of an "inter marium" nation, i.e. from the Baltic to the Black Sea, under the hegemony of Poland.

c. "International of Freedom," which is made up of all Balkan and Caucasian nations, and attempts to include all nations of Slavic origin ruled by Moscow. It appears to be penetrated by the Soviet IS (red-lined names on Attachment 2). The International of Freedom is supported and influenced considerably by a cosmopolitan group meeting generally in Frankfurt on a social basis.

d. These three groups sometime ago agreed to form a representative top organ, the ALCW (Anti-Bolshevik League of National Liberation). This, however, never developed beyond the paper stage, and at present seems to be supplanted by the so-called "Federalist Club" which is being founded in Munich under Polish leadership and with a program of self-determination for all non-Russians.

e. Two other groups of minor interest are:

(1) BCR (Byelo-Russian Central Council), headed by one OSTROVSKI, which wants a separate and independent Byelo-Russian state with friendly relations with a non-communistic Russia; and

(2) RBPR (Council of Byelo-Russian Peoples' Republic), or "Krivichi," which has the same aims, but wants orientation toward Poland. This is an active group, and for some time received financial support from the London Polish government-in-exile. Interesting is the report that recently it got in touch with the Polish Mission in Regensburg, from which some slight support was received.

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10 October 1949 OFFICER STAMP

The following action is authorized:
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Signed: [Redacted]

R.O. #356 - Unit *E/G*

Note: If destruction, cite reasons and coordinate

MEMORANDUM:

TO : Mr. Richard Helms
FROM : Samuel B. Bossard
SUBJECT: ODEUM Stay-Behind Network

1. Before 1 July 1949, the date when this organization became responsible for Operation ODEUM, a project for the development of a stay-behind network to cover the Western Zones of Germany and Austria had been initiated. At the beginning of this year, the progress of the plan as described below was reported to our investigators. As of this date, the American staff has played a passive role in this project, and the plan, therefore, remains geared to the Emergency Plan of EUCOM without particular reference to the special planning of this organization in the event of hostilities. The German staff of Odeum, however, anticipates that immediately upon the outbreak of hostilities, it will become an integral part of the American Intelligence Service. As will be seen from the general outline for the evacuation of the ODEUM staff below, it will be possible for American representatives to establish points of contact with the German staff in Switzerland, France, and Spain.

2. Odeum Emergency Plan:

a. The plan presupposes that the first organized line of defense will be along the Rhine, and that approximately fifteen days after the opening of hostilities, there will be direct contact between the ODEUM staff and the U. S. Army.

b. It is contemplated that some 240 persons, key staff personnel including families, will move by truck fleets or by train from Munich under escort of a large detachment of German police to Singen on the Swiss Border at the West end of Lake Constance where it will be escorted across the Swiss Border at an unauthorized crossing point. This arrangement has been made through liaison with the head of the Swiss Police. Alternate plans call for the movement of the Headquarters into Northern Italy through Martinsbruck on the Austro-Italian Border or from Singen into France at Muhlhausen. From Switzerland it is contemplated that the Headquarters will move to Spain should the tactical situation require displacement beyond Switzerland. This move has been discussed with Spanish officials who have given their approval to this eventuality. As far as possible, Spanish air transport will be furnished for this move. General DOERR, former German Military Attache to Spain, is in Spain where he represents ODEUM in all matters.

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c. ODEUM organization personnel in Northern Germany who are scheduled for evacuation are to be evacuated by a sea route; arrangements to effect this have been completed. Remaining personnel in the Central Germany areas have been instructed to proceed to designated points west of the Rhine.

d. Movements through western Austria, Switzerland and into France have been discussed with French Military Intelligence Service. Agreements reached with the FIS include detailed provision for the immediate establishment of a liaison radio channel to the FIS from ODEUM for the purpose of coordinating movements. *copy!*

Although the more important details of this plan have been arranged, the ODEUM staff is fully aware of the fact that their ability to implement such a plan will be determined by the time factors involved at the outbreak of war, and the tactical developments immediately thereafter.

3. ODEUM Stay-Behind Network:

The attached chart showing existing stay-behind Networks as well as those in the planning stage is self-explanatory. This shows the status of the project as of approximately December 1948. We were informed at this time that the project is under the immediate supervision of one of the highly experienced ODEUM organization leaders who was then engaged in the investigation and recruitment of some forty-five radio operators.

It is also anticipated, though not shown on the attached chart, that most of the present agents and informants of ODEUM behind the Iron Curtain would continue their operations relying primarily on Radio communications.

Within the next few months we expect to assign to the ODEUM staff an American representative who is well experienced and highly skilled in clandestine radio communications. It will become one of his responsibilities to examine the communications aspect of the ODEUM stay-behind network and to make recommendations for a coordination of this operation with similar plans of this organization in the German area.

Simultaneously, American representatives, experienced in agent recruitment, will provide details on agent personnel and prepare overall reports on the facilities and overall organization of the network.

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MDLA-6118

Chief, Foreign Division M

16 April 1951

Chief of Station, Karlsruhe

Operational

JUPITER - Status Report as of 20 March 1951

REF: MDLA-5455

1. To give a clear and sensible picture of JUPITER progress through piecemeal reporting has proved to be impossible. Thus it has become necessary to choose an arbitrary date, in this case 20 March, and strike a balance as of that date, to cover the entire range of JUPITER progress and such allied factors as budget, lessons learned, techniques observed, and the like. My first JUPITER report, of late last year, closed with the remark that no monumental progress reports would be prepared in the future. This cannot be avoided; however, I have attempted to break this present report into a group of annexes, each treating one distinct topic. You may be able to use it more easily in this fashion. It must be remembered that these reports are more or less hand-made, in that the data and details must be laboriously mined out of a mountain of operational, support, and administrative activities which, in effect, comprises JUPITER (and, more and more, JUPITER is becoming synonymous with the entire Sovzone military collection apparatus). Mr. KUHNLE and Mr. GAY are gradually sifting and classifying this data, however, and maintaining it in more accessible form; [redacted] and I have made certain that our statistical and operational needs will in the future be met by their categories of data. Still, it has been hard work so far. I would suggest that, after my return to Washington in June, I sit down with the interested party in your shop and prepare an outline for an SOP-type of periodic operational status report covering the Sovzone apparatus. This could be fired back to [redacted] who could then implement the requirement at reasonable intervals.

2. In practice, the efforts which GAY and I expended during March had useful side effects. Besides giving me the material for my end-of-tour report on JUPITER, it caused GAY to shake his data into more useful condition, and the results of our work were presented by GAY at a joint American-German operational staff briefing on 3 April.

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3. The main purpose of this report is twofold: (a) to show ZIPPER's Sovzone assets in the coverage of army, air, navy, supply, and transportation targets, and; (b) to show what yet remains to be done to achieve what we here consider our minimum responsibilities of these categories of targets. It must be emphasized that the annexes will not reflect ordinary political sources; they will not show economic sources except those few which are clearly military in significance (airfield construction, gasoline production and distribution, etc.); they will not show CE/OI sources. Throughout JUPITER, I have tried to keep our eyes focussed on the target: "military capabilities and intentions of the Soviet military establishment in the Sovzone". Thus you will have a picture of the military coverage only, but then that is the picture you need in order to deal effectively with your Sovzone customers in Washington.

4. In the near future you will be advised in detail of certain structural changes within the OV's, briefly this: BV-25 will be cut off from OV-H, and will be lumped together with those parts of OV-G which are based in the British Zone. This grouping will become a new OV, under Worgitsky, based in Bremen. OV-G headquarters will be moved to Munich and thus a regional placement will have been affected, with the new OV in Bremen, H in Frankfurt, and G in Munich. These OV's will operate in the north, central, and southern Sovzone, respectively. The sum total will, however, be equal to the apparatus described in this report, with the major changes taking place in the western zones, rather than in the Sovzone proper.

5. In addition to carrying out the main purpose, this report will carry along pertinent and non-pertinent data, remarks, and observations. It will also serve as a vehicle for various personal opinions and conclusions of my own, relating only to the Sovzone apparatus, at the conclusion of my tour here. [REDACTED] will take full control upon my departure, thus the future handling of JUPITER will be in the best possible hands. ZIPPER, I am sure, will continue to cooperate to the limit, as in the past.

DIST:

- 2 - FDN (with List of Annexes and Annexes A through D)
- 1 - OOS (with List of Annexes)
- 2 - File (with 1 copy all attachments)

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List of Annexes to MDL-A-6118

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- A GV-O Sovzons Apparatus Roster
- B GV-O Sovzons Apparatus Map
- C GV-H Sovzons Apparatus Roster
- D GV-H Sovzons Apparatus Map
- E GV-E Sovzons Apparatus Roster
- F GV-E Sovzons Apparatus Map
- G Plan "Dampf" of GV-L Roster
- H Intelligence Objectives Not Yet Attained
- I Use of Agent Numbers and Other Designations
- J JUPITER Financial Considerations
- K ZIPPER Operating Techniques
- L JUPITER - Memo to [REDACTED]
- M Agent Numbers Assigned to GV-H
- N Agent Numbers Assigned to GV-O
- O Agent Numbers Assigned to GV-E

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TARGET AREA	V-NUMBER *	TYPE OF TARGET	COVERAGE
SCHREIBER	4216	Army (also AF)	ED - General Army targets, also discover airfield. Adequate sources.
GOSSERHAIN	642	AF	ED - General airfield. Good sources.
POESTERBERG	12815 R	Army	ED - Reporting source, reveals lumber. Proven documentary material from restricted military area, AF's. Adequate source.
	12821 R	Army (also Supply)	ED - Reporting source, reveals fuel/ammunition. Occasional sources to spot-check army and tank repair shop on Zehndorferstrasse. Still weak source, needs training.
HOSTOCK and VALERSBERG	1071	Army (also Army)	Re-source - Work in the Region Sigmaringen discover all repairs and other work on combat vehicles brought there; other wartime credits. All report on any activities when observed.
	1077	" " "	Re-source - As above.
	4312.5	" " "	Re-source - As above.
GAZ/IRSEL BRIDGE	12815 R	AF (also Army)	ED - Airfield target; general Army targets.
	12818 R	Army (also AF)	ED - " " Besides headquarters.
HUSTOP	No number yet	Army	ED - Traveling source, discover AA training grounds; troop units.
HEUBANDERBERG	12818	AF (also Army)	ED - Traveling source, see well, activity on AF CB, therefore work on AF CB.
HEUSTREITZ	9228 JD	Army	ED - General German troop units; collect documentary material. AF's. Adequate source.
LAZZI	4283 R	AF	ED - Besides R. Berlin, General Airfield target.
	671 R	"	ED - " " " " " " " "
	4215 R	"	ED - " " " " " " " "

* (Red lines show target assignments)

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TARGET AREA	NUMBER	TITLE OF TARGET	STATUS
BISMAR	12827	Army	Reported - Marks in shipment of weapons.
	913	Army	Reported - Marks in release shipment on many targets.
SASSERIV/IKSEL, HEGEN	980	Army	Reported on labor, concrete part activities at Saserville, photographs made and under investigation.
	4213 B	Army	Reported on TIC, collects IP's. Adequate source. Barfize V, Barfize.
FOISDUB	810.2	"	Report on farm bordering TIC. Attempting to recruit friends and work within the TIC.
	4299	Army	Report on troop unit. Considered adequate. First reported 1 Dec 50, still working.
	4215 B	"	Report on troop unit. Barfize V, Barfize.
	4213 B	"	" " " " (Also in Jostenberg), collects IP's.
HEGNER	12919	Army	Report on Altfeld border, but sub-source is border who can be trained in reporting.
	919	"	Report on Altfeld border. (Arrested and released, reports in being re-estimated).
SAIZKORH	1240.16	"	Report on Altfeld border. (Arrested and released, reports in being re-estimated).
	12931 B	Army (also Army)	Report on Barfize Station. General Army targets.
HAYENOV	4282	Transport	Source - Railway Inspector.
	687	Army (also Army)	General Army targets; presently considered weak source due to restricted illness of agent/leader. Army reports also presently
SASSERIV/IKSEL, HEGEN	4212.2	Army (also Army)	Collects IP's. Adequate source.
	12938	Army (also Army)	First reported Dec 50, still work. General Army targets, Barfize Barfize.

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TARGET AREA

R-NUMBER

TYPE OF TARGET

CHARACTER

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RD number ref

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RD - Still connected ex-Intelligence activities; observe at-traffic
interceptions and communications.

LUCAS/ALINE

692.2 B

AWG

RD - First reported May 50, still working, outside PRO by ex
computer frequently across Soviet Intelligence; occasionally
source working. Berlin Berlin.

STARTE

12931

AWG (also AWG)

RD - Bank reporting on business etc. business was in large and
source is one-legged. Good capability. See Cologne.

FURSTBERG/ALINE 4
BERGBERG/ALINE

4315 B

AWG (and Supply)

RD - Reports on troop units. See Potsdam, Lower. Also reports on
Central Berlin supply dump. Independent reports (ground top
444).

RAUBER/ALINE

4262

AWG

Practice - Unknown in German/Intelligence economy will be sent to work at
Lithuania FBI working structures and movements. Plans are
part of Sept 50.

FRANKE/ALINE

4288 B

Supply

RD - Unknown at the Central Engineer Supply Dump. Berlin Berlin

FRANKE/ALINE

666

AWG

RD - General AWG targets.

FRANKE/ALINE

666.1

Transportation

RD - Berlin Berlin reports.

FRANKE/ALINE

687

AWG

RD - Berlin Berlin reports.

FRANKE/ALINE

666.2

AWG

RD - Berlin Berlin. Travels to and from West Germany.

FRANKE/ALINE

679

AWG

RD - Berlin Berlin. Berlin communication operating in Frankfurt area.

FRANKE/ALINE

679.1

AWG

RD - Superior of Innovation techniques. Frequently travels to
West Germany.

FRANKE/ALINE

688

AWG

RD - Railroad engineer travelling to and from West Germany.

FRANKE/ALINE

683.1

AWG

RD - Berlin Berlin reports.

FRANKE/ALINE

695

AWG

RD - Berlin Berlin reports in supply dump. In further details.

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TARGET AREA	V-NUMBER	TYPE OF TARGET	GENERAL
ZOSSEN-FUESUNGER	4213 R	ANY	ED - Existing status of business, possibly empty but being prepared for occupancy. See footnote, Baseler K. Basler.
NOTSCHENLINDE	7981.1 4272.1	ANY (also 414)	ED - Construction under in Trossen camp serves troop units. ED - Processes documentary materials, AP's, vehicle numbers. ED - A number whose value has come to the Arbeitsamt barracks.
BRANDENBERG	290A.3/04	414	ED - General Army targets. Good sources.
BERGHAU	2592 9292.9 R	ANY (and supply)	ED - " " " " Done photo work of field. Basler present
KNOXWIPPE	6989 698	ANY	ED - " " " " Field report in Nov 50.
	947.2	414	ED - Has many too long at work probably still doing in terms to general
GRABENBERG	4292	ANY (also 414)	Reference - Small number on Arbeitsamt, also gone to Arbeitsamt in November for work. ED - Serves troop units, Arbeitsamt compounds, vehicle numbers, etc. Standort den 50.
	7981 R	ANY	ED - General Army targets. Baseler K. Basler.
	947.4	414	ED - Arbeitsamt compounds.
	471 R	"	ED - " " " " Baseler K. Basler.
	947.1	ANY	ED - Works in Trossen store units along with work; values given AP's; vehicle numbers.
THAPPA-ZEBBERIC-GRABENS AREA	9082	ANY	Reference - Employment employees (soldiers) vehicle TFC, troop units, including vehicle numbers.
	9469	ANY	ED - Bad doctor Tempel's travels. Does technical grounds to local town.

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TARGET AREA	V-NUMBER	TYPE OF TARGET	COMMENT
DRESSLE-BONSLAU	4266	AV (also AW)	ID - Employed in IF. Dwight our factory, observes production also aircraft.
ROSTICE	4266 R	AW	ID - Occasionally travels here from Dresden.
	4267 R	AW	ID - Aircraft factory.
LEITZMERE REIHE	4311 R	AW	ID - Will observe troop training grounds during summer. Besides R. Berlin.
	4311.3 R		ID - Will observe TTB during summer. Besides Stuttgart.
FAMNSBUTTE-BITTHAU	4311 R		ID -
	4311.1	AW	ID - Observes troop training grounds. That in this area. See Leithingen.
STREBAL	4311.4		ID - General AW targets. Stuttgart R. S. Aircraft factory.
	4311 R		ID - " " " " Also Tuggenmatta.
ALT-JONNECHTZ	4305 R	AW	ID - Besides R. Berlin.
BOHRBERG	4311.3	AW	ID - General AW targets. Also Tuggenmatta.
WEIL, ROSSICH, KROBLOW	431	AW	ID - General aircraft.
JESSEN	4300.5	AW (Supply)	ID - General activities of military camp. Besides many industrial
TUTOE	4300 R	AW	ID - Das Postamt, General AIRMAIL TROU.
PEREGLAU	4205 R	AW	ID - Secondary activities, vehicle engine, FOT.
	439		ID - General - Transport General & family demands.
	446	AW	ID - General AW targets. Presently study about Jander III.

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TARGET AREA	ADDRESS	TYPE OF TARGET	COMMENT
KREBSBERG	4207 4215 R	Army (also Air)	ED - General Army targets. Regan Field St. Also Reichfield Refinery.
SPRENGERS	4207 R	Army	ED - Reichfield Refinery. Besides R. Berlin.
BAD SAARBR	4206 R	Supply	ED - General Army targets. See London.
TECHNIE	4215 R	Army (also Air)	ED - General Army targets; Signal Depot satellites.
FALKENBERG	4205	Transportation	ED - German former Labor Service Bureau, see a troop movement package.
VILBERSDORF	4204	Army (Supply)	ED - Observer of. Traffic on main line.
HANSENBERG	4203 R	Army	ED - Activities of satellite camp. Adequate source, started Aug 59
CARLSBERG	4211 R	Army	ED - Source - Top sub-structure within satellite camp.
ZAMBERG	4211, 3 R	Army	ED - Reichfield Refinery. Also Berlin.
ALTBURG (THICK)	4215 R	Army	ED - General Army targets; also Stettin.
HEINRICHBERG	4212 R	Army	ED - " " " " ; also Stettin.
<u>Other TRANSPORTATION Sources</u>			
HEINRICH/HEINRICH	4211, 2		ED - " " " " Berlin R. Berlin.
BERLIN/WESTBERG	4217		ED - Source - Works in Berlin marshalling yard, observes Soviet satellite transport.
HEINRICH	4215		ED - Source - Works in marshalling yard. Also observes dispatch of trains to the VP supply camp at Berlin-Regenwall.

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THREAT AREA	ADDRESS	TYPE OF THREAT	COMMENT
BRUNNEN	9285.3	Heavy	Personnel - Solid Inspector with German-legal. Data re new ship construction.
	9285.4	Domestic	Personnel - Chief of Material Supply Section of the Dept of Defense and Base in the Transportation Ministry, DRG. Supplies original data on bridge and road construction.
	9286	Domestic	Personnel - Works in Ministry of Trade and Supply, DRG. Provides original material on production of electrical machinery.
	9287.17	Heavy	Personnel - Works in Generaldirektion Schlitten. Provides original material on inland waterways traffic, charts of ports, exports. Very good source.
	9288.7	Domestic	Personnel - Chief of Technical Supplies Section of the State Geological Commission, which is preparing for new sources of oil, coal, and steel.
	9288.8	Domestic	Personnel - High position in Planning Dept. of VDMA (steel trust in the DRG) Berlin. Provides original data. Very good.
	9288.1	Domestic	Personnel - Employed in VDMA, Remscheid section.
	9288.4	Domestic	Personnel - Leipzig section.
BRUNNEN			
ENTZIO			

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TARGET AREA	V-ADDRESS *	TYPE OF TARBET	COMMENTS
SCHMIDT	<u>9001</u>	Long	ID - Occupies occupancy of basement, processes tung-steel, 478 sq. Feet reported Sept 1970.
	<u>1577.3</u>	"	ID - Targets as above; tung reportings still pending.
	<u>1243.1</u>	Long (also AIR)	Reference - Military targets - Dan Station.
REISNERITZ	9089	Long	ID - Occupies occupancy of basement, tung units.
	<u>9001.7</u>	"	ID - Targets as above, processes 478 sq. Feet, vehicle numbers still pending.
GESTROW	<u>1440.6 B</u>	"	ID - Occupies occupancy of basement, tung units.
ROBNOCK	<u>1577.2</u>	Long	ID - Has access to the harbor across at Harbeck and at Hammelsloh. Good reporting. Transludes with HSRUNA.
	<u>9005.1</u>	Long	ID - Reporter. Provides material on harbor and any activities.
LUDWIGSJUST	<u>1454.4 B</u>	Long (also AIR)	ID - Occupies long and air targeting radar installation, tung installation still being evaluated as a new system.
PAREHTE	9002	Long (also AIR)	ID - Old source, now engaged in secondary tung reporting.
	9009	"	ID - " " " " " "
HOUBERBERGERS	9006 R	AIR	ID - Covers airfield. Includes E. Berlin.
BLANKOV	1343.1 B	AIR	ID - Covers airfield. See Schwartke.
	9011 R	"	ID - " " " " " "
LAREZ	<u>9096</u>	AIR	ID - Covers airfield.

* Red Line Means Higher Suspectability

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TARGET AREA	REFERENCE	TYPE OF TARGET	REMARKS
ELMAS	1283	Kary	ReSource - Former naval officer, occupies high position in VEB shipping administration. Personal records and planned communication table, as well as info gathered by observation. Good reporting.
STRAISGRO	7643 B	Air (Also Army)	ID - Current aircraft. Routes Standard.
DETEL BUCHEN	1266	Kary (Also Air)	ID - Works in airport Standard.
	9086	Kary (Also Air)	ID - Works on island, weekly reports on radar installations.
	7648	Kary	ID - Reports on naval activities in Standard.
PARNAIT	1562	Transportation	ID - Observer, research, and reports re. traffic over East Rhine.
	1558	"	ID - " " " " " " " "
	7643 B	Air	ID - Current aircraft. See item.
PUEHLEITZ	1697	Army	ReSource - Works in 17th Engineer Regiment. Performs research, skills including.
	1661	Army	ReSource - Works in January to items which handles Soviet clothing etc. from this, previous reports, DOR, vehicle numbers.
	1609 B	Army	ID - Very many no evaluation. Routes E. Berlin.
	7670 B	Air	ID - Current aircrafts Elias Inger and Reinsdorf. Routes Transylvania, Grod.
	1612	Air	ID - Current aircrafts Juelshagen, also Air Force Regt.
	1660	Army	ReSource - Works in Berlin Economic. Good reporting.
	1673	"	ID - Observer business, camp units, vehicle numbers.
	1674	"	ID - " " " " " " " " " " " " " " " " " "

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TABLE AREA	TABLE NUMBER	TYPE OF TROOP	CATEGORIES
GRANDSEVEN	6164	Army	EO - Operations troop units, battalions. SOI1 unit reporting reg.
	6171 R	"	EO - Old source, reports bounding unit - (1) to be transferred to supply battalion main area. Includes R. Berlin.
CORPUS	7551 R	AP	EO - Corps staff. (See section, Berlin Berlin.
	6167	Army (also AP)	EO - Corps battalions, troop units, staffs, divisions and battalions.
	7501 R	AP	EO - Corps staffs. Berlin Brandenburg.
BERGHALD/PITZER	6169	Domestic (also Army)	F-Sources - Units in W. regular shops.
	9007 R	Army (also AP)	EO - Corps troop units, battalions, vehicle numbers. Also supply dump activities. Good source. Berlin R. Berlin.
VERDER	9406 R	Army	EO - Corps troop units, battalions, vehicle numbers. (See section, Berlin R. Berlin.
	1410 A	Army (also AP)	EO - Operations activities of supply and mail/drop units. Also of tank and wagon regular depot located in Army "headquarters".
SCHEINWALDE	4921 R	AP (also Army)	EO - Operations activities of the 7th Army staff, corps staffs (vehicle numbers, EO's). Berlin (Berlin, see Berlin.
	7551 R	AP	EO - Operations staffs. Berlin R. Berlin.
STALHSCHNEID	7678 R	AP	EO - " " " " " " " "
	7556 R	AP	EO - " " " " " " " "
WANDERSCHEN	7678 R	AP	EO - Operations staffs. See Stansenberg.
	7603 R	AP	EO - " " " " " " " "
	7603 R	AP	EO - " " " " " " " "

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TARGET AREA	NUMBERS	TYPE OF TARES	COMMENTS
BESSAU/BOSSLAU	0779 <u>1926 I</u>	AWY AWY	HO - Covers company of Hermann, troop units. Reut. HO - Covers aircraft. See Strunberg.
FLYENBERG	6142 E	AWY	HO - Covers aircraft Parkon, Berlin-Jagdlic. Postal covers. HO - Covers activities in Gross Hermann, troop unit; subordinate covers.
FELSERWALD	0901	AWY	HO - Covers troop activities during exercises.
LETZLAEBER BRIDE	1418 1433	AWY "	HO - Covers aircraft. See Damm. HO - Covers aircraft and troop unit; See Regensburg.
ROBBEN	<u>1936 E</u>	AWY	HO - Covers aircraft. See Wittmann.
ZOOBST	<u>8164 E</u>	AWY (Also AWY)	HO - Covers activities and troop unit; See Regensburg.
VALKENBURG/ ALTLINDBERG	7403 E <u>8148 E</u>	AWY "	HO - Covers aircraft. See Damm. HO - " " " " See Wittmann.
DRESEN	<u>1939</u>	AWY	HO - Covers military installations, telephone numbers. Not yet an adequate survey first report 249/5.
	<u>8922</u>	"	HO - Military targets. No reports since the 20/ previous version.
	<u>2597 E</u>	AWY	HO - Covers aircraft Düsseldorf, Berlin-E. Berlin.
LEIPZIG	6967 <u>6142 E</u>	AWY (Also AWY) AWY	HO - Covers company of Hermann, aircraft. Adequate covers. HO - Covers aircrafts Berlin and Schwerin.
	<u>2597 E</u>	AWY	HO - Covers aircraft Dresden. See Damm.
	<u>1926</u>	Reconnaissance	Reconnaissance - In charge of Sales and Supply Section, Central Radio Laboratory.
	<u>1929</u>	"	Reconnaissance - Surveyor in above Laboratory, supplies Soviet covers. produces so radio covers and balloons.

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PLANT AREA

PLANTERS

TYPE OF TRUST

CLASSIFIED

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PLANT AREA	PLANTERS	TYPE OF TRUST
WAGNER	11400,9	Private
REUTER	8112	Private
WAGNER	1561	Private
WAGNER	1561,1	Private
WAGNER	9242	Private
WAGNER	1978	Private
WAGNER	1979	Private
WAGNER	1980	Private
WAGNER	9540	Private
WAGNER	1408	Private
WAGNER	1921	Private

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Reference - Employee in RND Department.
 ID - Employee in RND Department.
 ID - Employee of - works on info of -
 ID -

Reference - Employee in Department Office of the RND (German Democratic Republic) - works in Statistical Section.
 Reference - Inspector, specialist in machine-learning tools policy equipment, works in Radio Scientific Section of the Central Radio-Technical Laboratory, Magdeburg.
 Reference - Deputy Leader of Research, GDR, and Gen.-Dir. Section of the Central Department of the Ministry of Industry (GDR) provides technical documents on production and distribution of casting, fuel, and other synthetic products.
 Reference - Provides original documents on new bridge construction in the GDR.
 Reference - Employee in the Planning Dept. of the Institute of Economics which has close contact with the Central Planning Office of the GDR. Provides data on German trade agreements, planned and actual production and consumption statistics, official investments in various industries.
 Reference - In charge of Statistical Dept. for Iron & Steel, Metallurgical Dept., Ministry of Industry, GDR. Provides data on plant development, and production in iron and steel industries.
 Reference - Has direct access to data on production and distribution figures for aluminum coal.

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TARGET AREA	V-NUMBER	TITLE OR TOPIC	CLASSIFICATION
WESTER	3556 R	Army (AIR)	SECRET
JRNL	3516	Research	SECRET
	3564 J		SECRET
	3519		SECRET
ALLENBURG	3579-26 R	Air	SECRET
CHERBY	3508-1	Army	SECRET
KISSELACH/RIEDEL	3508-2 R	Army	SECRET
HORNHEIM/DIESEL	3541-1	Supply	SECRET
HEIDENBURG	3498	Air (also Army)	SECRET
KITZINGEN	3572-4	Army	SECRET
OSTER	3564	Army	SECRET
KARLSTADT	3528-109	Air	SECRET
	3528-109 R		SECRET
	3579-15 R	Army (Supply)	SECRET
	3501-5 R		SECRET
BOYZEN/CLAUSCH	3528-104 R	Army	SECRET

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- 30 - Overview business and transport. Strategic source. Berlin. Reference - Has access to air force optical developments & production items. (Also has access to Army supply dep at Ludwigsfelde.)
- Reference - Has access to air force optical developments & production items. Berlin.
- Reference - Has access to air force optical developments & production items. Berlin.
- 30 - Overview airfield. Berlin R. Berlin.
- 30 - Will observe TB from command post. Has well understood.
- 30 - Will observe TB from command post.
- 30 - Overview military camp.
- 30 - Overview airfield and troop units.
- 30 - Airbase reporting on military installations.
- 30 - Overview local military units.
- 30 - Overview local military units.
- 30 - Overview local military units.
- 30 - Overview local military units and spare parts dep. Berlin Ludwigsfelde. Reference - Has access to air force optical developments & production items. Berlin.
- 30 - Overview of troops in German territory. Berlin. Berlin. Reference - Has access to air force optical developments & production items. Berlin.

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TARGET AREA	V-NUMBER	TYPE OF TARGET	COMMENTS
BONNA	<u>3261.12</u>	Army	ED - Covers former IGW area. Since February 1953.
HANNOVER/ CHENITZ	<u>3266</u>	Supply	ED - Observes activity at spare parts dump Hachendorf. Good source.
BERLIN	<u>3399.7</u>	Army	R-Source - Works in printing plant of Tagliche Rundschau, which also prints Soviet Army newspaper, inflation. Provides APO's officers' mess.
	<u>3399.80</u>	Transport	R-Source - Works in VEB on ty. construction planning.
AMMERSBACH	<u>3261.11</u>	Army	ED - Uranium ore area. Reports on NVD units and AA units.
CERA/THURINGIA Border Area	<u>3397</u>	Army	ED - Besides Cera; observes military unit activity in border area.

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Plan DAVE, a special operation of GR 1. Although GR 1 is normally concerned only with GR/GR matters, the value to be obtained by its exploiting this special transportation source is so great, that an exception was already indicated. DAVE is really a positive operation built around a former General Director of the Industrie in the Germany, who fled to the West and who now works for L. He will, during March and April of 1951, establish the source Walter below, all of them are personally known to him. Some have already reported; evaluation is essential.

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V-2792 The former General Director.

V-2792.1

Inspector of the railway yards, Frankfurt/Oder. Will cover transit freight traffic through the yards, train numbers, make-up and loads of trains, the Elbe Train (Swedish heavy train), international military traffic passing through yards.

V-2792.2

Inspector in railway repair and maintenance shops, Frankfurt/Oder. Will cover make-up and dispatch of trains to and from Breslau/Oder. Also travels to West. Has complete access to a locomotive engineer between Frankfurt and Breslau; he will report on rail traffic also.

V-2792.4

Trafficmaster in Frankfurt/Oder. Will cover complete set for V-2792.1, and will serve as a communication source for him.

V-2792.5

Business Chief in the Planning Section, BND, Berlin. Will establish railway reporting sub-source in the BND of Berlin, Frankfurt/Oder, Breslau, Frankfurt/Oder, Berlin, Breslau and Germany. Will also report on domestic passing through his office.

V-2792.6

Works in BND, Berlin. Has access to all publications of the BND, such as rail schedules, bulletins on track conditions, improvements, etc.

V-2792.8

Railway inspector, BND, Berlin. Will establish sub-source at Berlin, Breslau, Frankfurt/Oder, and Berlin; also at Frankfurt and Frankfurt.

V-2792.9

Technical inspector, BND, Berlin. Supervises utilization of engines in the locomotive brigades assigned to BND, Berlin.

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ANNEX H

JUPITER - Gaps in Sovzone Military Intelligence Coverage

1. You have seen in Annexes A-G the present (as of 20 March 51) capabilities of the ZIPPER Sovzone apparatus on army, air, navy, transport, and supply targets. Within these annexes are indicated those sources which were placed under Operation JUPITER. What remains to be treated is the coverage which has not yet been obtained, but which should be obtained, in these fields.

2. Of course, there is an inexhaustible demand for intelligence, and always will be. If the inquiry were widely circulated, a customer would probably emerge who was vitally interested in the production of bath-tubs in the UDR, per se. But there's not enough money, and never will be, and it is at this point that POB's guidance of ZIPPER must reflect the needs of the priority customers and the capabilities of the ZIPPER Sovzone apparatus.

3. By and large, JUPITER has been kept on its intended course geographically and functionally: more coverage toward the Oder, and more penetration sources. We have always recognized that the western portions of the Sovzone, and the areas immediately surrounding Berlin were the objects of much effort by GIC, MID, and OSI. Consequently we have tried to cause ZIPPER to devote more effort to other, more difficult areas. They have readily recognized this rough delimitation, and have tried to guide the field accordingly. Similarly in the field of higher-level sources. Results have been gratifying so far, as you will probably agree.

4. During the course of my March inquiry, I asked GAY to prepare a map showing the coverage which, in the opinion of 36, should be the goal. This was prepared (and used during the 4 April briefing) and reviewed by 45 (Evaluation). I have abstracted the major targets from this map, and have listed them in the last paragraph. It must be understood that this ZIPPER listing comprises an ideal coverage, and not a practical goal. The list is appended without comment; possibly we can discuss the importance attached to these targets by the customers upon signature to Washington and after your study of this entire report.

5. ZIPPER's 36 and 45 staff feel that a penetration source is still needed for each type of target at each of the localities listed. The symbol "N/T" indicates that a radio agent is definitely planned for the locality, and may already be in training. The excellent work of [redacted] has kept that phase of reporting accurate and up-to-date.

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Saschwitz - W/T	Werder - Air
Barth - Navy	Fuerstenwalde - Air
Stralsund - Navy	Wildau - Supply
Wustrow - Army	Rangsdorf - Air
Rostock - W/T, Air, Supply	Fuerstenberg - Air
Panitzsch - W/T, Air	Brissen - Air
Heringsdorf - Navy	Altengrabow - Supply
Guestrow - Air	Magdeburg - W/T, Air, Transport, A
Schwerin - W/T, Army	Justerbog - Air, Supply, Army
Hagenow - Army, Air	Drewitz - Air
Pasevalk - W/T	Wittenberg - Air, Army, W/T
Leers - Air	Hagen - Supply
Fuerstenberg - W/T, Army	Barby - Army
Perleberg - W/T, Army	Dessau - W/T, Army
Angermunde - W/T	Bronkow - Air
Stendal - W/T, Army	Finsterwalde - Air
Rathenow - Air	Senftenberg - Air
Hogalin - Supply	Weisswasser - Troop Training Ground
Sohrenwalde - Army	Horka - W/T, Transport
Neuhardenburg - Air	Alt-Lonnewitz - Transport
Muenchberg - Air	Torgau - Army
Strenzberg - Supply	Rudolstadt - Army
Cottbus - Army	Moerkras - Supply
Falkensee - Air, Supply	Halle - Air, Transport, Army
Doberitz - Troop Training Ground	Leipzig - W/T

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Weissenfels - W/T
Riesa - Supply, Army
Grossenhain - Troop Training Ground
Koenigsbrunn - Troop Training Ground, Army
Meissen - Army
Dresden - W/T, Supply, Air, Transport, Army
Bad Schandau - Transport
Burgstadt - Supply
Chemnitz - W/T
Jena - Air, Army
Weimar - W/T, Army
Erfurt - Transport
Gotha - Army
Hildburghausen - Army
Storwald - Army
Dobruitz - Army
Brandenburg - Army
Neuzuppin - Army
Neustadt - Army



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ANNEX I

Use of Agent Numbers and Other Designations

1. In examining the rosters and the coverage maps, the following explanations will be of use.

2. Each OV has assigned to it several blocks of V-numbers, which it in turn assigns to its UV's and UV's. Thus any V-number is immediately identifiable from an organizational standpoint. For example, V-7561 is a member of UV-7600 of OV-80 of OV-B, because the block 7550 through 7699 is thus assigned. The entire breakdown of Sovzone agent number blocks is attached. It will be noted that some V-numbers carry decimal suffixes, as V-3852.104. In general this indicates that such an agent is as yet on trial, and will be given a whole number when his effectiveness and dependability justify it, at the discretion of the UV. A decimal number may also indicate a sub-source of a whole-number V-man, the designation being maintained simply to show the reporting relationship. This latter arrangement may persist for an indefinite period, and would probably be ended only by the sub-source's being dropped, or by his being split away to a new reporting channel, in which case he would receive a whole-number.

3. Many abbreviations have been used to save time and space, and are explained thus:

E.O.

Eye Observer. A source who reports only on the basis of his observations from outside the target. Examples: a newsstand operator across the street from a kaserne entrance; a person who frequently bicycles past an airfield. A person who has infrequent access to the inside of a target is still classed as an E.O. Example: a boiler inspector who enters a kaserne possibly every two or three months, but otherwise passes the kaserne daily.

F-Source

Penetration Source. An agent who is located within a target or who routinely goes within the target. Examples: a furnace fireman within a kaserne; charwoman in a staff building. These are relatively low-level F-Sources; there are also the more highly placed types within key industries and government offices.

TM

Troop Training Ground. The exercise and maneuver areas such as Lieberose, Letalinger Heath, etc.

General Army
Targets

By this is meant the observation of vehicle numbers, shoulder tabs, unit designations, equipment, strengths, movements, occupancy of kasernes, collection of APN's, and other general items pertaining to troop units or staffs.

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- UQ Unterquelle. Sub-source.
- R Reisequelle. Travelling source.
- DDR German Democratic Republic. The government of East Germany.
- VVE "Peoples-Owned Enterprise". Socialized or nationalized economic or industrial enterprise of the DDR. Also VEH.
- RBOD Reichsbahn Generaldirektion. Central Administration of Railways, DDR.
- REB Reichsbahndirektion. A railway division (geographic) under the RBOD.
- RSA Reichsbahnsamt. A sub-division of an REB.

4. Where appropriate, agents concentrate on specific targets (Army or Air or Supply, etc.), but obviously in a great many cases an agent will routinely furnish information on a variety of targets under his observation or may report on items of interest observed during a vacation trip, and so on. In the posters of this report, the type of target listed is that on which the source is expected to furnish coverage.

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ANNEX J

JUPITER - Financial Considerations

1. At the outset of JUPITER, FDM approved an additional 7500 DM monthly for the improvement of courier and electrical transmission channels for faster handling of intelligence in the western zones of Germany. At the same time (July 1950) FDM approved a 60,000 DM monthly increase in ZIPPER's Sovzone budget for the development of new sources in the Sovzone. Further, the way was left open for expenditures above this 60,000 DM (relegating the 7500 DM to the category of an administrative expense, which it is) by means of individual requests (from ZIPPER to POB) for money to accomplish specific and defined intelligence objectives. No time limit was imposed on this new activity; we assumed that our increases would ultimately be justified by the overall demand for more and better intelligence. Later events have proved us right, in this regard.

2. As a result of all this activity, the 1951-52 budget for ZIPPER will have to be raised to accommodate these new expenses, which ones were extraordinary in character but which now are routine and constant expenses, properly a part of the budget. This paper will show how the financial side of JUPITER has developed, and will show what the plans are for the coming fiscal year.

3. To begin with, it is the considered opinion of the ZIPPER Sovzone staff and ourselves that we are over the hump insofar as attaining our JUPITER intelligence objectives are concerned. We feel that the month of March can be considered the peak month so far as agent recruitments are concerned, and that the rate of agent increases will now trend downward. These conclusions have been arrived at after considering two factors: the suitability of the new coverage already activated in the Sovzone, and, the Sovzone intelligence requirements not yet met (this latter factor is treated separately in Annex H). Future Sovzone increases, especially after the first of the new fiscal year, would be highly selective in character, designed to fill the holes in the picture or to cover new target responsibilities placed upon ZIPPER by the paying customers.

4. The chart in Annex J-2 will prove a useful reference at this point. The baseline represents the 60,000 DM referred to in part 1 above; therefore the amounts indicated by the graphs are additional expenditures. From July through the end of 1950 there was a relatively small increase above the base-line. This was due to the fact that initial expansion was taken care of within the 60,000 DM. In fact, up to about October the OV's were unable to use up their portions of this lump-sum, and actually created reserves from it. Starting in October, however, the OV's had committed their total portions to new recruitments, and by the first of 1951 had

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additionally committed these temporary reserves. Thus in January (Annex J-3) we see a great upsurge of individual proposals which carried the graph significantly above the 60,000 level (to which it will not return). Thus the costs go up until on 1 April 1951 the amount committed through proposals stood at 48,000 DM (round figures will be used; exact figures are kept in our books). As of the time this balance was struck - 20 March - a total of 49,000 was committed for April, 42,500 for May, and 34,000 for June. This sharp downward trend is not wholly dependable, however, for this reason: As a working method, I approve most JUPITER proposals for a period of three months only, to allow ZIFFER agent evaluation before going further. During the latter part of March no proposals were processed here because of our preoccupation with the examination of targets and coverage (Annexes A-G) and JB's work in preparing the briefing of 1 April. Thus many of the February proposals "expired" on paper while requests for their continuation (and new proposals) sat in the in-box. Hence the sharp drop-off. Actually, and this is my best opinion, the curve will drop off, but more gently, during the month of May or June, even after all current proposals are processed. This is the hump I speak about earlier.

5. Now we're almost ready to talk budget increases, in marks, for the next year. At this point, one must read Annex J-1, ZIFFER was in agreement with this proposal, and we have arrived at the increases mentioned in para 4b of the annex. They are: for UV-Q, budgeted Forschungsgeld increased from 4,500 DM monthly to 13,000; GV-B, from 5,000 to 15,000; BV-B, from 3,000 to 6,000. Thus a total increase of 21,500 DM monthly for Sovions Forschungsgeld.

6. Now going back to Annex J-2, and passing, one comment must be added here. During the development of JUPITER, a number of expenditures were made which were not for reporting agent sources, i.e., additional radio operators for the Berlin Helikopter; additional personnel for parts of 236; a small number of staff increases to handle the increased flow of agent reports. My best computations indicate that the cost of these non-agent expenditures amounts to about 12% of the total JUPITER cost. Now, in the next fiscal year, extra JUPITER money will be used only to serve actual field reporting sources in the Sovions, and will not be used for supporting activities in the western zone. On the proposal expenditure curve again, a fair estimate is that the fixed costs resulting from sound proposals will level off at about 45,000 DM monthly. Adding 60,000 to this, we have 105,000 DM. Less 12%, there remains 92,400. Add to this the total Forschungsgeld increase of 21,500, we arrive at a grand total of 113,900 DM.

7. To recapitulate, it will cost approximately 114,000 DM to pay for the 150 new Sovions agents already recruited under JUPITER, of whom

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30 are high-level penetration agents. I believe that this is one of our sounder intelligence investments.

8. Thus the new fiscal year should see this present JUPITER increase added to the monthly budget as a continuing expense. It should also see the arrangement left operative, whereby expenditures above this amount may be made under the present JUPITER methods of piecemeal approval. As mentioned earlier, subsequent increases should be rather selective and narrowly controlled so as to reflect more specifically the tailored needs of the customers - the paying customers. Subsequent additions to the overhead staff, as may be necessary to handle the larger intelligence product, should be submitted through ZIPPER channels to [REDACTED] for consideration. They should no longer be accommodated within the JUPITER framework.

9. Much of my willingness to press for this financial expansion of the ZIPPER Sovzone apparatus is predicated on ZIPPER's apparent ability to gather operational details and control into the headquarters level, and their new desire to do so. I have made it crystal-clear to KUSHNE that he must maintain such records and controls as will enable him to break down the entire 114,000 DM into specific agents covering specific targets, costing thus-many marks, and rendering such-and-such reports. Eventually this type of knowledge must extend to all Sovzone sources, not only those recruited under JUPITER. In other words, this budget increase must not sink down into the Pre-Korea darkness of the old Sovzone operation. KUSHNE agrees completely with this viewpoint, and does in fact recognize his (and our) moral obligation to be able to equate money to results upon request.

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Annex J-1

TO : 38

No. 8183

FROM : 88.0

28 March 1951

SUBJECT: JUPITER - Increase in Forschungsgeld

1. It may be well to confirm our discussions of last week, and to reduce to writing the proposal I made to you concerning an increase of Forschungsgeld.

2. The situation you described was, in essence, the following: The OV's no longer had available funds with which to conduct Forschungs work leading to additional recruitments under the JUPITER program. And the problem: from where should the additional money come. This situation is due to the fact that, before JUPITER, each OV received a fixed amount earmarked as Forschungsgeld; this money was used to explore and test new sources to replace agents lost by normal attrition. At that time the Sovsons apparatus was constant in scope and relatively small in size, and the allotted Forschungsgeld was adequate to maintain this pre-JUPITER apparatus. During the course of JUPITER, however, the increased amount of Forschungs work has rendered the old allotment inadequate.

3. One obvious solution to this problem would be to have the OV's submit to you (and thus to me) individual proposals within the JUPITER framework for the approval of each Forschungs effort and the consequent financial authorization. I am strongly opposed to this method, for the reasons which follow:

a. The opportunities for advantageous exploration and contact in the field are frequently fleeting and easily lost, if action is not taken at once. If the OV's are to be held responsible for building and maintaining effective collection organizations, they must have the money and the authority to take advantage of sudden opportunities. Their flexibility in this regard would be destroyed were they required to engage in a paper exchange with headquarters which might consume weeks of time.

b. In most cases the headquarters will not be competent to judge the chances of success of a Forschungs proposal.

c. If Forschungs activities were to be dependant on a headquarters approval, then the responsibility for an abnormally high rate of failure on the part of a OV could quite correctly be assigned to headquarters. See b above.

d. Strict systems of headquarters control where such control is a hindrance rather than a help will surely inspire evasion and holding-back on the part of the OV's.

e. Lastly, free use of Forschungsgeld will develop a higher level of organizational responsibility within the OV's.

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4. In order to provide additional Forschungsgeld, I propose the following steps and principles:

a. Furnish me with a statement of amounts presently earmarked as monthly Forschungsgeld for each of the OV's. Then indicate your estimate of the monthly increases needed by each of the OV's. I assume that you will arrive at these increased amounts after discussions with the OV's.

b. We shall then arrive at mutually acceptable increases.

c. Then you should authorize each OV to free the additional amount from its presently encumbered monthly budget by the paper transfer of old agents (those recruited before JUPITER and before the OV's needed Hq. approval to recruit) to the JUPITER financial account. The OV should select a sufficient number of old agents whose remuneration totalled the amount of the newly authorized Forschungs increase. The money thus freed within the old budget would be at once available for Forschungs work within the OV.

d. In effecting the above change-over, I would suggest that you cause the OV's to submit to you, for each old agent so transferred, the same data presently submitted for new JUPITER recruitments. Obviously, my approval of these transfers would not be necessary.

e. Concurrently, your sifters should screen the lists of Sovzone agents to identify those old sources whose intelligence value is, by present standards, marginal. The OV's should be caused to drop these sources; the money thus saved should revert to headquarters, not to the OV's, and be held as frozen funds.

5. I believe the procedure described above will have a good internal effect on the German organization. It will: (a) bring more of the Sovzone apparatus under the supervision of headquarters, and (b) give the OV's freedom of action in their Forschungs work. Both of these results will contribute to the institutional soundness of the German organization.

6. I am at your disposal for the earliest implementation of the above plan, if you are in agreement with it.

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cc: 25.37

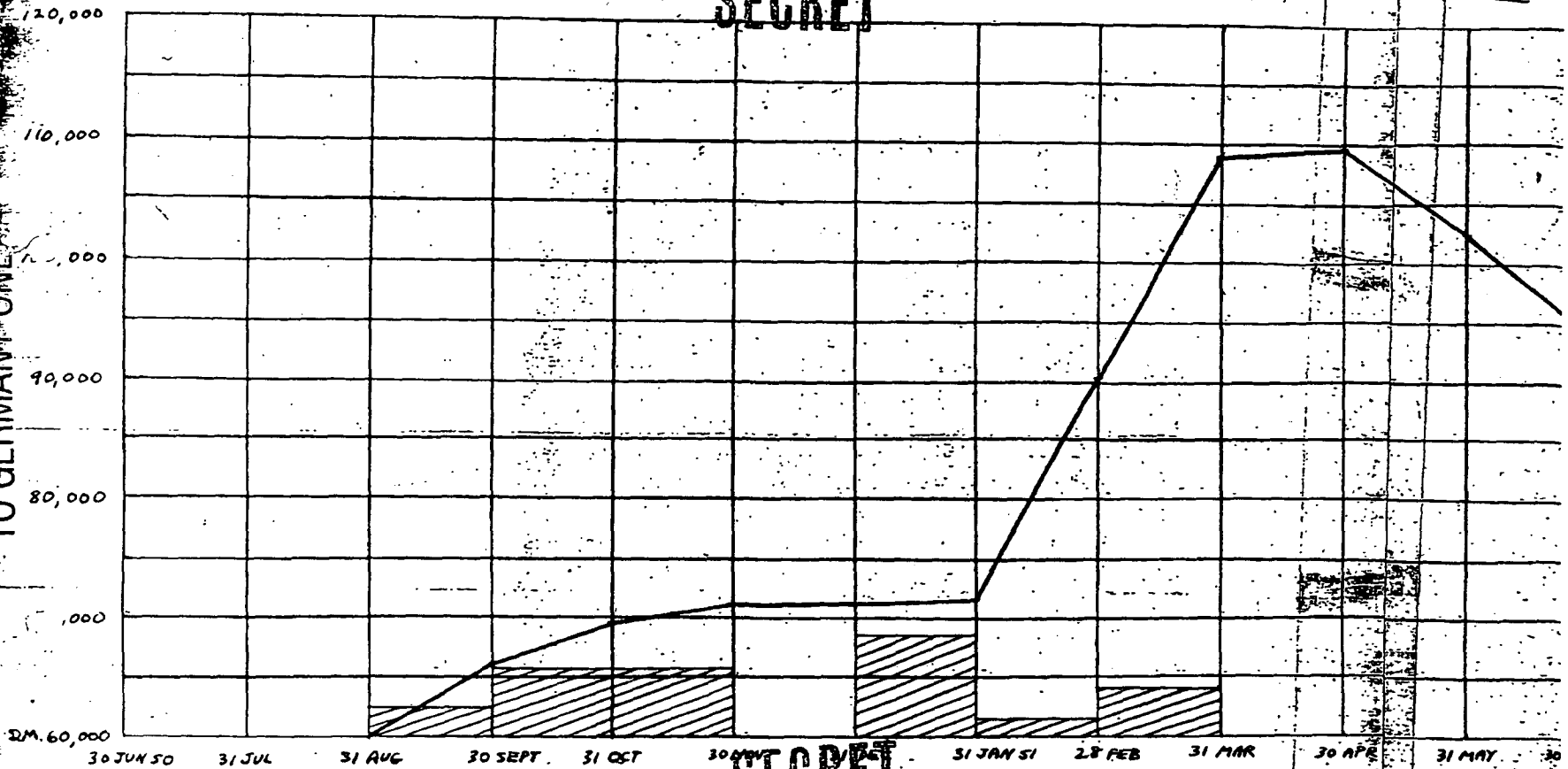
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ANNEX J-2



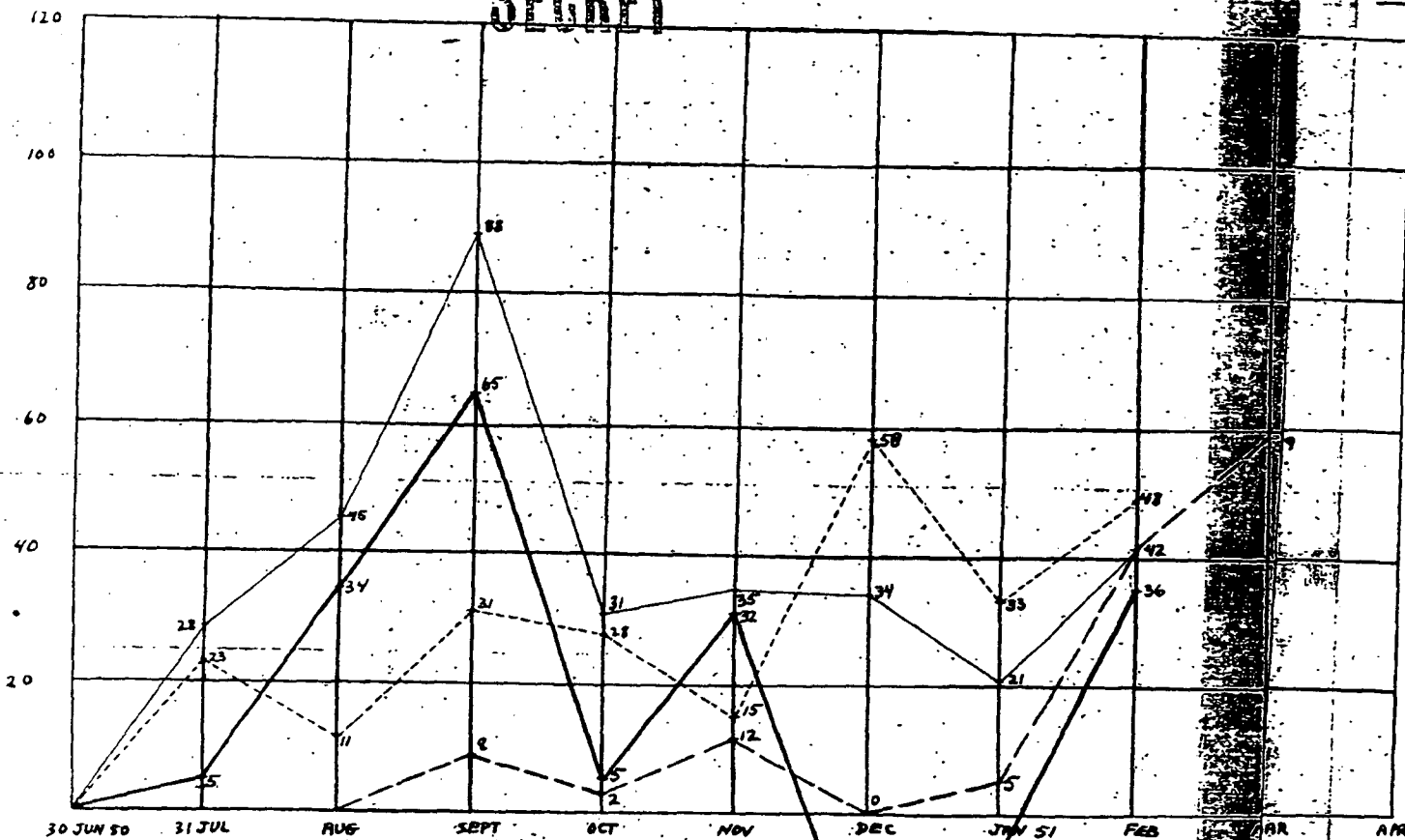
The base line begins at DM 60,000 (monthly), which is the lump-sum increase authorized for ZIPPER at the beginning of JUPITER, in July 1950. The solid-line graph shows the additional amounts committed through individual JUPITER proposals, for monthly costs of extra agent personnel. The cross-lined columns indicate the amounts authorized for one-time expenditures in connection with these individual proposals.

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ANNEX J-3.

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Light solid line = agent recruitments (incl. explorers, couriers, agent leaders) within the 60,000 DM JUPITER monthly increase.
 Short-dashed line = dropped agents (normal attrition).
 Long-dashed line = agents recruited by individual JUPITER proposals.
 Heavy solid line = net agent increase, by month.

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ANNEX K

ZIPPER Operating Techniques - Sovsone

1. We must assume that at least the working sections of ZIPPER will ultimately take their place in a new German Intelligence Service. If we are forceful and fortunate, they shall. Thus transferred in status and removed from the present by some years, they will be an equal service and, we hope, a friendly and cooperating one. But our present favored position will have been lost, and much of our future field contact with ZIPPER will be as a competing service. Thus we must, with our present opportunities, record as much as we can regarding the techniques of ZIPPER's covert collection methods, the touchstones by which their field activities may be recognized.

2. An examination of the Sovsone apparatus will be quite revealing as regards techniques; several unique factors must be pointed out, however. Firstly, the Sovsone is ethnically a German state, and the difficulty of ZIPPER's carrying on clandestine activities there cannot be compared to the difficulties of operating in a truly foreign country, possibly amongst a hostile population. Nevertheless, it is in this ethnic German area that ZIPPER is building up its biggest stock of experience in intelligence collection (particularly military), and techniques which have proved their success in this sector will undoubtedly repeat themselves in other places at other times. German habits are probably harder to break than others. The heavy Abwehr-GSS coloration of ZIPPER will also make the present techniques more persistent as time goes on.

① 3. It might be thought that the relative independence of each of the ZIPPER operating field bases (the OV's) since approximately 1947 would preclude the identification of characteristics which could be observed throughout the organization. To say this otherwise, a centralized headquarters control has been largely absent during the growth of ZIPPER, consequently a standardized headquarters influence in field operations could also be expected to be absent, and the field agencies expected to burgeon in a wide variety of forms and styles. Actually, the latter development did not take place, largely due to the synthesis of the Abwehr-GSS personalities who, in all significant respects, comprise the staffs of the field agencies as well as the headquarters. For although the headquarters influence was not felt operationally, the same kind of minds were at work in the field, and the net result probably is now about the same as if the headquarters influence had been decisive from the beginning. In fact, direct headquarters control had been so totally lacking that it is likely that only this similarity of mental conditioning has enabled the field and headquarters to tolerate each other at all. And at this reading, they are drawing more closely together organizationally, with the domination of the headquarters gradually being accepted. When this trend began, ZIPPER grew up as an organization. The cohesiveness it is attaining now will toughen it as well. And as it institutionalises itself, it will become less a creature of its top leadership, and more

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stable and enduring than that leadership.

4. Thus it can be reasonably assumed that many of the operational techniques often described by ZIPPER headquarters people are in fact practised by the field agencies. This assumption is partially borne out by the operational details furnished by the field during the course of JUPITER; they have largely corresponded to headquarters' "approved solutions" for the conduct of such operations. The most readily identifiable techniques are given below, without regard to their being standard techniques or unique to ZIPPER.

1. notal
2. recruit

5. Firstly, we find, as [redacted] has pointed out, that ZIPPER first uses a forerunner, or explorer, to locate a potential source who can securely furnish what is desired and who will probably be susceptible to a positive approach. Enter the recruiter, who makes this approach and puts the proposition. Ideally, the forerunner has not been blown during this period, and is still clean for further exploration. The recruiter binds the deal, and may possibly engage in some preliminary training and testing of the new agent. When satisfied, the recruiter puts the agent in touch with his agent leader who, up to this time, probably does not know the new agent. At this point the recruiter drops out and future handling, training, and care are provided by the agent leader. Thus there are almost always three persons involved, though occasionally a regular recruiter will locate and recruit a new agent. This is considered by ZIPPER to be bad form and is discouraged with few exceptions. Almost never does the recruiter actually run the agent.

3. PA

6. The ZIPPER Sovzone collection people believe that, ideally, an agent leader should run two or three agents; under no circumstances more than five (at the present time, however, this figure is frequently as high as nine). By "agent" is meant a field source; this automatically includes supporting activities such as couriers, letter boxes, and the like. Above the agent leaders, and properly separated by letter boxes, telephone drops, etc., are the so-called filials leaders. Each filial, according to best practice, handles two or possibly three agent leaders or more. At this point the structure becomes less stylized, and we find a wider variety of forms, up to the Sub-agency (UV). Agent leaders may report directly to the UV, or there may be a filial level in between. Under one UV may be found as many as five or six filials, or more. Above the UV there is the District Agency (DV) and then the General Agency (GV).

Fileable
inside
UV
BV

7. Systems of cut-outs are universally used, and generally in considerable depth. On paper at least, the ZIPPER Sovzone apparatus is organized quite securely, and the planning concerning new Sovzone operations constantly reflects this laudable thinking. In practice, the involved systems of cut-outs has apparently paid off: relatively few Sovzone people have been lost through compromise or arrest, and where

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the letter has occurred, it has generally been a single arrest rather than a wholesale roll-up. For instance, a transportation source in Weiswasser was arrested (for intelligence reasons, though specifically unknown) during late February or early March. However, so far his actual courier and letter box were not blown, to the best of our knowledge.

8. Berlin serves as the transfer point from enemy areas to friendly hands for a large part of the Sovcons product. There each OV maintains a representative of the OV headquarters, who in turn operates central letter boxes which relieve the BV's of their tasks (the leading is done through another channel). In Berlin one finds a heterogeneous mixture of dead letter drops, live drops, and telephone drops, with the latter being the more widely used by agents coming in from the Sovcons. Through a phone drop a meeting is arranged with the agent leader, or else the agent is told to utilize his letter box.

9. There is of course no lateral contact between agents. Within the OV's, however, and even within the BV's, there may be a selective type of lateral contact. As indicated previously, the agent leader is not selected because of his personal knowledge of the agent himself. Their relationship is generally functional, depending on the type of target being covered by the agent and the number of agents already being handled by the leader. Not infrequently an agent is passed from one leader to another; this may be occasioned by the agents being transferred from, say, an airfield target to a supply dump target. Or possibly because the agent leader is being lightened in order to better handle a smaller number of agents. Apparently, at least as regards the ethnically German Sovcons, ZIPPER has seen fit to disregard the psychological advantages of a close and enduring personal relationship between an agent and his leader. And apparently security has not been lost by such transfers.

10. Getting down to the end of the ganglia, we may take as a good example an agent reporting on railway traffic in the Kuestrin-Rietz gateway. He has available to him at least one, possibly two, pre-arranged channels for personal contact with his leader for briefing, training, or other help. This personal contact channel will run through either a letter drop or a phone drop, the latter generally if contact is to be in Berlin. The letter drop is open both ways; the phone drop only to the agent. In addition, there almost always exists a separate contact channel available to the leader, either through a third party unavailable to the agent, or through a stand-by letter drop which the agent frequently checks. The above describes the so-called "leading" channels. The reporting channels are always quite separate from the leading channels. Most frequently they consist of a dead or live letter drop to which reports are physically sent, or of a phone drop where a canned message will produce a courier,

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who will relieve the agent of his tasks at a pre-arranged meeting. Further there will always exist a separate channel direct from the agent to a left or phone drop one level above his leader (though to whom is unknown to the agent) which is to be used in case of danger to the agent (or to the leader) or in the event the leader is unavailable during a crucial time. Thus we have observed that each reporting agent may have as many as three leading and three reporting channels, each separate from the other. However, two of each are more the rule.

11. It has also been noted that ZIPPER believes in a W/T man doubling as an agent and reporting his own observations, and is rather firmly opposed to using a W/T man to serve a net of eye observers by transmitting their reports. I believe that this viewpoint, however, is based on a desire to preserve W/T assets until they are vitally needed. The existence of Berlin as a collecting center insures prompt handling of hot intelligence, and the use of W/T is not justified. Thus the reluctance to connect a W/T to a net is probably predicated upon the local situation in the Soviets, rather than on a principle of operation. That this is a logical assumption is further supported by current Soviet activities: in one example, there has been set up a standby system of drops which in an emergency would link three railway observers to a dormant W/T in Frankfurt am Oder. As a matter of practice, all Soviet W/T agents are dormant except for practice or in an emergency.

12. The above observations are sketchy at best, and were gathered only out of the corner of the eye during the months when attention was being devoted to the over-all soundness and effectiveness of the structure rather than to the myriad techniques used in the building of it. There has not been time to make the exhaustive technical analysis of Soviet operations that they justly deserve. With JUPITER well on its way toward the attainment of its major objectives, [redacted] will probably have enough time in the future to record more on this interesting and profitable by-product.

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ANNEX L

12 March 1951

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MEMO TO : [REDACTED]

SUBJECT : JUPITER

1. Herewith follow my recommendations for the future handling of JUPITER and for the continuation of our present interest in ZIPPER's Sovcons apparatus and activities. Before going into these recommendations, however, I think the philosophy behind both the handling and the interest must be detailed somewhat, and reduced to writing for the record.

2. The primary and principal purpose of JUPITER remains what it always has been, as stated in MIL-4-2838, of 1 August 1950: "A program designed to raise the level of quality and timeliness of reports covering Sovcons OS targets and the recognized indicators of imminent hostilities". That it remains a construction job, and should remain one until we can state, with reasonable assurance, that the ZIPPER apparatus is of sufficient extent and so placed as to fulfill at least the minimum intelligence requirements placed upon us by the military customer. The "minimum requirements" will probably be left for us to define, through collation of the known requirements of the customer. At any rate, I do not feel that we have yet attained this minimum level and for this reason, as well as for others given below, JUPITER should be continued as a program. Later on, when the basic construction has been completed, the JUPITER procedure should be constantly available for the continued maintenance of the Sovcons apparatus and for the fulfillment of new or changed intelligence requirements. I strongly believe that the procedures set up under JUPITER have, since its inception, proved their value to ZIPPER, to FOE, and to the customer, and have made a solid contribution to the effectiveness and reliability of ZIPPER as an intelligence gathering organization.

3. A word about these JUPITER procedures. ZIPPER Hq. now receives specific proposals from the OV's, each proposal describing the placement of a particular agent or a small connected net. These proposals are now prepared in a standard format, and routinely include pertinent operational data, costs, and personnel. The intentions and costs are approved or disapproved at headquarters, actually in my office. The fact that the approvals issue from me is non-pertinent; that facts that ZIPPER Hq. has gradually assumed directing authority and, more important, that the OV's are coming to accept this authority

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calmly and casually - these facts are indicative of a complete reversal of ZIPPER's previous principles of operations, and reveal a willing acceptance of methods more nearly like our own. WOLLMAN is known to be strongly in favor of the new system, and KUEHNE and GAY could not be more enthusiastic. UTILITY's viewpoint is unknown to me, probably because the details of JUPITER methods are unknown to him, a condition I should not like to see altered. I feel that Hq. acceptance of these methods is fully completed, and the principle of operation has seeped down, unequally as yet, to the OV's and even beyond.

4. In paras 2 and 3 above I have set out the two main reasons why JUPITER should be continued, and repeat them here:

a. To complete the ZIPPER Sovzone apparatus so as to meet the requirements of the military customers.

b. To allow ZIPPER Hq. to extend and perfect its knowledge and control over its most valuable collection asset: the Sovzone apparatus.

The customers will receive early and identifiable value from a, and intangible but lasting benefits from b. At the same time POB will pump off the agent data of professional interest, a benefit of considerable long range value. At some time in the future the OIS will have at its disposal a rather large number of Germans and other nationalities with extensive experience in clandestine operations; we shall learn much more about these people by keeping the JUPITER technique alive. Independently of the foregoing, [redacted] and I both have had occasions when we have made specific suggestions in the operational phase of a proposal, to the admitted benefit of 38. There is a purpose served here, as well.

5. Therefore, I recommend that any closing out of JUPITER (as you intended, per your last fortnightly letter) be limited to a financial balance being struck as of the end of this fiscal year, and that the past procedures be kept fully operative. After I leave in May, I recommend strongly that [redacted] move right along with the program, doing business at the same old stand (and for the same old purposes). We have seen eye-to-eye on the problem all along, and [redacted] relationship with 38 is excellent. As a rough estimate, objectives a and b of para 4 above should be near completion during the early or middle fall; this might coincide with another change in [redacted] duties, so there would probably be no break in continuity. To prognosticate further would be pointless, at the present time, and further courses of action could more wisely be planned when the goals come in view.

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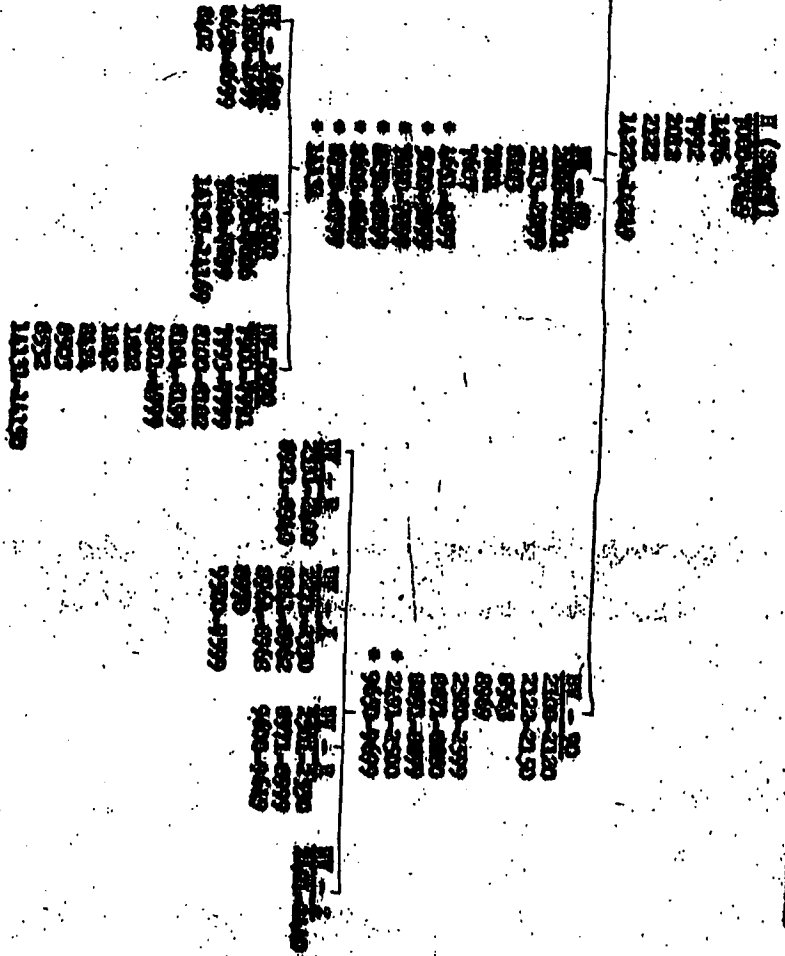
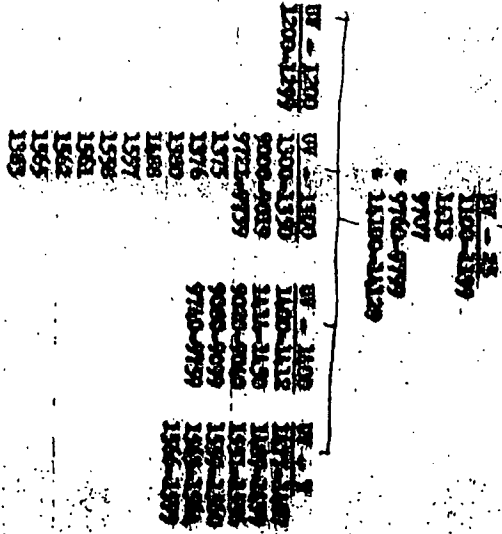
6. The method processing and forwarding the personalia take has already been agreed upon between [REDACTED] and myself.

7. One more point should be touched on here. In JUPITER we have concerned ourselves with the building of an instrument of considerable intelligence value, and have pumped much money and effort into the building. Should war break out, there would at once exist the great danger that we (the Western world) would see this apparatus rendered valueless through our being deprived of contact with it. Probably the greatest service the FOB and ZIPPER staffs can render would be the setting up of a shadow plan which, upon activation, could re-establish contact with those parts of the apparatus which may survive a wartime occupation. I realize that SATURN is designed to cover wartime activities of all sorts; it is my strong feeling, however, that no SATURN activity should take precedence over this primary goal: to salvage as much of the peacetime Sovsons (and West Zone) apparatus as possible. The coordinated efforts of [REDACTED], and [REDACTED] could well and profitably be devoted to this end.

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* Intellectual limitations numbers not yet
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TO : Chief, Foreign Division M
FROM : Chief of Station, Karlsruhe
SUBJECT: GENERAL— Operational
SPECIFIC— SATURN/ F-Net/OSMOSIS

DATE: 9 June 1951

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1. It is extremely important that our policy vis a vis ZIPPER's role in intelligence activities in the event of war be crystal clear and not subject to divergent interpretations in Washington and Europe. There is considerable evidence that this clarity of understanding has not been achieved. Since we are engaged in an extensive program directly related to this problem and because a tremendous amount of detailed planning and preparatory actions to support wartime activities of ZIPPER are entailed, it is imperative that our position on this matter be re-examined and that any existing confusions be clarified.

2. The ZIPPER Position.

a. ZIPPER's E-Plan envisages the evacuation of 1500-2000 members to the West. The evacuation would be centrally controlled; communications would be retained; assembly areas west of the Rhine have been designated; plans and preparations for resuming collection activities in the Soviet occupied areas east of the Rhine have been and are being completed.

b. The integrity of ZIPPER would be retained; it would hope to gain strength by affiliating itself, for propaganda purposes, with whatever emerges as a German Government in exile.

c. ZIPPER would be completely subordinated to the American or Allied intelligence structure that would exist under these circumstances. All preparations and plans for such an eventuality are made in closest cooperation with the US staff. ZIPPER recognizes the fact that its present E-Plan is subject to rather radical changes by either SHAPE directives or the tactical and political situation that might exist at the time of implementation of their plan. However, they feel that it is better to have a carefully made plan from which deviations can be made than to have none at all, or to wait for the SHAPE picture to clarify. We on the US Staff with ZIPPER enthusiastically share this view.

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d. ZIPPER is in complete agreement that the necessary files (signal plans, ciphers, operating instructions, rosters, etc.) to establish a ZIPPER Headquarters and Base Station at any point where it may be necessary should be in safe storage in US hands. They have never accepted the fact that construction of signal plans and the training of ZIPPER W/T agents should be directed towards facilitating communication with an American base station manned exclusively by American personnel. See MGLA-5088 and 6574, subject "Signal Plans".

e. A ZIPPER outside base station, staffed with a skeletal crew and capable of immediate expansion to meet ZIPPER base station requirements in time of tension or upon the outbreak of war by priority evacuation of 45 available ZIPPER operators to the base station area, is the optimum ZIPPER aim. The minimum ZIPPER aim is an alternate US developed and controlled base station with an adequate number of operating positions to be manned by ZIPPER operators to be evacuated from Germany in time of tension or upon the outbreak of war.

3. The U.S. Position.

a. Six months of discussion between POB and Washington in late 1950 resulted in a decision to permit ZIPPER to develop an outside base station (OSMOSIS) with only material assistance from the U.S. WASHA-24880 gave final approval to develop the ZIPPER outside base station and laid down the principle of no ZIPPER operators in American base stations. A week later, MGKW-7443 (originating in the Commo Office) stated "For planning purposes it is assumed by the Home Office that, in the event of hostilities, the ZIPPER staybehind circuits will be worked into U.S. controlled and operated bases which will preclude the use of ZIPPER base radio operators." Feeling that this indicated a partial conflict, POB asked for clarification in PULLA-1617. WASHA-27784 in late January stated "Basic policy to avoid ZIPPER tie-in AIS where this our best interest...in event hostilities prior establishment ZIPPER outside base, ZIPPER circuits will be worked into U.S. bases...imperative signal plans given ZIPPER staybehinds permit contact with [redacted] base station...staybehind planning should provide for such contingency."

b. We have not previously, among POB, Karlsruhe and Washington, discussed in terms of policy many of the broader aspects of the German position.

4. During the first half of 1951, [redacted], the POB Communications Officer, has been reporting his continuing efforts to have ZIPPER modify its signal plans and procedures

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sufficiently to permit the emergency use of an [redacted] base, if necessary. Considerable progress has been made. However, we are not optimistic that this progress in getting ZIPPER to modify its plans is sufficiently fast to ensure, within a reasonable time, that satisfactory communications could be established and maintained between an American controlled and operated base station (perhaps heavily loaded with other commitments) and ZIPPER trained W/T agents in the field. Frankly, we believe that the existing well-trained 45-55 ZIPPER base station operators should be assigned the task of providing communications to ZIPPER agents. More important, ZIPPER has not accepted the principle that they are recruiting and training W/T and agent teams to be individually integrated into the U.S. intelligence effort in time of war. ZIPPER is obviously holding out for the minimum solution - i.e., a packet of ZIPPER Communications Staff going into action in an American controlled base station to work ZIPPER agents. Thus far we have not taken a flat and unalterable position with ZIPPER on this matter simply because it is not entirely clear in our own minds that the basic policy laid down in WASHA-27784 indicates that we should. However, this unresolved issue is now handicapping our efforts to proceed effectively with vital planning and preparations, and the time has come to hold forthright discussions with ZIPPER on the entire SATURN program.

5. In summary, within the limits of the U.S. and German positions, we appear to have several possible solutions; they are:

a. To assist ZIPPER in the development of an adequate outside base station of their own; to base the alternate plan on the use of an American controlled and American operated base station with U.S. operators contacting ZIPPER W/T agents.

b. To assist ZIPPER in the development of an adequate outside base station of their own; to base the alternate plan on the use of individual ZIPPER operators in a US controlled and operated base.

c. To assist ZIPPER in the development of an adequate outside base station of their own; to base the alternate plan on the use of a packet of ZIPPER operators and communication staff members in a US controlled base. (Preferably separated physically from any other U.S. base station.)

d. To assist ZIPPER in the development of a base station (OSMOSIS) capable of handling only limited training and testing F-Net traffic and to base all wartime plans on the use of an American controlled base station staffed with only adequate ZIPPER communication personnel to meet existing ZIPPER requirements.

6. Solution "a" above would appear to be closest to the stated U.S. position. Solution "b" would be consistent with

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WASHA-27784, if we interpret the presence of ZIPPER operators in an American station under these circumstances to be "in American interest". If we take the position of either "a" or "b" above, it will be contested by ZIPPER. Solution "c" is obviously the ZIPPER solution. If we reject it we should determine beforehand on what basis we wish to reject it. Is it because we do not agree with the basic ZIPPER concept of retaining their organizational integrity under these circumstances? Is it because of the difficulties we envisage they will encounter in attempting to develop a 10-position base station in OSMOSIS? Is it because of our own security considerations at US controlled and operated base stations? Solution "d" could be stated in several variations - for example, in terms of an inadequate OSMOSIS station and the alternate solutions of "a", "b", or "c". However, it is felt that the various aspects of this problem have been adequately presented.

7. I feel that we should determine the limits of the position that we are willing to discuss with ZIPPER and then initiate here in Pullach discussion designed to clarify and resolve, once and for all, the misunderstanding and outright differences that cloud all of our present planning in this field.

8. A year from now we expect to have trained and prepared to operate approximately 60 W/T agents. At present we have 21 trained W/T F-Net operators; 27 in training. This does not include W/T agents in the Sovzone or Satellite areas who are being integrated gradually into our SATURN plans. See MGLA-6124, 6434, and 6701. Although we know that a number of them would not survive, we feel that we must plan on a base station with approximately 10 operating positions.

9. In general, the entire SATURN program is progressing satisfactorily. The burial program is underway. We believe the technical problems have been solved. [redacted] and [redacted] are currently in Berlin observing burials in that area. We are planning several CPX problems during the summer to check our E-Plan communications. [redacted] is handling this entire matter most effectively.

10. A matter of real concern to us is the fact that we have been almost completely unsuccessful in obtaining Army agreement to plan for logistical or administrative support of our evacuation and subsequent operational plans for ZIPPER. We have lowest priority for road space in the evacuation. We are being promised no trucks. A check with Lt. Col. Leffers, formerly with us and now with the EUCOM Detachment in France and responsible for setting up supplies for a possible evacuation to France of EUCOM units (including the Munich Post personnel), reveals the fact that no consideration is being given to supporting any non-U.S. personnel, and specifically ZIPPER, in France. Equally serious, all reserve

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officers on the POB staff have mobilization assignments to EUCOM units. Reliance on their availability is part of our evacuation and subsequent operational planning. Furthermore, if our plans are to work at all, a rather substantial air movement of key personnel would be in order. Insofar as we know, no realistic approach to this problem has been made. These are all problems which will require effective staff work and workable liaison at the EUCOM and SHAPE levels. We are thoroughly aware of the fact that COS in Karlsruhe is at present without a staff to handle these problems. However, they are problems which must be considered and resolved if we are to approach seriously the entire problem of Post-Outbreak-of-War-Operations.

11. Finally, I urge that the ZIPPER F-Net program not be considered out of context. It is part and parcel of an extensive program to leave us with a producing intelligence organization immediately after the outbreak of a war in Europe. Burials; selection of potential drop areas; preparation of detailed maps, sketches of photographs of selected drop areas; selection of safe-houses; selection of agents who by their occupation would probably become not only observers but also actual penetrations agents of agencies of a Soviet occupier; a highly selective program of recruitment of possible drop agents; the evacuation plan; the base station and the entire F-Net and relation communications plans are all designed to emerge as a single plan for the collection of information.

12. We recommend that ZIPPER be encouraged and assisted in the establishment of the primary Base Station in OSMOSIS; that an alternate station in the Mediterranean area be planned; that at a minimum the alternate station be packaged ready for quick installation and that, within the framework of our SATURN effort, plans be made to transfer communication and operational personnel to OSMOSIS or the alternate Base Station. If and when the status of OSMOSIS within the NATO framework is clarified, the OSMOSIS base station should be reexamined to determine the desirability and feasibility of establishing a greater degree of direct American control, more consistent with the US-ZIPPER relationship. This is essentially the recommendation in Para. 5 c. above and will, we feel, ensure the most effective utilization of ZIPPER under the conditions that could be expected to exist.

13. The Outside Base Station is now being shipped equipment by ZIPPER. Many items, including receivers, required for the station exist in ZIPPER stocks or can be procured locally. However, suitable transmitters are not available. [REDACTED] has indicated that the Hallicrafters type HT-4-G (stocked by Commo Division) transmitter would be ideal. A sea shipment containing eight of this type is requested; priority handling is desirable. The type and quantity of this shipment indicate our intention of

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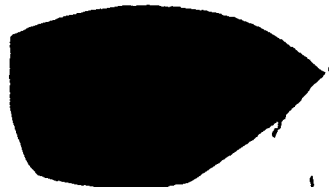
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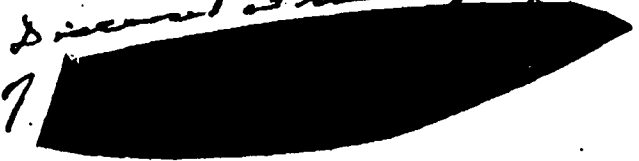
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going ahead with our material support of ZIPPER to achieve their optimum aim (Para 2 e, above). UTILITY's visit to OSMOSIS and the continuing efforts of his staff responsible for this program seemed to have paved the way for continuing the development of the base station. HOEBEL, the ZIPPER communication chief, predicts that the OSMOSIS base will be ready for limited operation within two months. This being the case, we feel that we should not delay shipping to OSMOSIS (via ZIPPER) the equipment for permanent installation to meet minimum wartime requirements.



Discussion of results



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DISPATCH NO. MGLA-11757

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VS

TO : Chief, EE
FROM : Chief of Station, Frankfurt
SUBJECT: GENERAL— Operational

DATE: 14 April 1952

SPECIFIC— Definitions in the CI Field.

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REF: (1) MGQW-12913, (2) MGQA-2554.

1. We submit that the [redacted] definitions are not adequate for our purposes. There are basically two problems involved: one of terminology and one of the delimitation of activities between ZIPPER and the BfV in the "CI" (US terminology) field.

2. Terminology. Recent discussions with ZIPPER concerning the "modern F-Dienst" (a proposal which would amalgamate counter-espionage (CE) and political intelligence into an inseparable definitional entity--rejected immediately by POB and COS) have convinced us of the value, indeed of the necessity for adhering to the classical definitions in the CI field.

a. We agree with par. 2, ref. (1), in rejecting, as confusing indeed, the [redacted] use of "CE" in the dual role of whole and part both. [redacted] version (MGKA-35039) of the [redacted] definitions sets up an "intelligence" organization, which collects "information" from overt sources and highly secret "intelligence" (i.e. information) that can be obtained only by clandestine operations, i.e. "espionage". Against this intelligence organization is ranged the "counter-espionage" machine, according to [redacted] (We believe that the correct label for the machine countering the intelligence organization should be "counter-intelligence" (CI)). This countering machine had defensive functions of "security" (internal & civil) and aggressive functions of (pure) counter-espionage.

POB Comment: We believe that CE should be narrowly construed as a part of CI and not used as a term denoting both pure CE and pure CE plus security.

b. ZIPPER uses the old Abwehr numerical designation "III" to denote overall counter-intelligence; as yet ZIPPER has been unable to come up with a fitting term in words. The best word probably would be "Abwehr", but it has acquired an entirely different meaning. At any rate, ZIPPER includes as subdivisions of "III":

(1) "Sicherheit": internal security (formerly bearing Abwehr designations III-H, III-L, III-M and III-N) and counter-sabotage (formerly III-W1) and

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also security investigations as conducted by the "Waldkapelle".

(2) "Gegenspionage" (formerly III-F): pure CE.

(3) "Ermittlungsdienst" (formerly III-C--"civil security"): counter-subversion (CS), i.e. counter-action aimed at groups and persons not necessarily engaging in espionage (i.e. not pure CE), such as the Communist Party and extremist rightist organizations which might subvert the form of government by unconstitutional means.

c. POB agrees with par. 3, ref. (1), in using CI as the overall term. Included within CI are defensive and aggressive divisions. Within the defensive division, security, are these subdivisions: internal security and civil security. Within the "aggressive CI" division (for which we have no shorter specific title we include CE (as defined in the last sub-paragraph of par. 3, ref. (1)). However we believe that the preceding paragraph of reference includes an additional element of aggressive CI, i.e. counter-subversion (CS), not mentioned therein. The third line of that paragraph should read "or persons engaged in clandestine intelligence or other activities detrimental to the. . ." CE is the action designed to negate clandestine intelligence, i.e. espionage, while CS aims at countering non-espionage ("other") activities. Thus, we use CS as a term to apply, for example, to observation and penetration of the Communist party, which does not necessarily have anything to do with CE, though it does fall within the field of "aggressive CI". In addition, we consider counter-sabotage another subdivision of "aggressive CI".

NOTE: The division between CE and the other components of CI has more than theoretical value; it serves the utilitarian purpose of drawing a clear line between Dyclean's exclusive charter in the external CE field and those of other agencies in the CI field, such as Dymacaco and Dymacule. Such a clear distinction is useful to all concerned and is the realistic means of avoiding inter-agency squabbling. Admittedly, there are lapses and overlaps, but, although these are winked at, the charters are clear. There is, unfortunately, no such clear delineation between ZIPPER and the BfV.

3. The CI Roles of ZIPPER and the BfV. It would be easy to theorize, on the normative level, that ZIPPER should confine itself to CE and that the BfV should confine itself to the remainder of the CI field in western Germany. The actualities are more complicated.

a. The internal security of ZIPPER is exclusively ZIPPER's concern at the present; likewise, ZIPPER's role in internal security is confined to ZIPPER.

NOTE: UTILITY, over the past 3 years, has maintained the position that he considers the BfV the agency to handle internal security matters, to include even background investigations for security clearance of prospective GIS employees. However, we doubt that he would agree, at present, to having the BfV, headed by Otto JOHN (considered a BIS agent by ZIPPER), conduct investigations of present or prospective ZIPPER employees.

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POB Comment: ZIPPER should handle its own internal security, including security clearances.

b. The civil security controls mentioned in par. 3., ref. (1), are clearly not within the ZIPPER province but a matter for the BfV, as the west German security agency working in conjunction with the LfVs and law enforcement agencies, such as police, customs and border guards.

c. ZIPPER's view has been that counter-espionage, both outside and within western Germany, should be the exclusive domain (among German services) of ZIPPER. According to the ZIPPER version (oral) of the ZIPPER-BfV protocol, which has been laying on Minister LEHR's desk for 8 months, it was agreed between ZIPPER and the BfV that all CE cases coming to the attention of the BfV would be passed to ZIPPER, i.e. the BfV acceded to ZIPPER's view. Though both JOHN and UTILITY have made official statements to the effect that the arrangement between ZIPPER and the BfV is satisfactory, ZIPPER states, off the record, that the situation between ZIPPER and the BfV is deplorable; cooperation is almost non-existent: ZIPPER provides the BfV with CE and counter-subversive information and gets almost nothing in return. The BfV has not observed its agreement to turn over CE cases to ZIPPER; instead, BfV has been running CE cases and not passing the CE information to ZIPPER.

NOTE: GLOBKE, discussing the VS-ZIPPER relationship with [redacted] and [redacted] in Bonn, did not appear to be quite in agreement with ZIPPER's proposition that ZIPPER should have exclusive responsibility for the conduct of CE cases within western Germany. GLOBKE also described the East-West Germany situation as sufficiently unusual to warrant a deviation from any classical concept of clear-cut delineation of "CI-CE" functions. He specifically stated that he foresaw the GIS playing the primary CE role; however, the BfV would not be excluded from the field.

POB Comment: A single and centralized agency should have exclusive responsibility for counter-espionage; this should be the GIS. However both the BfV and ZIPPER are in the CE field now, as competitors, and both can be expected to remain so for some time. There is also a good possibility that the various LfVs will occasionally try to play the game independently too.

d. The counter-subversive field is the most confused of all. Ideally, this would be the exclusive domain of the BfV, which would pass all CE leads to ZIPPER, as well as the background type information necessary for the planning of CE operations. This has not happened; the BfV has not provided ZIPPER with required information; consequently, ZIPPER has engaged in CS work, is continuing to do so and expects to have to keep on doing so for quite a while. The ZIPPER CI/CE budget for the FY 1952-'53 is based on the assumption that the relationship with the BfV will continue bad; that ZIPPER must continue to play a role in the CS field in western Germany, because the BfV will not meet its requirements; that ZIPPER's investigative and surveillance facilities must be expanded because reasonable service is not forthcoming from the BfV.

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4. We must face the fact that there is no really clear-cut delimitation between ZIPPER and the BfV within the offensive CI field; both engage in CE and CS work independently. We doubt if any substantial change will be effected by altering US terminology or by adopting British terminology, which we consider confusing.

5. [REDACTED] recently took up again with ZIPPER the question of POB access to ZIPPER-BfV traffic. ZIPPER has re-agreed to give us full access thereto; i.e. the green copies of ZIPPER reports to BfV, a copy of all ZIPPER-BfV teletype messages (incoming and outgoing) and the opportunity to examine and reproduce (if desired) incoming reports and name trace requests from BfV.

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22 MAY 1953

Salt Bpd

TO : Chief, EE

FROM : Chief of Base, Pullach

Info: COM

SUBJECT: GENERAL— Operational/ZIPPER

SPECIFIC— Survey Report of ZIPPER's Satellite Operations
for Calendar Year 1952.

Reference: EGQW-3301

1. Submitted herewith is the long-delayed report on ZIPPER's Satellite operations for the calendar year 1952. The report consists of nine attachments (A to I) as follows:

a. Attachment A presents a General Discussion by 50 dealing with the general, technical, psychological and area difficulties encountered in the course of the year's activities.

b. Attachment B gives general statistics on the number of agents and reports respectively in and on the target areas for the period plus some general remarks as to plans for 1953.

c. Attachment C breaks down in detail the general figures in Attachment B for the area, Poland, and adds measures and plans for 1953.

d. Attachment D breaks down in detail the general figures in Attachment B for the area, CSR, and adds measures and plans for 1953.

e. Attachment E breaks down in detail the general figures in Attachment B for the area, Hungary, and adds measures and plans for 1953.

f. Attachment F breaks down in detail the general figures in Attachment B for the area, Rumania, and adds measures and plans for 1953.

g. Attachment G reflects the lack of Bulgarian operations and mentions the measures and plans contemplated for 1953.

h. Attachment H is a report of overall organizational and personnel measures in the field of satellite operations.

i. Attachment I is a key to the B-report numbers shown in Attachments C thru G tying them to their respective EGL, EGK or MGL equivalents where applicable.

21 May 1953

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2. To assist you in perusing the attachments the following remarks are submitted:

a. While giving due emphasis to the difficulties encountered by way of intensified Satellite security measures (documentation, border restrictions) and psychological measures of control ZIPPER makes sure to emphasize its difficulties re access to potential agents. The reference is of course to ZIPPER's non-preferred position in the initial handling and interrogation of refugees in Western sectors, a rather sore subject with the organization. We have attempted to assuage their feelings by pointing out that this so-called "cream of the refugee crop" has not produced any appreciable number of higher-types.

b. It is our impression that while ZIPPER is able to put its finger on the technical difficulties encountered it is not exerting all of its best efforts to overcoming them (apart from documentation work of course) especially with respect to border restrictions on the Bavarian-CSR border. Specifically we feel that ZIPPER has not devoted sufficient special effort to finding new and improved means of slipping agents into CSR. We feel that all too often the agencies in the field are left on an individual agent-case officer basis to figure out their specific means of entry. We will attempt to encourage ZIPPER to do some operational-aids type of research by its headquarters 331 staff (or others qualified for it) into ways and means of physically breaking thru the zonal barriers into CSR.

c. Of the 47 agents listed in paragraph 1 of Attachment B none were above the low-level category.

d. Of the 232 reports listed as being on Hungary including Soviet Zone Austria (para. 2 Attachment B) less than 10% emanated from inside Hungary.

e. B-reports listed as going to 25.50 staff on operational matters have been reported in normal operational correspondence.

f. Look for increased activity by ZIPPER in the field of legal channels to the Satellites (para. 3 c Attachment B). This is primarily to be sparked by 50 F about whose activities in this field Jenrick will soon report.

g. On reading the attached, ZIPPER's current "Drang nach Osten" concentrating on Vienna becomes quite evident. Rest assured that POB is following up with a critical eye all such declarations and intentions by ZIPPER toward intensification of Vienna operations. The plans for the build-up of the central MK in Vienna as well as the plans for CSW, GV C and UM operations in that city are being closely watched and controlled by us. We will exert every effort to insure that ZIPPER does not run over the brim of its small Viennese pot.

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3. All in all the picture is no great show of success although ZIPPER has managed a handful or two of singleton cross-border type operations. Staff-wise and operational reports-wise the handling of these operations as well as those which did not come off has generally been satisfactory. The SOP for Satellite operations was honored more in the observance than in the breach. Generally speaking ZIPPER deserves an A for effort, and about a C for performance. How this record measures up to that of others in the field, taking into consideration not only the common difficulties encountered but the special ones applying to ZIPPER (not the least of which is the non-affinity of the Satellite people generally to Germans and Germany), is a calculation that we here at POB cannot make. We await word of what you can tell us on this score.

4. In a subsequent pouch as a logical follow-up to this report we will submit a comprehensive list of all Satellite co-workers according to V-number, cover name (s), residence, place of work, and operational area for the same period.



Approved by:



9 Attachments: As listed above

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Survey Report of ZIPPER's Satellite Operations for Calendar Year 1952

GENERAL DISCUSSION

1.) It must be understood that one cannot get a complete impression through purely statistical evaluation. It is felt that in order to strike a balance, the increased difficulties for intelligence work in all Satellite States during 1952 should be taken into consideration. 50/S is therefore of the opinion that these difficulties should be pointed out again, in detail, as follows:

(A) Intelligence against POLAND was made difficult chiefly through 3 measures taken by the Poles: stricter border-controls; changes in documentation; political developments within Poland.

(1) Increased border controls:

The frontier between the Sovzone and Poland was definitely closed in the Neisse area through barbed-wire entanglements and watch-towers. To cross the border in that area is extremely risky and can only be undertaken by a very courageous and daring individual. The Oder-frontier is not closed in all places by barbed-wire entanglements, but does have watch-towers and regular patrols. The natural obstacle of the Oder River and the marshy region around the lower river require a well-functioning ferrying point, if possible, by Oder-fishermen for any crossing. The fact that fishing at night-time was prohibited is also a great handicap for intelligence activities. The frontier section west of Stettin is made secure by strong barbed-wire entanglements. The coast of the Baltic is guarded by patrols, chiefly on horseback. Watch-towers and beacon lights make any sea-landing well-nigh impossible. Regulations with regard to residence or travel in the frontier areas and in the coastal districts are stricter than ever. Crossing the 20 km wide border zone is only possible at night-time. The frontier guards on the Sovzone side were not noticeably increased. On the Neisse-side Soviet jet patrols were also ascertained.

(2) Documentation:

The changes in documentation in early summer 1952 made all agent activities in Poland impossible for about 3 months as our previous documents were no longer valid due to the new stamps on the Polish registration cards in May. New documents could not be made out before sufficient material was available. In the meantime a new identity card is being issued with the result that it is once more impossible to send agents out before this new document has been procured.

(3) Inner-Political developments:

Through new elections, the acceptance of a new constitution and the formation of a government modelled after the Soviet pattern the Satellite structure of Poland has become even stronger. The Soviet influence is growing. An attitude of resignation is easily under-

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Attachment -A

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standable in view of the Polish character which although easily inflammable for a new idea is also inclined to drop this idea immediately when difficulties appear. For the past 8 years there has been hope for an intervention by the Western powers; although the Soviet propaganda line of hatred always talks about the "imperialistic" war of the Western powers against the Soviet Union and the Satellites, the hope for an early liberation is diminishing. The strong decline of the economic situation, especially the scarcity of foodstuff and the rising prices strongly oppress the population. The struggle for their daily bread keeps the people busy from morning till night; there is hardly any room or time for other thoughts. There is also less readiness for intelligence co-operation due to this poor economic situation. Furthermore the efforts of the secret police to establish a spy-system after the Soviet pattern makes fast progress. Confidence in other persons even in one's own family or among colleagues is shaken. What is more, repeated appeals to all parts of the population are being issued warning them against supporting the espionage of the West in any way. The rigged spy-trials also intimidate the population. The last trial in Cracow in which, for rather scanty reasons, 7 members of the Polish Roman Catholic hierarchy were sentenced, 3 of them even to death, will also have the effect of a strong shock on the people.

(4) Recruiting of agents:

The strictness of the border controls allow flight from Poland to the West only on the part of young and strong persons. The majority of refugees arriving in the West are young men trying to get away from military service. Back in Poland, on the other hand, they have no connections to interesting IS circles so that only in a few cases is employment of such persons worthwhile. Persons having left Poland before 1950 cannot be used either as, in the meantime, conditions have changed in Poland to such an extent that they cannot move about without attracting attention.

(B) In the CSR also, technical and psychological measures of all kinds make all illegal border crossings extremely risky. The CSR blocks itself off particularly against the German Federal Republic.

(1) Technical difficulties:

(a) Frontier CSR/German Federal Republic:

Barbed-wire entanglements begun in 1951 were completed in the course of 1952; all gaps still existing in the difficult area of the Bohemian forest were closed. The barbed-wire entanglements were effectively improved by un-ended railroad tracks, electric alarm systems, the mining of favorable crossing points, cutting straight narrow paths in dense parts of the woods, increasing frontier guards and the number of watchdogs, equipping of watchtowers with telephones. The frontier district itself

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was subdivided into two restricted areas; one a dead zone which was completely evacuated and which nobody is permitted to enter, the other a zone whose inhabitants were politically screened and one which may only be entered with special permits.

(b) Frontier CSR/DDR:

The Western part of the CSR/DDR frontier almost as far as Komotau is a restricted area due to its being a uranium mining district. The patrol measures in connection with the very intensive observation of large contingents of convicts (slave labor in mines) are so stringent that in that area no border-crossing operations can be planned. There were a few border-crossing points near Zinnwald, in the area of the Tetschner mountain, in the "Boehmisch-Saeschsische Schweiz", in the Rumburg corner and in the area of the Lausitz mountains near Zittau. The possibilities in these places were used, as far as possible, by ferrying-type operations planned from Berlin. However, with the security situation in the DDR becoming more and more critical and with the increasing patrol activities since the middle of 1952 along the above-mentioned border, opportunities here also are being reduced. Although there are barbed-wire entanglements and RR-track obstacles only in parts of this border section, it is now a closely guarded area where the patrols fire at intruders without previous warning.

(c) Frontier CSR/Austria:

Knowing that a secure protection against "enemy" agents will only be possible when the whole border of the country is hermetically closed, Czechoslovakia has now started to fortify the CSR/Austria border in the same manner as the border of the Federal Republic. In the second half of 1952 the technical fortification of the Austrian frontier made fast progress due to increased working crews. The spots not yet quite closed by winter 1952/53 will be wired and equipped with security installations by Spring 53. There will be up-ended railroad tracks, trip wires with signal releases, increased patrols etc. There will also be the double frontier zone in which complete villages situated in the direct vicinity of the frontier will have to be evacuated.

(2) Technical-psychological difficulties:

The technical security of the frontier achieved by the measures as indicated above has also strong psychological consequences. The border population on the Czech side is hardly interested in the obstacles, the hermetical sealing-off against the outside world is no surprise and has to be accepted as long as the individual is not directly concerned. The effects of the restricted Zone II in which people are still living, but only under restricted conditions, are different. Their freedom to move about is limited, living in this

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zone is subject to a special stamp in the identity card or a special permit, registration regulations are extremely strict and spying by party officials intensive. Everything is done to intimidate the people living in that zone and to exert psychological pressure on them with the aim of punishing the smallest offence with the loss of freedom or life. The people living in that zone will give no support to transient agents, on the contrary they will do everything to denounce agents to the authorities merely because of the fact that such knowledge if unreported makes them liable to severest punishment.

(3) Psychological difficulties:

There are also the purely psychological difficulties which are the result of artificially created totalitarian atmosphere in the country. This atmosphere is to a large extent determined by the regular rigged spy-trials. It is also an atmosphere of fear, the feeling in each and every inhabitant of being spied upon and observed by unknown third parties everywhere. An atmosphere such as this in which every aspect of private life is under constant control and in which nothing exists which is unknown to the state, is extremely unfavorable and unsuitable for conspiratorial work directed against the regime. Furthermore there are recurrent "disappearances"; exponents of essential enterprises who might co-operate or who are almost recruited or already working for us will disappear usually after some weeks, sometimes after a few months or in the best of cases after a year or so with the result that their unexplainable disappearance makes the feeling of insecurity even greater. A typical example of such a constellation is the SLANSKY-CLEMENTIS trial which by one stroke did not only remove several men undoubtedly conspiring with the West but also determined the liquidation of many men who did not appear to be 100% safe to the regime, by the announcement of several additional connected trials.

(C) Intelligence against Hungary and the Balkans encounters the same difficulties as the work against Poland and CSR. Intelligence against the Balkan states is even more difficult as they are not direct neighbours of the Federal Republic or Austria which means that agents have to be ferried via Hungary or Yugoslavia as well as necessitating the maintenance of complicated courier channels.

2.) Difficulties in the Federal area, Berlin and Austria

Another obstacle to the recruiting of co-workers for strategical intelligence is the fact that besides the German IS numerous IS organizations of the Allies are working in the same area and with the same types. This makes the basis for work rather small as it is not easy under the present difficult conditions to find competent and courageous men for strategical work. Besides, all non-Germans crossing the border from the Satellites to the Federal Republic must be handed over to the nearest Allied authority within a few hours. If they are interesting or competent they hardly get into any contact with German authorities. Many of them are interrogated and then

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directly sent off to countries overseas; others are recruited for IS-cooperation by Allied IS authorities. Only worthless individuals or people having nothing to offer on the IS sector are sent to the refugee camps. It is our experience that only very few co-workers for the German IS can be selected from this contingent. In the same manner the most essential contingent on the interrogation sector is lost.

- 3.) It is to be expected that in 1953 the IS situation will be even more critical. In view of this fact 50/S has initiated the various measures as indicated in further attachments (transfer of strategical work to Vienna and Berlin, finding legal channels to the Satellite states, using the possibilities in the Soviet Occupied Zone of Germany). Nevertheless it will be necessary in the future also to get a foothold in the Satellites. In view of the greater risk agents and ferrying agents are running, the amounts to be invested will probably have to be much higher than they are today.

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Survey Report of ZIPPER's Satellite Operations for Calendar Year 1952

General Statistics--Agents and Reports

1. During report period the following agents were committed successfully with regard to reporting:

28 agents in Poland against Poland
6 agents in the CSR against CSR
12 agents in Hungary against Hungary
1 agent in Romania

For details see attachments C thru G.

2. The following reports sent in by agents as indicated under para. 1 above were forwarded under B-Nr.:

156 reports on Poland
18 reports on CSR (including operational reports submitted by 50/S/Gs to 25.50)
232 reports on Hungary including Soviet Zone Austria
7 reports on Romania

3. Measures for activation of Satellite operations in 1953:

- a. Converting positive "Forschung" results into operations.
- b. Use of border-crossing operations, except for special cases, in the recruitment of native sources in the target areas and the establishment of command and courier-channels to the target areas.
- c. Utilization of legal channels to the Satellites for intelligence purposes (chiefly a job for General Agencies supported by 50/F).
- d. Intensified efforts to uncover jumping-off points for Satellite operations in the Soviet Zone, Germany (code name, EXORIAR) and in Austria (main concentration on Vienna).

The target is for each field office (except for DA.E whose strategical work is to begin in March) to establish 2 to 3 fixed connections in the Satellite states in which the respective field office has to work (GA.B: Poland; GA.G: Poland and CSR; GA.C: Poland and CSR; CSW: CSR; PE: Poland; U/M: Hungary, Bulgaria). The measures initiated, adopted, or intended in the organizational and personnel sector for reaching this target will be seen in attachments B thru G.

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Survey Report of ZIPPER's Satellite Operations for Calendar Year 1952

POLAND

1.) During report period the following agents were successfully committed with regard to reporting on Poland:

(1) In Poland:

a) GV B

V-9784 (Operation ALBERT)

b) GV G

V-9497 (Operation BETTELSTUDENT)

c) GV H

V-9584 (Forschung FENSTERGUCKER)

d) GV C

V-11 117 (Operation V-11 117)

e) Operation group FE

V-21 323 (Operation EISER)

V-21 418 (Operation STEIGER)

V-21 307 (Operation HAY)

V-21 435 (Operation OBERSCHLESSEN)

V-8709 (Operation MOEWIE)

V-21 729 (Operation ALBATROSS)

V-21 730 (" ")

V-21 411 (Operation SEETEUFEL)

V-21 412 (" ")

(2) In West Germany:

a) GV B

V-1092 (Forschung POSEIDON)

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- V-1093 (Forschung POSEIDON)
- V-10 644 " "
- V-12 646 " " , formerly V-1179,1
- V-12 649 " " , " V-1179,4
- b) GV G
 - V-1088 (Forschung NORDMARK)
 - V-1090 " "
 - V-1098 " "
 - V-1099 " "
- c) GV H
 - V-4929
 - V-4938
- d) FE
 - V-21 465 (Operation HANNES)
 - V-8708 (Operation HEINER)
 - V-21 415 (Operation CLERK)
 - V-21 416 " "

2.) The following reports submitted by agents as indicated in para. 1.) above were forwarded under B-Nr.:

a) From Agents committed into Poland:

(1) FE

Source V-21 323

B-13 587 (F 3)

B-14 491 (F 3-4)

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Source V-21 418

B-12 547 (F 2-3)
B-12 547 (F 3)

Source V-21 307

B-12 547 (C 3-4)

Source V-21 435

B-8811 (F 2)

B-8812 (F 2)

B-8957 (F 2)

B-12 008 (F 2)

B-12 093 (F 2)

B-12 118 (F 2)

Source V-8709

B-9340 (C 1)

B-12 376 (C 3)

B-15 310 (C 3-2)

B-13 656 (C 2-3)
13 657

B-15 323 (C 1)
15 324

B-13 647)
B-13 648) (C 1)
B-13 649)

B-15 324 (C 2-3)

B-15 330 (C 3)

B-15 340 (C 3)

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Source V-21 729

B-15 372 (F 4)

Source V-21 730

B 15 372 (F 3)

Source V-21 411/412

B-12 339)
B-12 340) (F 3)
B-12 341)

B-12 339) (F 3)
B-12 341)

(2) GV C

Source V-11 117

B-9884 (F 3)

B-9884 (F 3)

B-11 483 (F 3)

B-12 658 (F 3)

B-12 658 (F 2-3)

B-12 658 (F 3)

B-13 862 (F 3)

B-13 862 (F 3-4)

B-14 367 (F 2-3)

B-15 910 (F 3)

B-13 470 (F 3)

(3) GV B

Source V-9784

B-13 348 (F 4)

B-14 270 (C 3)

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(1) FE

b. From Agent comments in West Germany and Sovzone Germany:

- B-17 239 (C 3-4)
- B-13 898 (C 3-4)
- B-11 483 (C 3-4)
- B-13 584 (C 3)
- B-13 348 (F 3)

Source V-9584

(5) GV H

- B-13 584 (C 2)
- B-13 470 (C 2-3)
- B-13 470 (C 2-3)
- B-13 398 (C 2-3)
- B-13 348 (C 2)
- B-13 348 (C 2-3)
- B-13 226 (F 2-3)
- B-13 226 (F 2-3)
- B-11 870 (F 3-4)
- B-15 910 (C 3)
- B-15 910 (C 3)
- B-14 055 (C 3)
- B-12 827 (C 3-4)

Source V-9497

(4) GV G

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Source V-21 465

B-12 792 (F 3-4)

B-12 792 (F 3)

B-13 845 (F 3-4)

B-14 236 (F 3-4)

B-13 845 (F 3)

Source V-8708

B-9394 (C 3)

Source V-21 415

B-12 375 (C 3)

B-13 611 (C 2-3)

B-13 611 (C 1-2)

B-13 611 (C 2-3)

B-13 644 (C 3-2)

B-13 687 (C 2-3)

B-15 330 (C 2-3)

B-15 340 (C 2-3)

B-15 376 (C 3)

B-15 367(C 2-3)

B-15 395 (C 2)

Source V-21 416

B-15 330 (F 3)

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(2) GV B

Source V-1092

B-12 309 (C 1-2)

B-13 689 (F 2-3)

B-15 378 (F 2)

B-15 378 (F 3-2)

B-13 643 (F 3)

Source V-1093

B-12 325 (C 2-3)

B-12 386 (C 3-2)

B-13 607 (C 2)

B-13 638 (C 3-2)

B-13 605 (C 3-2)

B-15 355 (C 2-3)

B-15 363 (C 3-4)

B-15 326 (F 3)

B-13 623 (F 3-2)

B-15 313 (F 2-3)

B-15 313 (F 4)

Source V-10 644

B-12 360 (C 2)

B-15 302 (C 3)

B-15 321 (C 3)

B-15 335 (C 3)

B-15 372 (C 3)

B-15 372 (C 3)

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Source V-12 646, formerly V-1179.1

- B-15 330 (F 3)
- B-15 330 (F 3)
- B-15 328 (F 3)
- B-15 377 (F 3)
- B-15 327 (F 3)
- B-15 327 (F 3)
- B-15 327 (F 3+)
- B-15 327 (F 3)
- B-15 330 (F 3)
- B-15 327)
- B-15 328) (F 2)
- B-15 329)
- B-15 330 (F 3-4)
- B-15 366 (F 3 +)
- B-15 377 (F 3)
- B-15 376 (F 3)
- B-15 377 (F 3-2)
- B-13 611 (F 3+)
- B-13 611 (F 2-3)
- B-13 644 (F 3)
- B-13 661 (F 3-2)
- B-13 611 (F 2)
- B-13 661 (F 2-3)
- B-15 330 (F 3-4)
- B-15 328 (F 3-2)
- B-15 330 (F 3)

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Source V-21 649, formerly V-1179.4

B-15 387 (F 2)

B-15 394 (F 2)

(3) GV C Source V-1088

B-15 337 (F 3)

B-15 320 (F 3 +)

B-15 372 (F 3)

B-15 387 (F 3)

B-15 353 (F 2)

Source V-1090

B-12 343 (C 3-2)

B-15 304 (C 2)

Source V-1098

B-15 326 (F 3-4)

Source V-1099

B-13 610 (C 1-2)

B-13 621 (C 3)

B-13 622 (C 2)

B-13 622 (C 2)

B-13 623 (C 2)

B-13 623 (C 2)

B-13 623 (C 2)

B-13 640 (C 2-3)

B-13 641 (C 1-2)

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B-15 319 (C 2)
B-15 338 (C 3-2)
B-15 387 (C 3-2)
B-15 374 (C 3)
B-15 374 (C 3)
B-15 374 (C 3 +)
B-15 374 (C 3)
B-13 664 (C 2-3)

(4) GV H

Source V-4929

One report in process

Source V-4938

B-14 868 (F 2)

Another report in process

3.) Measures and plans on the operational sector:

For 1953, 50/S has the following target:

Development of positive "Forschung" results into connections.
Development of current operations and establishment of nets in Poland.

In detail (only for operations):

a) GA B

Improvement of reporting qualities of operation ALBERT by thorough training of V-9784.

Improvement of reporting qualities of operation POSEIDON by thorough training of agent leader and sources.

b) GA G

Improvement of reporting qualities of operation BETTELSTUDENT by

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thorough training of V-9497.

Improvement of reporting qualities of operation NORDMARK by thorough training of agent leader and sources.

c) GA C

Using operation SCHAFFNER, after cancelling operation 11 117, for securing reports through observations of V-11 555.

d) PE

The following commitments for establishment of nets in Poland are being prepared:

V-21 317 (operation HANSEN) (two commitments completed)

V-21 323 (operation EISER) (two commitments completed)

V-21 437 (operation HUGO) (after return from one commitment)

V-21 466 (operation HANNES) (one commitment completed)

An activation of operation HAY is not intended due to the change of profession of V-21 307.

V-21 357 (operation FRAUENFELD) is overdue since September 1952. It is to be assumed that he became a victim of the enemy CI.

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Survey Report of ZIPPER's Satellite Operations for Calendar Year 1952

CZECHOSLOVAKIA

1.) During the report period the following agents were successfully committed with regard to reporting on CSR.

(1) In CSR:

a) GV C

V-12 008 (Operation FRANZ)

b) CSW

V-21 617 (Operation FATRA)

V-21 619 (operation JUNIOR)

(2) In Austria:

a) GV C

V-11 540 (Operation ZILLE)

V-11 558 (Operation DONAUFISCHER)

b) CSW

V-21 684 (Operation MOLDAU)

2.) The following reports submitted by agents as indicated in para. 1.) above were forwarded under B-Nr.:

a) From agents committed in CSR:

(1) GV C

Source V-12 008

B-10 807

B-11 395

B-11 441

B-11 735

B-11 736

(2) CSW

Source V-21 617

B-11 871

B-12 764

B-11 872

B-13 201

B-12 677

B-13 256

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Source V-21 619

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B-11 903

B-11 918

B-12 657

b) From Agents in Austria:

(1) GV C

Source V-11 540

Report about conditions in Czechoslovakian frontier district submitted as an operational information report.

Source V-11 558

B-14 563

(2) CSW

Source V-21 684

Report about conditions in frontier district Waldviertel submitted as an operational information report.

3.) Measures and plans on the operational sector:

50/S has the following target for 1953:

Development of positive "Forschung" results into connections:

Extension of current operations and establishment of nets in the CSR.
In detail (only for operations):

a) GV C

V-12 008 (operation FRANZ) and V-11 804 (operation THAYA) will continue to be available as roving observers for special cases. In view of the latest experiences, commitments will only be possible by using a ferrying point e.g. ZILLE.

V-11 558 (operation DONAUFISCHER) is committed to establish a small net in Slovakia.

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V-11 540 (Operation ZILLE) will continue to collect information in the frontier district as well as ferrying operations, since only exact knowledge of operational conditions gives any guarantee as to the success of illegal operations.

b) CSW

The following commitments for net establishment in the CSR are being planned:

V-21 617 (operation FATRA) (two commitments completed).
V-22 008 (Forschung CLAUDIUS) (one commitment completed).

Recruiting of higher level sources is anticipated through both commitments.

Operation MOLDAU has already started finding and establishing courier channels for the nets of V-22 008 by observations according to schedule in the frontier area of Austria - South Bohemia.

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Survey Report of ZIPPER's Satellite Operations for Calendar Year 1952

HUNGARY

1.) During report period the following agents were successfully committed with respect to reporting on Hungary:

V-14 615	(Operation ILONKA)
V-14 693	(Operation VELENCER)
V-14 694	(Operation LEANYKA)
V-14 695	(Operation MEGGY)
V-14 750	(Operation HANNIBAL)
V-14 751	" "
V-14 752	" "
V-14 753	" "
V-14 756	(Operation PJOTR)
V-14 761	(Operation FUNKABHOER)
V-14 763	(Operation ADLER)
V-14 911	(Operation TAUBE)

2.) The following reports submitted by agents as indicated in para. 1.) above were forwarded under B-Nr.:

Source V-14 615

B-12 993	B-14 092
B-12 994	B-14 314
B-13 254	B-14 415

Source V-14 693

B-13 346	B-13 835	B-14 357
B-13 525	B-14 015	B-14 415
B-13 526	B-14 016	B-14 426

Source V-14 694

B-13 354

Source V-14 695

B-13 354	B-14 357
B-13 467	B-14 380
B-14 092	

Source V-14 750

B- 9857	B-11 469	B-13 280
B- 9858	B-11 493	B-13 345
B- 9851	B-11 681	B-13 468
B- 9962	B-11 682	B-13 560

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Attachment E

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B- 9973	B-11 699	B-13 585
B- 9974	B-11 727	B-13 588
B- 9994	B-11 730	B-13 832
B-10 336	B-11 806	B-13 834
B-10 376	B-11 838	B-13 848
B-10 628	B-11 902	B-13 913
B-10 791	B-11 910	B-14 061
B-10 999	B-12 522	B-14 267
B-11 000	B-12 565	B-14 299
B-11 038	B-12 632	B-14 327
B-11 110	B-12 676	B-14 358
B-11 192	B-12 738	B-14 414
B-11 213	B-12 765	B-14 427
B-11 250	B-12 791	B-14 489
B-11 305	B-12 942	B-15 915
B-11 359	B-13 216	B-15 946
		B-15 955

Source V-14 751

B- 9851	B-11 319	B-13 345
B- 9852	B-11 359	B-13 418
B- 9871	B-11 360	B-13 440
B- 9872	B-11 415	B-13 468
B- 9873	B-11 416	B-13 525
B- 9962	B-11 469	B-13 560
B- 9963	B-11 493	B-13 585
B- 9993	B-11 626	B-13 588
B-10 336	B-11 681	B-13 832
B-10 376	B-11 699	B-13 834
B-10 628	B-11 727	B-13 881
B-10 671	B-11 730	B-13 894
B-10 701	B-11 782	B-13 893
B-10 736	B-11 806	B-13 912
B-10 791	B-11 838	B-14 061
B-10 811	B-11 902	B-14 133
B-10 812	B-12 522	B-14 190
B-10 882	B-12 613	B-14 267
B-10 883	B-12 632	B-14 299
B-10 935	B-12 676	B-14 327
B-10 936	B-12 688	B-14 358
B-10 999	B-12 740	B-14 414
B-11 000	B-12 741	B-14 415
B-11 001	B-12 742	B-14 427
B-11 038	B-12 791	B-14 489
B-11 053	B-12 832	B-14 498
B-11 063	B-12 852	B-14 499
B-11 106	B-12 874	B-15 403

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B-11 140
B-11 141
B-11 179
B-11 180
B-11 263

B-12 897
B-12 941
B-13 216
B-13 280
B-13 354

B-15 915
B-15 946
B-15 955

Source V-14 752

B-10 909

B-11 493

Source V-14 753

B-10 336
B-10 628
B-10 671
B-10 701
B-10 736
B-10 791
B-11 416
B-11 626
B-11 681
B-11 699
B-11 727

B-11 730
B-11 806
B-11 838
B-11 902
B-12 565
B-12 632
B-12 741
B-12 852
B-12 942
B-13 216
B-13 280

B-13 345
B-13 354
B-13 418
B-13 440
B-13 468
B-13 525
B-13 541
B-13 560
B-13 585
B-13 588
B-13 832

Source V-14 756

B-13 561
B-13 972
B-13 975

B-14 014
B-14 277
B-14 313

B-14 488
B-15 443
B-15 446

Source V-14 761

B-9831
B-9951

B-10 847
B-11 052

B-11 076
B-11 212
B-11 470

Source V-14 763

B-11 389

Source V-14 911

B-11 052

3.) For 1953, 50/S has the following target:

Development of positive "Forschung" results into connections; extension of current operations and establishment of connections to Hungary.

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In detail the following operations for recruiting connections in Hungary are planned:

- V-14 615 (Operation ILONKA) (two commitments completed in Hungary, original plus two commitments in Soviet Zone Austria)
- V-14 693 (Operation VELENCER) (three commitments completed in Hungary)
- V-14 695 (Operation MEGGY) (two commitments completed in Hungary)
- V-14 696 (Operation MARGIT) (one commitment completed)
- V-14 694 (Operation LEANYKA) (one commitment) became a victim of the enemy CI during his Hungary commitment.

Intelligence in the outpost area of Soviet zone Austria will be done to the same extent as previously by operation HANNIBAL.

The technical working conditions of the radio interception group could be improved so that for 1953 also a smooth-working interception of the Hungarian police radio service may be expected; thereby material from the Hungarian military radio communications and operational information will be obtained.

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RUMANIA

1. During report year V-14 814 was committed by U/M with success in Rumania.
2. Reports from V-14 814 were forwarded under the following B-Nrs.:
 - B-11 443
 - B-11 459
 - B-11 460
 - B-12 320
 - B-12 322
 - B-12 321
 - B-12 323
3. V-14 814 is a seaman on the Danube who undertook a lengthy trip in 1952. In February 1953 he returned from another commitment. The recruiting of further seamen sailing on the Danube is underway.

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Survey Report of ZIPPER's Satellite Operations for Calendar Year 1952

BULGARIA

1. During report year U/M did not commit any agents in Bulgaria.
2. There were no reports from Bulgarian operations.
3. In February 1953, V-14 536 was scheduled to be committed by U/M in the area Sofia and Vidin, as operation "POLDI". Thorough training was previously undertaken. An Austrian suitable for our purposes and well acquainted with conditions in Bulgaria, who is presently counselor of the legation at the Austrian Embassy in Rome, hopes to be transferred to the Austrian representation in Sofia in April 1953. Recruiting through GA "C" is underway.

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Survey Report of ZIPPER's Satellite Operations for Calendar Year 1952

Overall Organizational and personnel measures:

1.) GV B

V-12 641 was attached as co-worker to staff member in charge of strategical intelligence.

For activation of strategical intelligence V-1198 was attached to leader UV 3200.

2.) GV C

Herr LEXOW of 50 was attached to GV C as assistant deputy of the GV leader.

GV C is presently co-ordinating its staff under command aspects planning to form a command section which will comprise: operations, reports, training, IG and radio.

MK Vienna of GV C is to be completed as soon as possible for intensification of intelligence against Poland, CSR and Sovzone forces. BV 7 will transfer its main concentration of intelligence against Poland to Berlin.

The possibilities in the direction of Poland in Vienna will be used by committing V-11 730 and V-11 117 in Vienna.

In addition an improvement of Forscher- and interrogator -activities is planned by organizational and personnel measures which are not yet determined in detail.

3.) PE

PE has discharged V-21 309 as operations leader in Berlin as being not quite suited for this position, committing instead V-12 805 who had proved himself as an IS leader at GV B as operation leader Berlin.

V-21 309 is now working as interrogator at PE.

Operational Command Munich was newly established with V-4161 as chief. The latter is a man who knows Poland well from his long experiences as merchant and CI-officer and who recently served as 50/F. The new operational command has the task of carrying commitments to Poland which previously PE himself had been directing in addition to his extensive function.

Operational Command 1721 received as its one and only commitment:

Naval intelligence.

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The main concentration of V-12 805 is the establishment and maintenance of ferrying points and courier channels to Poland.

By a distribution of roles 50/S hopes for an intensification of the individual sections of work.

It is expected that by employing a staff member in charge of CI matters the protection of the operations group will be secured, a more thorough screening of agents will be obtained, and a proper handling of failures and compromises will be guaranteed.

4.) CSW

In the belief that in the present situation intelligence against CSR has its best chances for success via Vienna, CSW has begun to establish an operational command in Vienna (leader V-21 683).

The operational group in Berlin will chiefly be in charge of the establishment and maintenance of ferrying points and courier channels via Sovzone Germany to the CSR. In the West German area only the operation group V-14 178 will be left for directing interrogators in camp VALKA and finding starting points in the West German area. A staff member in charge of CI matters will also be attached to CSW for the same reason as in the case of FE.

5.) On 1 November 1952 BV E took on a staff member in charge of satellite work (V-3175) who, after thoroughly becoming acquainted with his job, was scheduled to be trained at 131 b in early 1953.

6.) U/M has finished the organizational establishment of his MK Vienna, although there are personnel vacancies there as well as in the staff of U/M still to be filled.

In addition to dealing with defection cases MK Vienna received instructions from U/M to attempt to penetrate into Bulgaria and to render accessible the Danubs route to Rumania and Bulgaria.

In addition there is an operations group Balkan states, at present staffed with V-14 530 trying to find starting points in Western Austria in the direction of Bulgaria.

An operational command for directing intelligence against Sovzone Austria (as an outpost area against Hungary) was newly established with its leader V-14 750.

Operations group Hungary (leader V-14 601) only deals with commitments against Hungary. The interrogators V-14 701 and V-14 703 as well as the radio interception group previously directed by V-14 601 were subordinated to V-14 411 (in charge of Hungary in staff U/M) in order to direct operations group Hungary completely on one target viz. getting a

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foothold in Hungary.

7.) Additional personnel in the strategical sector will be provided for GA G and GA H in order to intensify satellite intelligence operations.

8. 50/3

a) Employment of one additional co-worker each in the sections Poland and CSR and a second co-worker for 50/S/I. The co-worker in the staff CSR - Herr MENDE - started working on 26 Jan 1953. A Polish desk co-worker will soon be taken on.

Staffing the Poland and CSR sections with two co-workers proved to be urgent due to the re-entry of the GV's, B, G and H, and BV E in the strategical/satellite field intelligence in order to give the staff members in charge of Poland and CSR sufficient time to maintain a close personal contact with the corresponding staff members of the field offices and thereby to be in a position to help and advise them.

b) Establishment of an MK Vienna as support for the field offices of GV C, CSW and U/M working in Vienna. (Utilization of the American courier channel, possibility of forwarding urgent and important messages and instructions by radio channels and assistance in cases of compromise or failure by the representatives of the American side at MK Vienna).

V-14 404 (U/M) was made leader of MK as he appeared to be well suited for the job.

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SECURITY INFORMATION

SURVEY REPORT OF ZIPPER'S SATELLITE OPERATIONS FOR CALENDAR YEAR 1952

EGL - EOK - MGL

Key to B-# reports from Satellite Operations for
period 1 Jan to 31 Dec 1952

(1) FE

Source V-21 323

EGL-2348	B-13 587
EGL-2132	B-14 491

Source V-21 418

MGL-19832	B-12 547
MGL-19832	B-12 547

Source V-21 307

MGL-19832	B-12 547
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Source V-21 435

MGL-18509	B-8811
MGL-18289	B-8812
MGL-18995	B-8957
MGL-18996	B-12 008
MGL-19552	B-12 093
MGL-19556	B-12 118

Source V-8709

MGL-18077	B-9340
MGL-19704	B-12 376
EGL-1701	B-15 310
EGL-898	B-13 656
EGL-897	B-13 657
EGL-1660	B-15 323
EGL-1693	B-15 324
EGL-904	B-13 647
EGL-919	B-13 648
EGL-906	B-13 649
EGL-1693	B-15 324
N.D.	B-15 330
EGL-1864	B-15 340

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Attachment I

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Source V-21 729

EGK-26 B-15 372

Source V-21 730

EGK-26 B-15 372

Source V-21 411/2

MGL-19456 B-12 339
MGL-19407 B-12 340
MGL-19452 B-12 341
MGL-19456 B-12 339
MGL-19452 B-12 341

(2) GV C

Source V-11 117

MGL-17152 B-9884
MGL-17152 B-9884
MGL-19202 B-11 483
EGL-166 B-12 658
EGL-166 B-12 658
EGL-166 B-12 658
EGL-1268 B-13 862
EGL-1268 B-13 862
EGL-2105 B-14 367
EGL-2173 B-15 910
EGL-1500 B-13 470

(3) GV B

Source V-9784

EGL-946 B-13 348
EGL-2042 B-14 270

(4) GV G

Source V-9497

EGL-973 B-12 827
EGL-1271 B-14 055
EGL-2173 B-15 910
EGL-2173 B-15 910
MGL-19469 B-11 870
EGL-120 B-13 220
EGL-120 B-13 220

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(4) GV G (continued)

EGL-946	B-13 348
EGL-946	B-13 348
KILLED	B-13 398
EGL-1500	B-13 470
EGL-1500	B-13 470
EGL-1965	B-13 584

(5) GV H

Source V-9584

EGL-946	B-13 348
EGL-1965	B-13 584
MGL-19202	B-11 483
EGL-1258	B-13 898
EGL-2130	B-14 239

(1) FE

Source V-21 465

EGL-214	B-12 792
EGL-214	B-12 792
EGL-976	B-13 845
EGL-1479	B-14 236
EGL-976	B-13 845

Source V-8708

MGL-18503	B-9394
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Source V-21 415

MGL-19708	B-12 375
EGL-450	B-13 611
EGL-450	B-13 611
EGL-450	B-13 611
EGL-804	B-13 644
EGL-1477	B-13 687
N.D.	B-15 330
EGL-1864	B-15 340
EGL-12	B-15 376
EGL-25	B-15 367
EGL-91	B-15 395

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**SECRET/RELEASE
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N.D. B-15 330

(2) GV B

Source V-1092

MGL-19128	B-12 309
EGL-1655	B-13 689
ECK-88	B-15 378
ECK-88	B-15 378
N.D.	B-13 643

Source V-1093

MGL-19403	B-12 325
MGL-20077	B-12 386
EGL-321	B-13 607
EGL-710	B-13 638
EGL-320	B-13 605
ECK-89	B-15 355
ECK-11	B-15 363
EGL-1865	B-15 326
EGL-713	B-13 623
EGL-1745	B-15 313
EGL-1745	B-15 313

Source V-10 644

MGL-19503	B-12 360
EGL-1658	B-15 302
EGL-1706	B-15 321
EGL-1976	B-15 335
ECK-26	B-15 372
ECK-26	B-15 372

Source V-12 646

N.D.	B-15 330
N.D.	B-15 330
EGL-1866	B-15 328
ECK-27	B-15 377
EGL-1867	B-15 327
EGL-1867	B-15 327
EGL-1867	B-15 327
EGL-1867	B-15 327
EGL-1867	B-15 327
N.D.	B-15 330
EGL-1867	B-15 327
EGL-1866	B-15 328
EGL-1862	B-15 329

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N.D.	B-15 330
EGK-10	B-15 366
EGK-27	B-15 377
EGK-12	B-15 376
EGK-27	B-15 377
EGL-450	B-13 611
EGL-450	B-13 611
EGL-804	B-13 644
EGL-1116	B-13 661
EGL-450	B-13 611
EGL-1116	B-13 661
N.D.	B-15 330
EGL-1866	B-15 328
N.D.	B-15 330

Source V-21 649

EGK-102	B-15 387
EGK-92	B-15 394

(3) GV G

Source V-1088

EGL-1993	B-15 337
EGL-1695	B-15 320
EGK-26	B-15 372
EGK-102	B-15 387
EGL-2208	B-15 353

Source V-1090

MGL-19455	B-12 343
EGL-1653	B-15 304

Source V-1098

EGL-1865	B-15 326
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Source V-1099

EGL-387	B-13 610
EGL-711	B-13 621
EGL-453	B-13 622
EGL-453	B-13 622
EGL-713	B-13 623
EGL-713	B-13 623
EGL-713	B-13 623
EGL-807	B-13 640
EGL-802	B-13 641

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EGL-2159	B-15 319
EGL-1860	B-15 338
EKG-102	B-15 387
EKG-6	B-15 374
EKG-6	B-15 374
EKG-6	B-15 374
EKG-6	B-15 374
EGL-1652	B-13 664

(4) GV H

Source V-4929

No number No number
(A report on the construction of
two new thermo power plants.)

Source V-4938

EGL-2419 B-14 868
Report still in process.

(1) GV C

Source V-12 008

MGL-17595	B-10 807
MGL-19072	B-11 441
MGL-18871	B-11 736
MGL-19142	B-11 395
MGL-18961	B-11 735

(2) CSW

Source V-21 617

MGL-19621	B-11 871
EGL-14	B-11 872
EGL-168	B-12 677
EGL-139	B-12 764
EGL-281	B-13 201
EGL-283	B-13 256

Source V-21 619

To 25.50	B-11 903
EGL-15	B-11 918
EGL-176	B-12 657

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(1) GV C

Source V-11 540

None

Source V-11 558

EGL-1022

B-14 563

(2) CSW

Source V-21 684

None

Source V-14 615

EGL-944	B-12 993
EGL-945	B-12 994
EGL-485	B-13 254
EGL-1326	B-14 092
EGL-1926	B-14 314
EGL-1930	B-14 415

Source V-14 693

EGL-798	B-13 346
EGL-1498	B-13 525
EGL-1490	B-13 526
EGL-1118	B-13 835
EGL-2024	B-14 015
EGL-2025	B-14 016
EGL-2104	B-14 357
EGL-1930	B-14 415
EGL-2133	B-14 426

Source V-14 694

EGL-1049	B-13 354
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Source V-14 695

EGL-1049	B-13 354
EGL-1314	B-13 467
EGL-1326	B-14 092
EGL-2104	B-14 357
EGL-2155	B-14 380

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Source V-14 750

MGL-17062	B-9857	MGL-19104	B-12 522
MGL-17063	B-9858	MGL-19283	B-12 565
MGL-17065	B-9851	EGL-165	B-12 632
MGL-17358	B-9962	EGL-167	B-12 676
MGL-17379	B-9973	EGL-208	B-12 738
MGL-17381	B-9974	EGL-173	B-12 765
MGL-17461	B-9994	EGL-213	B-12 791
MGL-17167	B-10 336	EGL-965	B-12 942
MGL-17413	B-10 376	EGL-81	B-13 216
MGL-17440	B-10 628	EGL-734	B-13 280
MGL-18183	B-10 791	EGL-949	B-13 345
MGL-17899	B-10 999	EGL-1439	B-13 468
MGL-17859	B-11 000	EGL-1966	B-13 560
MGL-17971	B-11 038	EGL-1967	B-13 585
MGL-18178	B-11 110	EGL-2244	B-13 588
MGL-18342	B-11 192	EGL-966	B-13 832
MGL-18341	B-11 213	EGL-1254	B-13 834
MGL-18728	B-11 250	EGL-1117	B-13 848
MGL-18726	B-11 305	EGL-1260	B-13 913
MGL-18875	B-11 359	EGL-1321	B-14 061
MGL-19060	B-11 469	EGL-1920	B-14 267
MGL-19105	B-11 493	EGL-1925	B-14 299
MGL-18583	B-11 681	EGL-1927	B-14 327
MGL-18546	B-11 682	EGL-1928	B-14 358
MGL-18820	B-11 699	EGL-1929	B-14 414
MGL-18956	B-11 727	EGL-1931	B-14 427
MGL-18888	B-11 730	EGL-2108	B-14 489
MGL-19470	B-11 806	EGL-2116	B-15 915
MGL-19525	B-11 838	EGL-2084	B-15 946
MGL-19949	B-11 902	EGL-2085	B-15 955
MGL-19679	B-11 910		

Source V-14 751

MGL-17065	B-9851	MGL-18005	B-10 736
MGL-17249	B-9852	MGL-18183	B-10 791
MGL-17149	B-9871	MGL-17508	B-10 811
MGL-17150	B-9872	MGL-17463	B-10 812
MGL-17151	B-9873	MGL-17656	B-10 882
MGL-17358	B-9962	MGL-17608	B-10 883
MGL-17359	B-9963	MGL-17793	B-10 935
MGL-17477	B-9993	MGL-17808	B-10 936
MGL-17167	B-10 336	MGL-17899	B-10 999
MGL-17413	B-10 376	MGL-17859	B-11 000
MGL-17440	B-10 628	MGL-17858	B-11 001
MGL-17748	B-10 671	MGL-17971	B-11 038
MGL-17788	B-10 701	MGL-18032	B-11 053

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MGL-18040	B-11 063	EGL-962	B-12 897
MGL-18177	B-11 106	EGL-964	B-12 941
MGL-18261	B-11 140	EGL-81	B-13 216
MGL-18263	B-11 141	EGL-734	B-13 280
MGL-18315	B-11 179	EGL-1049	B-13 354
MGL-18314	B-11 180	EGL-949	B-13 345
MGL-18793	B-11 263	EGL-1224	B-13 418
MGL-18771	B-11 319	EGL-1223	B-13 440
MGL-18875	B-11 359	EGL-1439	B-13 468
MGL-18874	B-11 360	EGL-1498	B-13 525
MGL-18873	B-11 415	EGL-1966	B-13 560
MGL-19015	B-11 416	EGL-1967	B-13 585
MGL-19060	B-11 469	EGL-2244	B-13 588
MGL-19105	B-11 493	EGL-966	B-13 832
MGL-18309	B-11 626	EGL-1254	B-13 834
MGL-18583	B-11 681	EGL-1255	B-13 881
MGL-18820	B-11 699	EGL-1257	B-13 894
MGL-18956	B-11 727	EGL-1256	B-13 893
MGL-18888	B-11 730	EGL-1259	B-13 912
MGL-19103	B-11 782	EGL-1321	B-14 061
MGL-19470	B-11 806	EGL-1327	B-14 133
MGL-19525	B-11 838	EGL-1356	B-14 190
MGL-19949	B-11 902	EGL-1920	B-14 267
MGL-19104	B-12 522	EGL-1925	B-14 299
MGL-20005	B-12 613	EGL-1927	B-14 327
EGL-165	B-12 632	EGL-1928	B-14 358
EGL-167	B-12 676	EGL-1929	B-14 414
EGL-169	B-12 688	EGL-1930	B-14 415
EGL-171	B-12 740	EGL-1931	B-14 427
EGL-172	B-12 741	EGL-2108	B-14 489
EGL-209	B-12 742	EGL-2047	B-14 498
EGL-213	B-12 791	EGL-2048	B-14 499
MGL-19691	B-12 832	EGL-2199	B-15 403
EGL-941	B-12 852	EGL-2116	B-15 915
EGL-963	B-12 874	EGL-2084	B-15 946
		EGL-2085	B-15 955

Source V-14 752

MGL-17741	B-10 909	MGL-19105	B-11 493
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Source V-14 753

MGL-17167	B-10 336	MGL-19015	B-11 416
MGL-17440	B-10 628	MGL-18309	B-11 626
MGL-17748	B-10 671	MGL-18583	B-11 681
MGL-17788	B-10 701	MGL-18820	B-11 699
MGL-18005	B-10 736	MGL-18956	B-11 727
MGL-18183	B-10 791	MGL-18888	B-11 730

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MGL-19470	B-11 806	EGL-1049	B-13 354
MGL-19525	B-11 838	EGL-1224	B-13 418
MGL-19949	B-11 902	EGL-1223	B-13 440
MGL-19283	B-12 565	EGL-1439	B-13 468
EGL-165	B-12 632	EGL-1498	B-13 525
EGL-172	B-12 741	EGL-1699	B-13 541
EGL-941	B-12 852	EGL-1966	B-13 560
EGL-965	B-12 942	EGL-1967	B-13 585
EGL-81	B-13 216	EGL-2244	B-13 588
EGL-734	B-13 280	EGL-966	B-13 832
EGL-949	B-13 345		

Source V-14 756

To 25.50	B-13 561	To 25.50	B-14 313
" "	B-13 972	" "	B-14 488
" "	B-13 975	" "	B-15 443
" "	B-14 014	" "	B-15 446
" "	B-14 277		

Source V-14 761

MGL-17143	B-9831	MGL-18262	B-11 076
MGL-17382	B-9951	MGL-18340	B-11 212
MGL-17509	B-10 847	MGL-19201	B-11 470
MGL-18146	B-11 052		

Source V-14 763

MGL-19017 B-11 389

Source V-14 911

MGL-18146 B-11 052

Source V-14 814

MGL-19073	B-11 443
MGL-19106	B-11 459
MGL-19107	B-11 460
MGL-19399	B-12 320
MGL-19447	B-12 322
MGL-19408	B-12 321
MGL-19451	B-12 323

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VIA: _____ Dispatch No. EGIA 4555
(Specify air or sea route)

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CLASSIFICATION

To : Chief, EE Date 16 JUL 1953

From : Chief of Base, Pullach INFO: COM
BOB

SUBJECT: GENERAL- OPERATIONAL
SPECIFIC- Intelligence Lessons from the June Uprisings in the GDR

1. It is completely false to judge early warning capabilities by the performance of any organization during the days prior to the 17 June riots. None of the characteristics that could be expected to precede the outbreak of hostilities were present.

2. We think ZIPPER's intelligence performance was quite satisfactory although not outstanding. Courier lines through West Berlin failed on the 17th; by the 18th the use of W/T and quickly restored courier channels was providing sufficient information to provide a controlled OB picture. The Soviets could not have effected a major regroupment of troops without our knowledge.

3. The supporters in ZIPPER of a large W/T program feel that the soundness of their position has been proven; emphasis in the next year will be on more and better W/T operations tied in with the best sources.

4. The entire ZIPPER intelligence apparatus has been thoroughly tested during this crisis; dozens of minor changes in communications methods, signal plans, staff procedures, etc., will be made on the basis of lessons learned.

5. The ZIPPER Reports and Analysis staff concentrated on getting out evaluated but fragmentary raw information for the consumption of trained analysts...particularly in the OB field. Thus, PULL cables were not always in useable form for addressees without access to OB analysts. ZIPPER and POB failed in the reporting field by not diverting part of the energy to production of periodic cable summaries of the over-all situation in SovZone; these would have been particularly valuable for Bonn, Berlin, Paris and senior KUBARK officials.

6. Most frustrating to POB were reports that: (a) at USAREUR PULL cables for first ten days after outbreak of riots were erroneously diverted within USAREUR and did not reach OB analysts; (b) at Bonn PULL cables for RACR were undelivered; (c) in Berlin PULL cables were too fragmentary and

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EGLA 4555

information too raw for immediate dissemination to the Berlin CG; (d) in Paris no arrangement exists for dissemination to SHAPE G-2 and CG.

7. We believe that this is an opportune time to again raise the question of responsibility for the over-all US G-2 estimate in Europe. If USAREUR G-2 does not use SDU reporting in their estimates and EUCOM J-2 is not engaged in preparation of a G-2 estimate on a continuing basis with ZIPPER material included, there is, in fact, no adequate arrangement in Europe today for senior US commander to obtain G-2 estimate based on best available and timely intelligence.



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15 July 53

SECRET SECURITY INFORMATION

NEW YORK TIMES
Nov. 17, 1953 P. 13.

THE

HUNDREDS SEIZED AS EAST ZONE SPIES

Former Nazi General Linked to
Ring—U. S. Is Accused
of Financing Agents

By WALTER SULLIVAN

Special to THE NEW YORK TIMES

BERLIN, Nov. 16—East German press reports indicate that several hundred persons may have been arrested in recent weeks on charges of spying, sabotage or anti-Communist agitation.

The current issue of the Democratic German Report says that more than 100 members of one spy ring were seized. This publication is edited by John Peet, former chief correspondent of Reuters News Agency, who defected to the Communists several years ago. He made it clear his information was from East German Government sources.

The group was alleged to have been headed by Gustav von Gehlen, a former Nazi general now in West Germany and United States-financed. Many former Nazi officers were said to be members of the ring.

A further announcement tonight said more members of this group had been arrested in the last four days. One who was reported to have lived in the American sector of Berlin and to have headed a section of the agency, was said to have been caught laying a telephone wire from the United States sector to the Soviet sector of Berlin.

The wire was said to be of American manufacture and marked "General Cable Corporation 1951."

The Soviet press has daily reported arrests of "agents provocateurs," many of whom were charged with working for groups other than that of Von Gehlen's. Hence it appears that the number of those seized may be several hundred.

The object of the current drive

appears to be to cut off the Western world from its contacts in East Germany. While many friends of the West are beleaved to have been caught in the dragnet it will be impossible for the Communists to prevent leaks of information so long as East Germans can visit West Berlin.

There are at least a dozen anti-Communist agencies in West Berlin that welcome visitors from the East and are often swamped with them.

Ever since the anti-Government riots on June 17 there have been reports of anti-Communist agitation among the factory workers, attempts to organize slowdowns and acts of sabotage. This has been confirmed in the Communist press.

Reports in the provincial press of the last two days have told of new arrests or prison sentences in such widespread cities as Halle, Leipzig, Erfurt, Potsdam, Schwerin and Frankfurt-on-Oder.

In Frankfurt-on-Oder a party member in charge of furnishing supplies to the new steel town of Stahlstadt [Fuerstenberg] received a life term on a charge that he was the leader of a group that worked for the West. Those arrested have been accused of planning to blast bridges, government buildings or railway stations, to set factories afire or assassinate officials.

File: Security

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Secret
REL Ger

EAST AND WEST GERMAN PRESS REACTION TO THE GEHLEN AFFAIR

SPECIAL REPORT NO. 1

November 23, 1953

PRESS SCRUTINY PROJECT

EBQA-
3071

REL Ger
Secret

EAST GERMAN PRESS REACTION TO THE GEHLEN CASE

(Sources as indicated)

The reaction of the Nov. 10 - Nov. 15 East German press to the Geyer statements on the Gehlen organization was given three-fold outlet. 1-- Front-page reports on the press conference with Geyer and reprints of his written declaration; 2-- Reprints of and comments on the West German press's reaction to the case; 3-- Editorials.

Front Page Reports

The East German press reported on the press conference held by the GDR government with such headlines as "New Unveillings Of USA Espionage"(1), "USA Espionage Net Unmasked Before Press"(2), "Agent-Branch X/9592 Broken"(3), and others. While most of the East German papers confined their reports to quoting Geyer and the chairman of the conference (1 - 10), Taegliche Rundschau, the Soviet mouthpiece in the GDR, said that this press conference gives a "concrete insight" into the criminal activity of those agent-groups.(1)

The two principal newspapers in the GDR, Taegliche Rundschau and Neues Deutschland, speaking for the East German press, published a complete reprint of Geyer's declaration with the following introduction:

In the American policy of war preparation an important position is held by the espionage and sabotage organizations in the countries of the peace camp. One of the most important espionage organizations supported by the American CIC is headed by the former fascist Gen. Gehlen who closely cooperates with the Adenauer Government in West Germany and who keeps several branches in West Berlin.(4)

The following is the summarized text of Geyer's declaration:

I, Hans Joachim Geyer, born June 18, 1901.. ..was deputy chief of the espionage agency in West Berlin which worked under the name "Branch X/9592" and was subordinate to the espionage organization of former fascist Wehrmacht Gen. Gehlen, until Oct. 29, 1953, under the cover-name "Grell."

Today I have...approached the Government of the German Democratic Republic and requested admission to the GDR...I worked for this espionage organization because I was told that

I was serving the best interests of Germany by this...The chief of this espionage group is the former fascist Gen. Gehlen...His coworkers are, for instance, the chief of the sub-Agency X, Westphal alias Donner, former Luftwaffe lt. colonel, and the chief of the espionage agency X/8970, Gaertner, former Luftwaffe major...This organization turned out to be an espionage organization commanded by the Americans and financed from American funds...These agencies camouflage themselves as harmless business enterprises with covernames such as: The Main Administration -- Firm Herzog; the General Agency -- Firm Hase; the sub-Agency -- Firm Schlosser; the Branch X/9592 -- Firm Nordland, Paulusstrasse 19, Berlin Schoeneberg.

In recruiting agents in the GDR, special value is attributed to persons such as former officers, big landowners, former members of the Gestapo and of the Brandenburg Division, former coworkers of the SD, the SS, the Waffen-SS and coworkers of the former fascist OKW general staff.

The agents are given the following orders: To carry out economic, military, and political espionage, espionage of research work, patents; to procure documents and passes to the different plants and institutions, identity documents and other identity papers of the GDR and other People's Democracies....In particular agents are told to spy on the defense of the transport system, especially bridges.

...under the cover-name 'Depth and Research' there is a plan for infiltrating agents into the countries of the People's Democracies and the USSR, with the aim of disturbing the existing friendly relations between them and Germany and provoking another war... The technical equipment is of American origin...and is made available by the agencies of the American secret service....What we did was for the American secret service which financed this...with American dollars. I found that this...was criminal...and against the German people and my Fatherland.

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I started hating the Americans and... my superiors. I also began comparing the situation in West Berlin with the democratic sector....

Finally I arrived at the conviction that all actions of this espionage organization were serving the preparation of a new war of conquest against the East....Furthermore, I convinced myself...that a number of coworkers of the espionage organization are prepared to work for other secret services tomorrow as they are working for the Americans now....This was certified by a talk between the chief of the espionage agency X/9592, Polster alias Paulberg, with the chief of the section X/III, Heiner Ringe...in which he (the former--ed.) said: "It doesn't mean a bit to me to throw the whole works at your feet and to put myself tomorrow, with the entire agency, at the disposal of another secret service which treats and pays us better. With you, I'll always be the sergeant, my work doesn't count because I was not a staff officer."....His personal ambitions went so far as to omit to report mishaps (arrests of agents) to his superior office....To save my honor I decided to request admission to the GDR...to start a new life, as I love peace as all true Germans do....I myself want to make up by honest and useful work for the wrong that I have done by my activities in the criminal espionage organization of Gehlen which is financed with American funds and is in American employment. (4)

The paper further gives an account of questions asked by reporters of different foreign and domestic newspapers and news agencies and answers by Geyer, Norden, and the representative of the state security secretariat, Col. Borrmann. The discussion centered around the "success" of the State security agencies in smashing espionage and sabotage groups in the GDR, and on the place of the Americans as the "men in the background." (4)

Taegliche Rundschau published the concluding statements of the conference chairman, Prof. Norden. In his statement, Norden referred to Churchill's speech in the House of Commons in which he said that "the Soviet Union is not thinking of expanding her power but only of improving her population's living standard." The same aim applies

to his government. Therefore, so Prof. Norden states, his Government holds out no danger to West Germany but "we embarrass Adenauer by the ideals of German harmony which we serve. Adenauer, however, does not have any ideals to export, therefore he exports crime."

Speaking of the arrests and trials of arsonists and criminals sent into the GDR from the West Norden said: "There is no freedom here for American-hired criminals, for murderers, and murder-apprentices. Whoever makes himself an armed tool of the Americans lives dangerously for a short time and is then rendered harmless for all time."

In conclusion Norden said that "German unity and the peace treaty for this unified Germany must be forced into accomplishment in order to eliminate American military and espionage bases in Germany....If our colleagues of the West German and international press have the courage to publish what facts they have heard here today, they will have rendered the cause of Germany and of peace a considerable service."(1)

Comments on West German Press Reaction

Contrary to usual practice the East German press devoted considerable front-page space to the West German press's reaction to the Gehlen case. Headlining its article "Painful, painful...", one paper reprinted part of an article from the Hamburg paper Die Welt and cited it as proof of the truthfulness of Geyer's statements. The paper is quoted as saying that "Geyer was dispatched to the elite West Berlin Branch after consultation with the Frankfurt district agency of Gehlen." The paper is said to have further reported that "orders by the Munich Central Office and instructions for the use of arms and a secret code for use by the Gehlen radio transmitters in the Soviet Zone were found in the branch office," and that "the chief of the branch was a man bearing the cover-name Paulberg."(11)

The Taegliche Rundschau and other East German papers elaborated on the press conference held in Bonn by the chief of the Bonn press office, von Eckhardt (7,12,13,14), saying that according to Eckhardt, Adenauer was doubtlessly informed about the existence of the Gehlen organization.

The Bonn newsletter Nachrichten und Informationsdienst of Nov. 8 is said to have admitted the existence and aims of this espionage organization "with impudence and effrontery."(11) The newsletter is cited as follows: "Only experts could imagine of what service such apparatus could be, once well used. The Gehlen organization did extraordinary work during the war. It is to the merit of the Americans to have...intercepted and preserved this organization." Further it quoted the paper as saying "Naturally,

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everybody who is fairly well informed knows that this office was chiefly composed of SS men during the war. One also knows, however, that these circles are willing to serve this (the Adenauer) State. And well-informed agencies know, moreover, that the Gehlen organization has already rendered valuable services to our present State Administration."(11)

The SED and LDP news organs enumerated several facts from this press conference: namely, that 4,200 men are working for the organization; that the American High Commission is financing the group; that in 1950 Gehlen had used 18 million DM, and that 23 million DM were put at his disposal for the next fiscal year. (7,13)

The NDP voice, headlining its article "Western Press is Shocked," said that Mannheimer Morgen had not published a line on the affair. Tagesspiegel, the paper went on, only reported on an "alleged" agent. The RIAS commentator is cited as having said: "No one would believe us should we come out with the assurance that there are no agents and spies working for the West." Frankfurter Allgemeine is said to have blamed the Gehlen organization for a careless selection of its coworkers. "As usual," the paper concluded, "the Telegraf took the cake when, lacking better ideas, it was of the opinion that Geyer had been an eastern agent and had now returned to East Berlin."(14)

Editorials

Only five papers came out with editorials on the Gehlen case. Throughout their editorials, the papers made it a point to call upon the population for intensified vigilance and close cooperation with the State agencies of security. The papers cited other cases in the past where agents and spies were arrested in the GDR.

Most of the papers used the occasion to emphasize the need for greater vigilance in all sectors of the economy and State apparatus. (15,16,17)

In an editorial on the case of a teacher who had picked up a food package in West Berlin, another paper stated that "the purpose of the American 'Aid Program' is the recruiting of agents for the American underground war. For this and for the other espionage and sabotage actions, the Gehlen spy apparatus...was created in West Germany."(12)

Sources

1.	Berlin	Taegliche Rundschau	Nov. 10, 1953
2.	Berlin, LDP	Der Morgen	Nov. 10, 1953
3.	Potsdam, NDP	National Zeitung	Nov. 12, 1953
4.	Berlin, SED	Neues Deutschland	Nov. 10, 1953
5.	Leipzig, SED	Leipziger Volkszeitung	Nov. 10, 1953
6.	Berlin	Taegliche Rundschau	Nov. 11, 1953
7.	Berlin, SED	Neues Deutschland	Nov. 11, 1953
8.	Berlin, LDP	Der Morgen	Nov. 11, 1953
9.	Leipzig, SED	Leipziger Volkszeitung	Nov. 11, 1953
10.	Dresden, SED	Saechsische Zeitung	Nov. 11, 1953
11.	Berlin	Taegliche Rundschau	Nov. 12, 1953
12.	Berlin, SED	Neues Deutschland	Nov. 12, 1953
13.	Berlin, LDP	Der Morgen	Nov. 12, 1953
14.	Potsdam, NDP	National Zeitung	Nov. 13, 1953
15.	Berlin, SED	Neues Deutschland	Nov. 13, 1953
16.	Berlin, National Front	Deutschlands Stimme	Nov. 15 (weekly)
17.	Berlin	Der Sonntag	Nov. 15 (cultural weekly)

WEST GERMAN PRESS REACTION TO THE GEHLEN AFFAIR

(Sources as indicated)

Pankow's announcement on Nov. 9 on the uncovering of a Western spy ring in the GDR and the revelations of Hans Joachim Geyer on the activities of the Gehlen organization in the East Zone have thus far attracted comparatively little attention in the West German press. Most papers confined themselves to publishing factual agency dispatches. Reports on the Geyer affair were generally printed in an inconspicuous manner. An exception was the Communist press which accorded front-page prominence to the Pankow press conference. Editorial comment was infrequent and far between.

Most extensive in their news coverage were two Hamburg publications, which carried rather exhaustive reports on the circumstances that led to Geyer's escape to East Berlin and the subsequent announcement by the Pankow government; yet they refrained from making any statements that may have been indicative of their attitude toward the subject (1,2). One Berlin paper, which briefly reported on the case, referred to Geyer as a "stool pigeon of the State Security Service" (3).

Of the major West German newspapers, only two Frankfurt papers deemed the Pankow announcement worthy of editorial treatment. After having dealt with the history and the present activities of the Gehlen organization, the pro-SPD Frankfurter Rundschau advised the Bonn government against taking charge of this agency should the U.S. occupation forces release it from their jurisdiction after the European Defense Community has come into effect. It emphasized that, with the normalization of the political conditions in the Federal Republic, the "Americans intend to get rid of Gehlen in the most inconspicuous way possible." Apart from the fact, it continued, that an incorporation of Gehlen's organization into the corresponding institution of the Federal Republic would be too costly, it would also not be feasible from a political point of view. "The future of this 'efficient' organization concerns all of us; it is too serious a matter to be left at the discretion of the government alone. It must be borne in mind that such an organization may some day defeat, on the strength of its inherent power, all those whose favor it is at present seeking. After all, this organization is nothing but the product of a totalitarian state; and no one can tell whether it can at all be transplanted into a democracy" (4).

The independent Frankfurter Allgemeine deplored that the Gehlen organization had "frivolously endangered the lives of innocent East Germans," although it is generally acknowledged that "experts who carefully scrutinize the Soviet-licensed press, monitor East

German radio broadcasts, investigate refugees, and establish an extensive file on the basis of the documentary material thus gathered are able to form a precise picture of conditions in the Soviet Zone without imperiling innocent people" (5). A rightist Nuremberg paper voiced a similar opinion when it said that the "unfortunate" people in the GDR who worked for the Gehlen organization out of idealism and patriotic passion have risked their lives for no good cause. The paper blamed the "increasing deterioration and corruption" of the modern intelligence agencies for the "liquidation of hundreds of people" (6).

The attitude of the Communist-sponsored press was typically reflected in the commentary of the mouthpiece of former Reich Chancellor Wirth, which came out with a vehement attack on the "disgusting methods" of the "American-financed" Gehlen organization. The paper claimed that the June 17 riots, the "notorious" activities of the BDJ in Hesse, and the Geyer affair are all indicative of the West's intention to "prepare a world war" (7).

Sources

- | | | |
|--------------|-------------------------|---------------|
| 1. Hamburg | Die Welt | Nov. 11, 1953 |
| 2. Hamburg | Der Spiegel | Nov. 18, 1953 |
| 3. Berlin | Telegraf | Nov. 10, 1953 |
| 4. Frankfurt | Frankfurter Rundschau | Nov. 17, 1953 |
| 5. Frankfurt | Frankfurter Allgemeine | Nov. 20, 1953 |
| 6. Nuremberg | Nuernberger Nachrichten | Nov. 11, 1953 |
| 7. Fulda | Deutsche Volkszeitung | Nov. 11, 1953 |

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DEC 21 1955

MEMORANDUM FOR: The Director of Central Intelligence

SUBJECT: ADN Press Release on the Gehlen
Organization

1. The information in the attachment is so detailed that the possibility exists that it is the result of a high level eastern penetration of the ZIPPER organization. The details are being examined at the Pullach Operations Base to determine the date of the information and possible source thereof. No penetration is positively known at the present time.

2. The information could also represent a high level penetration of government circles in Bonn, e. g. the Blank Office. The information which has been used to brief various officials when combined with other items obtained from GE operations by the opposition could result in this expose.

3. The obvious intent of the publication is to panic ZIPPER personnel into moves which will negate the effectiveness of the organization. Therefore every effort will be made to investigate thoroughly, and the utmost secrecy must surround any suspicions we may have.


RICHARD HELMS

~~Acting Deputy Director (Plans)~~

Attachment (1)

ADN Dispatch

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TO GERMANY ONLY***20-64*

EE/FI/G/DAILY LOG - 19 DECEMBER 1953

The East German news agency, ADN, has published on its East Berlin teletype to the SovZone, 17 December 1953, a lengthy sensational account, credited to recent arrested ZIPPER agents, of U.S. control of ZIPPER. In this report, ZIPPER is identified as an organization of 2,000 official employees who are engaged in support of U. S. war and disruption policy in Germany and the Adenauer Government. Forty U. S. espionage officers have been assigned from Washington to direct and maintain financial control over the organization at its headquarters in Pullach. Gahlen is described as a front man, who has won out over Theodor BLANK's intelligence section in competition for the position of future GIS. In addition to penetrations of the Bundesamt fuer Verfassungschutz (BfV), the Blank Office in the person of General Adolf Heusinger, Gahlen is reported to have a penetration of U. S. Headquarters in Germany, who keeps him informed of U. S. decisions on ZIPPER.

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21 DEC 53

* Security

MEMORANDUM FOR: Chief of Operations

SUBJECT: Report entitled "United States Intelligence Operations in Germany" -- regarding General Gehlen's Organization

1. Although the report, "U. S. Intelligence Operations in Germany", from one of Mr. Walter Lippmann's stringers in Germany is essentially accurate regarding the development of the Gehlen organization under U. S. trusteeship from 1945 to date, it does contain striking errors and distorted half-truths on points where source is clearly misinformed.

2. The following is a brief outline of noteworthy misrepresentations as opposed to the facts:

Erroneous Statements

- a) Gehlen's first name is given as "Gustav", an error which has appeared frequently in the U. S. and East German press in recent weeks.
- b) Source identifies the U.S.-sponsored West German sabotage organization, exposed in 1951, as an instrument of the Gehlen organization.
- c) Source claims that General Smith went to Germany, following a joint investigation of the BDJ by the Federal Republic and U. S. High Commission, to "clean the organization out".

Facts

- a) General Reinhard Gehlen is well known as the chief of a U.S. subsidized West German intelligence group in both official and unofficial circles in the Federal Republic.
- b) Source obviously refers to the BDJ, which was exposed in the fall of 1952. Gehlen was in no way involved.
- c) General Smith never went to Germany for this purpose.

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d) Gehlen's staff was indiscriminately selected "starting from a handful of former SS officers and Nazis in 1945"; the Nazi element now dominates the organization.

d) During the war, Gehlen's staff was the G-2 of the Fremde Heere Ost (Eastern Armies). The greatest percentage of his staff is composed of former German General Staff officers and career Abwehr personnel. The few former SS officers and Nazi Party members, who found employment in the organization in the immediate post-war period, have been fired. The remainder have been demasified.

e) U.S. intelligence is dependent upon Gehlen for its Soviet and Satellite CB coverage. Instead of developing its own networks, CIA is relying on the Germans.

e) It is noted that Mr. Lippmann has been reassured that this is not the case. Gehlen's production is of value to U.S. military authorities only insofar as it supplements and confirms our own information.

f) The Americans favor subordination of the Gehlen group to the future West German Defense Ministry following ratification of the Contractual Agreements.

f) It is not our intention to interfere in the internal affairs of the Adenauer Government. Chancellor Adenauer, himself, has stated his intention to integrate Gehlen's organization into the Federal Chancellery. It is true that Blank and Globke differ on certain details of the proposed legalization of Gehlen's staff.

3. In view of recent, wide-spread publicity on the Gehlen organization and the fact that U. S. sponsorship is now known throughout Western Europe and the Soviet Bloc, it might be advisable to inform Mr. Lippmann that as trustee of the Gehlen

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organization, CIA has fostered its aspirations to be the central, national intelligence service of a sovereign West German Government. In addition to subsidizing Gehlen's organization, we have provided professional guidance, furnished equipment and information to his staff for the purpose of developing this West German intelligence group to its present professional competence. Chancellor Adenauer has given us his unequivocal assurances that this organization will be legalized when the Contractual Agreements have been ratified. The [redacted] and [redacted] have been advised, officially, of our interests in the Gehlen organization and its future.

[redacted]
DC/EE

Atts
Subject report

EE/FIG/Z/[redacted]
21 December 1953

Distribution:
Orig & 1 - Addressee
1 - DC/EE files
2 - EE/FIG/Z

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UNITED STATES INTELLIGENCE OPERATIONS IN GERMANY

At the end of the war, in 1945, the American Army G-2 section assembled in Munich a group of former German officers who had been serving on the Russian front, and set them to work recording all they knew about Soviet military organization and capabilities. They were a rather indiscriminately-chosen lot; one of them in fact remarked that "a lot of us would be in Landsberg if we weren't here." But in any case they were given the job of writing up all they could recall on Soviet order of battle, about individual units and how they fought, about Soviet tactics and weapons, etc., etc.

The senior officer of the group was Gustav von Gehler, who, with the equivalent rank of brigadier general, had been a German G-2 officer for one of the Army groups on the Soviet front. Gehler emerged eventually as the director of the Munich operation, which is now known in Germany as the "Gehler group".

As difficulties with the Russians increased, the Army G-2 section shifted over from merely drawing on past recollections of these officers to the gathering and analyzing of new Soviet Order of Battle intelligence. The evident reasoning of the Americans was that these officers, with their direct battle experience, could fill a gap most effectively in our intelligence on the state of the Red Army. Accordingly, Army funds were put behind the Gehler group and it was assigned a series of intelligence tasks, which it performed, evidently, very effectively and very well. This situation continued until 1949.

Walter Lippman, article from a magazine in Germany headed to the D.C.

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In that year, as a result of agreement in Washington, responsibility for the Gehlen group was transferred from Army G-2 section to the Central Intelligence Agency.

Under CIA, the intelligence-gathering functions and the staff of the Gehlen group continued to enlarge. By now, it was placed on a "contract basis" by which the United States provided funds, and the Gehlen group provided military information from Eastern Europe and the satellites.

This contract, however, is limited only to military information, the idea at the time being that the Gehlen group would not be indulging in other fields anyway -- such as operations directed in countries other than the satellites, or the gathering of political or economic intelligence (i.e., East-West trade, or Communist party activities).

The first awkward break on Gehlen group activities came in Germany in the fall of 1951, when the Minister-President of the state of Hesse suddenly disclosed to his parliament that a group of young Germans had been trained in sabotage work at the direction of the American CIA, using a camp in the Taunus Mountains of Germany, and that this group had drawn up a "blacklist" of members of the Social Democratic party and other political leaders in Germany whom they planned to "eliminate" if the Russians should happen to attack.

The facts of the case seem to be that the CIA conceived the idea that trained saboteurs should be left behind in Germany if the American Army ever had to retreat. They should be equipped with supplies for

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blowing up Red Army communications trains, and they turned over to the Gehlen organization the job of forming and training such units in the days immediately after the Korea attack. Only when the group finished its training, it sat up in the Taunus mountains with nothing to do, and so it began preparing lists of people to bump off, as well as railroad bridges, etc. The fact is that the Gehlen group had picked a crowd of ex-Nazi toughs for this job, and the CIA, as well as the U.S. High Commission were caught completely unaware of what was going on, when a copy of the "blacklist" fell into the hands of the Hesse government.

The affair was quickly hushed up, after a week or two of fireworks in Germany, by a "joint investigation" of the Federal Government and the U.S. High Commission. The group was disbanded, and Walter Bedel Smith, then CIA head, made a trip to Germany in an effort to clean the organization out. But by now it had become so compartmentalized and so spidery that not a great deal could be done.

Gehlen himself is generally regarded as a sound, decent ex-professional soldier, but starting from the handful of former SS officers and Nazis in 1945, the Nazi or Nazi-minded element seems to have become dominant in the group. The more serious condition is that the CIA seems to have ignored the problem of "penetrating" the organization on its own, so that CIA does not know much more than superficially just how it operates, or to what channels outside the limits of its contract with the group it might be venturing.

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Cooperation is close, without question. The organization has been turning up what the military regards as excellent material on the Russians. But the suspicion, for which there is only circumstantial evidence, is that in addition the Gehlen group has already gone far beyond its original intelligence mission, and is in contact with, if not directing the activities of, the group of German officers who have settled in Cairo, the group of ex-Nazis in Madrid, and the group in Argentina. There were, moreover, public charges at the time of the General Election in Germany that the Gehlen group was wire-tapping and doing political spying against the political opponents of the Adenauer regime.

The problem confronting American authorities at this point seems to resolve itself in two general directions: 1) To what extent are we reliant on the Gehlen group for our military intelligence, and 2) What kind of an organization have we now been caught "sponsoring" and to whom is it to be turned over in Germany?

Taking up the second of these problems first, when the "contractual agreement" with Germany come into force, it will, at that point, be necessary for the United States to cease its independent sponsorship of this German organization, and at that time the intention, or the expectation, is that the Gehlen group will be transferred to the control of the German government. There already exists between the Gehlen group and the German Federal Chancellery a close working arrangement -- which has given rise to the charges of "political wire-tapping" by the group, and also to the circumstantial suspicions about its part in German activities in Cairo, Madrid and Buenos Aires.

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Within the German government, there is a definite power-struggle afoot as to who is to get control of the Gehlen group. At present, the leader in the race is Hans Globke, the secretary of state for internal affairs under Dr. Adenauer -- in other words, the highest permanent official of the Chancellery. Globke was a senior civil servant under the Nazis, and was responsible for the drafting of the Nazi "race laws". He has returned to position, however, on the general defense that he was nothing but a civil servant, never an active party man and simply did what he was told. He joined the Chancellery when the government was formed, in 1949, and has now displaced Dr. Otto Lens, a Munich lawyer, as state secretary, thus emerging as the No. 1 civil servant of the government.

Globke is regarded by those among the Allies who deal with him as honest, straight-forward and completely loyal to the Chancellor. Nobody, however, wants to hazard a guess as to his inner "political integrity", or what he himself stands for. They go only as far as saying that he stands for whatever the Chancellor wants -- and indications are that Dr. Adenauer is only vaguely aware of the power struggles which are going on in the civil service far below him.

The second figure in the struggle for the control of the Gehlen group is Dr. Theodor Blank, head of the "security office", and probable defense minister. Blank has proven himself to be a rather passionate and on the whole effective opponent of the old Wehrmacht and "Prussianization" of the new German Army. On the other hand, a natural enmity

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has sprung up between his office and the Gehlen group, since the Gehlen group has had six or seven years of free-wheeling to bring in any personnel it desired -- so long as they were not Communists. Thus, the Gehlen group could be said at this point to represent a nucleus of the old army, where the Blank office represents a nucleus of the new army.

Blank believes that intelligence should be centered in the defense ministry, and is reputedly prepared to "clean out" the Gehlen organization if he gets control of it. Globke, on the other hand, believes that intelligence should be centralized under the Chancellery. He and Gehlen are working very closely, on the assumption that the Chancellery will eventually get intelligence control. More than that, for the moment, because the Blank security office is only a section of the Chancellery, and not a full-fledged ministry, Globke also has a certain personnel policy-making power over the Blank ministry.

From this there has been evidence that Globke and Gehlen have in fact more or less been operating to "vet" certain of the Blank ministry appointments, to ensure that pro-Gehlen and pro-Globke people are slipped into jobs in the Blank office.

The third figure in the picture is Dr. Otto John, an ex-July 20th plotter, who for three years has headed the "Office for the Protection of the Constitution", which is the internal German security intelligence. It is his job to follow the activities of Nazis and Communists and others threatening the internal or democratic security of the state.

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John is regarded as a thoroughly decent and fine man, but equally his friends do not believe that he is tough enough for the sort of power fighting which is going on. At this moment, from his own discussion of this whole problem, it appears that John is aligning himself with Globke in the possible hope that in the end he might replace Gehlen as the head of a combined internal and external service; assuming it does wind up under the Chancellery instead of the Defense Ministry.

The general attitude of the Americans seems to be that to place intelligence under the Chancellery -- where it would be more or less civil-service controlled -- is too great a concentration of power for the good of Germany, and it should be in the Defense Ministry, where Blank is generally regarded as a better political bet (in the sense of his political integrity; not necessarily his political strength, which is open to question) than Globke, who seems more interested in power than how it is to be used.

But in any case, at some time in the next year, presumably, this decision will be taken, which then raises, for the United States, the even more serious consideration: To what extent are we having to rely on the Gehlen group?

While it is patently obvious that we must have other sources of intelligence on the satellites and the Red Army (for example, our Army radio intercept stations in Berlin that monitor all Red Army wireless traffic), the evidence is that the Gehlen group is regarded as our

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prime source, and because it has turned up good, reliable information over the years, it has moved into top position in the relative weight of sources.

In this we have differed radically from both the British and the French, who have developed their own networks of agents, which they control and direct, whereas the Army and the CIA have in effect let the Germans do the job for us. More than that, to return to an earlier point, we have not even successfully penetrated the Gehlen group, but rather put money in one end and gotten intelligence out the other.

We must therefore face the question of the extent we can justify continued reliance on the Gehlen group (a) in view of its rather dubious personnel and (b) after it becomes the servant of the German government rather than the United States.

The intent appears to be that a "working relationship" is to be maintained with the Gehlen group after it is turned over to the Germans, but the dangers of intelligence "colored" for political reasons are evident, and the United States seems to be confronted with decisions to improve its alternative sources, and equally to try and throw its weight in the question of who in Germany is to get control of the Gehlen group. At the moment, we appear to be drifting into merely continuing what has been an effective intelligence arrangement without much examination or regard as to these conditions now actively coloring the whole future problem.

November, 1953

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INTRODUCTORY NOTE

This is a critical review of three major security compromises suffered by a West European intelligence organization in 1953. It forcefully recites the need for close adherence to fundamental principles of clandestine activity, individual ambition, zeal, and expedience notwithstanding.

Weaknesses acknowledged by the organization concerned range from inadequate investigation and security practices on the part of the organization to unfettered ambition and boastful indiscretion on the part of a case officer.

These incidents resulted in more rigid application of operational security procedures on the part of the affected organization; nevertheless, in view of the exacting price at which the prompting lessons came, the corrective measures do not render the incidents less regrettable.

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A.

Critique of This Organization's Security Compromises
and of the Opposition Propaganda Actions.

1. The operational effort of this organization was endangered during 1953 as a result of a series of compromises described in Section B. Except for these, the number of flaps and losses was kept to a reasonable measure in 1953, considering the number of active sources, the increased difficulty of the work, and, especially, the heightened CE activity of the opposition. For the most part, the causes of the flaps did not lie directly in intelligence activity, but in human inadequacies (gossip, bragging, too high standard of living), dissensions, and thoughtlessness on the part of agents.

2. At the end of September 1953, a propaganda offensive was begun in the GDR against the activities of Western intelligence services. Arrests and sentences were published in the press, on the radio, and in speeches, and the "criminal activity" of these so-called agents was forcibly brought to the attention of the GDR population. By 1 November 1953, the arrests of 98 Western agents (with names given) were made known. Among them were 14 agents of our organization. Up to this time, however, this organization was mentioned only incidentally, and was not attacked in propaganda.

3. From the beginning of November, the bulk of the opposition propaganda offensive was directed against us. The cause of this was the ERHARDT case, in the development of which the opposition was able to bring ERHARDT forth at a press conference as a prosecution witness, and as a result of which they caught numerous agents in a roll-up. In this offensive the opposition brought out flaps which had occurred some time ago, and also attributed compromised operations of other services to us. We were especially accused of sabotage and diversionary activities.

4. The series of announcements and publications about this organization, which took place in the middle of December, must also be seen in this connection. This resulted from a summation and evaluation of a mosaic of bits of knowledge which the opposition had collected in the course of years, from flaps as well as from its counter-espionage. These items were in part incorrect, inexact, or obsolete. These publications had a positive result for us, however, in that the opposition had to make known in this way at least a part of its knowledge, thereby making it possible for us to carry through effective counter-measures (e.g., checking of case officer personnel).

5. Purpose and background of the opposition propaganda offensive:

a. Ernst WOLLWEBER, who succeeded Wilhelm ZAISSER as Minister of State Security, needed results which could be exploited in propaganda

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in order to strengthen his position. He wanted to prove to the people of the East Zone that Western espionage activity would be destroyed in the East Zone under his leadership, and that a new 17th of June would no longer be possible.

b. Strengthening of the position of the SSD. The people of the East Zone were to be brought to see that the existence of the SSD and its further expansion was necessary.

c. Destruction of the confidence and sense of security of our agents in the Zone, with the purpose of causing them to discontinue their work or to report to the SSD.

d. Frightening the populace of the East Zone from letting themselves be used by Western services, especially by this organization. Propaganda effect on the people, in order to get them to cooperate in the uncovering of Western agents, in the interests of the state.

e. Attempt to confuse and paralyze our Field Bases, making them feel exposed as a result of the publicity.

f. Influencing the Berlin Four-Power Conference, which was scheduled to convene soon.

g. Making political difficulties for our organization in West Germany.

6. The effect of the opposition propaganda on our agents was astonishingly slight. The morale of the agents and their confidence in the organization could, with very few exceptions, not be shaken. Our agents were stuffed for years by the Soviet Zone bosses with propaganda based on lies, so this present action did not make a convincing impression and thus blew up. The SSD's attempts to induce all our agents to report to them was without success. Opposition claims that 31 of our agents had confessed in remorse, are untrue and pure opportunistic propaganda. Not a single case of this is known. Also, no objective proofs could be given by the Soviet Zone authorities.

7. From the technical IS point of view, the opposition succeeded in 1953 in making some penetrations of our organization, and in dealing us a number of severe blows. Much as we deplore the fate of the affected agents and their families, it must be pointed out that this had to do only with certain nets, and, therefore, our espionage operations in general were in no way paralyzed or decisively diminished. On the other hand, the penetrations by the opposition should be a forceful warning to us and a stimulus to learn more from these experiences than before, and to take more effective security measures in the future.

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1953 Compromises through which the Opposition

Succeeded in Making Serious Inroads.

1. In Attachments 1, 2 and 3, the circumstances and genesis of the MUELLER, ERHARDT and SCHULTZ flaps are briefly portrayed. An overly detailed description was consciously avoided, since thereby (a) allied units would learn unnecessary operational details, and (b) this study would take on too great a circumference. The purpose of the description of the flaps is to recognize the incidents and associations which led to the experiences and conclusions treated in Sections C and D.

C.

Flap Experiences and Sources of Error

1. Assessment of the Opposition.

Our espionage activity stands opposed to a powerful enemy, armed with all the trappings of power—the Soviet IS. The state security services in the satellite states (in which the GDR is included in this instance) carry out their counter-espionage activities under the guidance and at the order of the Soviet IS. The executive organs of the state, and a close meshed control and surveillance system, stand at the disposal of these state security services. Furthermore, extensive opposition surveillance actions in West Berlin, which seemed to have been based on good training and organization, have been ascertained. In many cases the surveillance was not noticed by those surveilled, but was determined only later (e.g., during the interrogation of agents). The opposition seeks to attain its goal with the use of all CE methods: It infiltrated agents of its service into our organization; was frequently successful in doubling our agents; was in some cases able to work its CE agents up in headquarters of the branch office level; strived to recruit IS case officer personnel located in the West; and turned again and again to violence.

For two years, opposition endeavor has been characterized more and more by dissatisfaction with the arrest of single agents, and the shifting of the main part of their activity toward penetration of handling headquarters in the West, in order to be able to destroy whole nets. The experiences of the 1953 flaps show that the recognizable attacks had as their primary goal the handling offices in West Berlin. A total of three hostile CE agents were directed against the KLEINBACH cell on various levels. The enemy was working here on a long-range plan, and,

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in its execution, exhibited astounding speed and flexibility in the making of decisions. In the SCHULTZ case, the action against SCHULTZ's wife was carried out within a few hours after his arrest, and the enemy came thereby into possession of documentary material that was most valuable for him.

In all flaps described in Section B, the enemy attempted to press further, and sent individual letters of extortion to blown case officers in the West, suggesting that they come to the East Sector with a promise of complete immunity from punishment. The letters were normally brought by relatives who resided in the Soviet Zone.

The striking power of the opposition executive is also remarkable. As a result of the incident in West Berlin, ERHARDT reported on the afternoon of 29 October to his SSD case officer, and the arrest of all persons mentioned in the personality files (including prospects) followed that night at approximately 2400, throughout the entire GDR.

It would be completely wrong, in the present situation, to underestimate the opposition--especially the SSD. On the contrary, we must assume that the enemy is improving his methods even more on the basis of these experiences, and is training his personnel more intensively.

2. Knowledge gained by the enemy as a result of the flaps.

The knowledge gained by the enemy in the separate flaps is sketched in Attachments 1 - 3.

a. Persons

Knowledge gained about persons is not treated here. The probable consequences have been discussed thoroughly with the competent offices.

b. Construction and Organization

It can be assumed that the organization and structure of our organization, as it existed at the end of 1953, is known to the enemy in broad terms. The extensive correspondence carried on with the KLEINBACH office made an important contribution to this knowledge.

c. Mission and Espionage Targets

The opposition has almost complete knowledge of our EEI's for the GDR, as a result of seized documents, e.g.,

Observation of locations, training areas, and maneuvers of the Soviet Army,

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Collection of captured documents,

Transportation requirements (troops, materiel, fuel, uranium),

Recruitment or defection of German scientists employed in the Soviet Bloc,

Defection efforts against personnel of the Soviet Occupation.

The enemy knows in detail what we want to know concerning the requested targets.

d. Results

The enemy could gain a picture of the results achieved by this organization from the following documents:

- (1) From the seized target background material, which is indeed procured from the production of all of our sources;
- (2) From the reports received by the KLEINBACH cell, most of which were received and worked on by ERHARDT;
- (3) From the seized EEI's which can be used as an indication of the situation at central headquarters.

e. Methods

The opposition has an almost complete picture of our methods of operation. The following are specified:

- (1) Recruitment of agents (use of spotters, investigators and recruiters). Use of certain spotting pools (nationality groups, packet operation, refugee offices). Recruitment and use of high-level, penetration, surveillance and travelling agents.
- (2) Getting of reports through acquisition of originals and discarded papers of the Soviet forces (trashcan operation). Use of photography and telescope. Importance of motor vehicle number analysis.
- (3) Training of agents on background material. Seized background material contains the most important points of observation, or most favorable means of approach (especially air force).

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- (4) Coupling of transport, penetration and travelling sources for the following-up of transports.
- (5) Delivery of reports in person (frequent, sometimes regular trips to Berlin), by courier (via dead letter drops), by mail or by radio. Passing on of important messages by radio from West Berlin.
- (6) Security. Erection of special commo channels in addition to the reports/instructions and supply channel. Methods used in West Berlin (meetings, telephone letter drops, cover addresses). Use of cover legends at the target and on trips to Berlin. Name trace requests.
- (7) Support of agents after they have left enemy territory, and measures taken for legalization of agents.

f. Summary

A large part of the EEI's presumably gave the enemy nothing new of importance; e.g., the enemy naturally knew that in the field of transportation we were especially interested in traffic over the Oder border. On the other hand, the opposition, with a comprehensive knowledge of our EEI's and the results of our work, can direct his security efforts primarily toward the targets and groups of persons in which we are interested. The knowledge of our methods of work makes the detection and arrest of our agents easier for the opposition.

It must be pointed out that --independently of the causes of the flaps--this comprehensive knowledge on the part of the enemy results from mistakes in management. Much too much written material was given to the lower field sub bases which are in direct contact with agent personnel; EEI's, instructions, administrative correspondence, etc., were sent out as a matter of routine in unabridged form, and little or no practice was made of destruction or return of documents. The fact that a detailed reason or basis was given in instructions proved to be especially compromising and momentous, e.g., no approach to Mr. X, since already in contact with allied service.

Controls in regard to number and maintenance of documents were carried out only to an insufficient degree.

3. Personnel Selection and Leadership

The choice of staff employees and agents and their psychologically correct handling represent the decisive problem, not only for a further increase in our accomplishments, but also for the security of our organization. It is more than ever necessary to consider the human and personal affairs and the environment of our personnel, in addition to judging their official accomplishments. The case officer must take time to create a

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personal contact with his immediate subordinates, and must concern himself with their private lives, in order to be able to recognize and interpret any change in their temperaments.

a. Case Officer Personnel

The success and security of our work, and the accomplishments and the lives of our sources, are primarily dependent upon the worth and the unobjectionable character of our case officers, particularly those on the branch office level.

This must be taken as an important point of departure in the selection and use of new case officers. Independent of this, the security system must be so constructed that lies, suppressions and embezzlements can be recognized in good time or avoided. Every possibility for independent checking of the case officer (e.g., questioning of a dropped agent) must be utilized. When shortcomings have been noted, they have not always been attacked with the necessary speed and consistency. In such cases, loss of sources and expenditure of money must also be reckoned with.

Aside from close checking at the time of employment, only continuous watchfulness and controls are of assistance against treason within our own ranks. A critical attitude must be maintained even with competent and proven colleagues. No blind trust. On the other hand, it must be the task and art of the case officer to make sure that control measures, for example, are not taken as mistrust, and that those affected are not antagonized.

In regard to available points of attack, it is necessary to recognize all possible means of pressure, and to nullify those which an unscrupulous enemy could use, under certain circumstances, for his own ends. The creation of a situation of confidence is necessary, so that each employee will report any indication of a hostile approach immediately, and will have the feeling that his superior headquarters will do everything for his protection, and that assistance is available to him.

b. Agents

With agents, the possibility must always be kept in mind that they may come under hostile control in the course of their activities and reveal all of their knowledge, or that they may be turned by the opposition. Therefore the agent should not know any facts that are not absolutely necessary for the execution of his mission. Thus, critical judgment of all reports from the security point of view (fabrication, striking change in level of accomplishment, deficient or non-existent description of method used to obtain information, etc.). Basically, do not make judgments only from subjective impressions, but always look for objective indications and place these in the foreground in the judgment of a person. Noting and checking of all unusual events or other observations (e.g., controls, surveillance, absence from a meeting, etc.)

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4. Radio

a. Opposition Knowledge

The documents in the field of radio which fell into the hands of the opposition were especially extensive and detailed. We must therefore begin with the point of view that the enemy, on the basis of these documents and statements by arrested radio agents, has in his possession considerable detail on radio activities of the organization. The following points are known to the enemy:

- (1) General ERI.
- (2) Radio procedure.
- (3) Status of radio matters.
- (4) Steadfastness in crisis, and related selection of personnel.
- (5) Protection and security measures (hiding of sets, set construction, jamming, cover stories used for training).
- (6) Course of training.
- (7) Money expended.
- (8) Details on the places in which radios were to be set up (Halle, Wittenberg, Leipzig, Koenigstein, Koenigsbrueck, Forst).
- (9) The instruction of Headquarters: "We need more radio operators".
- (10) Equipment with two sets.
- (11) Description of the advantages and disadvantages of the sets (3-WU, RS-6, and 12-WG).
- (12) Burial of radio sets—protection against moisture with the help of artificial bags, cooking pans, etc.
- (13) Headquarters has a department at its disposition which can handle the soldering of radio sets into copper cases.
- (14) Instruction for radio operators in times of stress (article published in Soviet Zone press).
- (15) Radio operators and novices. Training of novices takes so much time that future planning should primarily include former radio operators (personnel selection).

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- (16) Radio nets: Planning of the connection between sources and radio operators, and the construction of radio residenturas, radio headquarters or radio groups.
- (17) Regulation of radio and code matters inside of radio headquarters and residenturas.

b. Results

- (1) The security of radio commo procedure is not affected by the fact that the enemy has gained considerable knowledge, since it was developed from the beginning in such a way that no conclusions in regard to other radio channels could be drawn from the knowledge of one radio channel.
- (2) The security of the cipher remains completely unaffected by the results of the flaps. All secret messages sent in are drawn up so that the enemy, even with exact knowledge of the cipher, is unable to decipher enciphered messages by the same procedure.
- (3) Since the call sign tables which had been used previously were pictured in the Soviet Zone press, it was decided, for purely psychological reasons, to introduce new call sign tables. Since the new call sign tables are easier to use than the old ones, the flaps only gave the final push to their introduction.
- (4) Phonograph records for use in Morse code training were probably found with several radio operators who fell into the hands of the enemy. Since we cannot do without these records in the future, new labels will have to be printed. It can be expected that such records will be especially sought after in future house searches.
- (5) All types of sets fell into the hands of the enemy as a result of the flaps. The possibility of using these (types of) sets has naturally not suffered thereby, in the purely technical sense.
- (6) The kinds of packing or concealment used for the transport of radio sets into the GDR have become known to the opposition. This knowledge will undoubtedly evidence itself in the future in increased danger to our transports of radios. Suggestions for new methods of packing can come only from the field operating bases, since packing and concealment methods must be adapted to the available possibilities of transport.

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c. Summary

The most momentous results of the flaps (especially the ERHARDT case) in the field of radio commo are to be seen in the fact that the enemy has become aware of the existence of an extensive and carefully constructed agent radio network of our organization. Therefore, we must reckon with a stronger attack on our agent radio operations by the opposition in the future. Technical methods of radio CI (presumably DF-ing) will probably be used more than previously.

5. Technical Aids

Opposition knowledge from the flaps in the field of technical aids, and possible repercussions in our work.

a. Intelligence reporting (sic)

A large number of secret ink processes fell into the hands of the enemy as a result of the flaps. These were among the best which were at our disposal. It is especially significant that not only was secret ink material seized, but that the enemy captured in addition a large number of instructions for secret ink. The processes have probably become completely known to him as a result of that. The following processes were involved primarily:

- (1) Odenwald, carbon process
- (2) Odenwald for the typewriter
- (3) Heidelberg, carbon process—powder for the production of carbon paper oneself.
- (4) Augsburg, contact process
- (5) Hamburg, dry writing process
- (6) C₁ process
- (7) C₄ process
- (8) B₃ process
- (9) B₂ process
- (10) A₁ process
- (11) A₂ process
- (12) A₄ process

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It can further be assumed that the Spessart process is also known to the enemy. Additional processes compromised are:

- (1) "Latent picture" process (Verfahren, "Latentes Bild")
- (2) Tannic writing (Gerbschrift) process (Bonn process)
- (3) Making dots in newspapers with a copying pencil
- (4) Instructions for the preparation of burnt inks
- (5) Instructions for the use of the ultra-violet lamp
- (6) Censor's solution III

The following documents, aside from the above-mentioned secret ink documents, fell into enemy hands:

- (1) The spotting EKI for sources in censorship units
- (2) Regulation concerning checking of secret ink letters with regard to elapsed delivery time and censorship.

All sources who are provided with these processes must be regarded as endangered. Thereupon, a special check of all outgoing secret ink mail was ordered, and at the same time the order was given that none of these sources was to write with a correct return address, and, in addition, that the content of the messages would absolutely have to be encoded if it specifically indicated the source.

One could assume that the enemy, having learned the processes, would now try even more to penetrate our intelligence communications via censorship. A check of the mail which has gone in in the last few months has shown, however, that no new special measures have been taken in the field of censorship. The elapsed times were approximately the same and the proportion of letters which had demonstrably gone through censorship was no larger than before the flaps. However, one must assume that there will be a sharpening of censorship in the next year.

The resultant situation in regard to the future use of the above-named inks is that they can still be used without hesitation for the time being, as long as care is taken that the sender cannot be found out, even as a result of discovery and decoding of the secret writing. The secret ink processes have generally proven themselves to be quite good up to now, and play a decisive role today in the transmittal of reports by mail and by courier.

b. Documents

As a result of the flaps, a large amount of documentation from the GDR fell into the hands of the enemy. A large number of documents

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must also be regarded as endangered, at least. In addition to the documents, EEI's for the acquisition of documents from the GDR and Poland, the EEI in regard to the new PAD (East German identity document), and some document instructions and reports also became known to the opposition. As a result of the loss of the EEI's, instructions and reports, the enemy was able to gain a picture of our work in the document field. The EEI's and forms were already obsolescent at the time of their loss, however, and needed a reworking or a new edition. The EEI in regard to the new PAD is, of course, current, but the enemy must have known, even without knowledge of this EEI, that every IS is most interested in the acquisition of the new GDR identity document. At the time of the flaps, new identity documents were issued in Poland as well as in the GDR, and, in this connection, a few general changes were undertaken in the document field. Thus, our documents section would have had to change its issuance of documents regardless of the flaps. Nothing is known to the opposition concerning the status of the new editions being prepared by our documents section. In order to assure as much as possible our continued work in the field of documents, the change in the method of work and distribution of EEI's, which was planned before the flaps, was carried through expeditiously. The requirements of security were treated as primary in all measures taken. All false documentation, with a few minor exceptions, has been withdrawn.

The same thing happened with all papers and records, which have been reduced to a minimum in all field offices. As far as can be determined from reports and from new original material which has gone out since the flaps, neither controls nor other security measures in the document field have been increased by the opposition.

c. Reconnaissance photography

The enemy has probably also increased his knowledge about this organization in the field of reconnaissance photography. It can be assumed that our wishes in regard to the purchase and acquisition of new Soviet Zone cameras and field glasses were known to the enemy. In addition, the increased use of pre-war cameras has probably become known, the possession of these cameras being more readily explained by a cover story than is the case with a new or West Zone camera.

It can further be assumed that the following instructions have become known, either in written form or verbally as a result of interrogations:

- (1) Contact process with the "T" apparatus (Kontakt Verfahren mit dem "T" Gerat)
- (2) Expedient reproduction photos (Behelfsmassige Reproduktionen)
- (3) Development of latent pictures

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- (4) Use of the Minox with a field glass
- (5) Possibilities of use of separate types of film.

Injury to our future photographic work cannot result from the increased opposition knowledge, if the cover story for the possession of a camera is thought out to the last detail, and learned by heart by the possessor. The innovations in the photographic field which are in preparation have not as yet been made known to the field.

6. Organizational and Operational Questions

a. The KLEINBACH branch office grew too much in a short time (3 case officers and over 40 sources). The consequence of this was that the branch office neglected to maintain the necessary records in enough detail and to safeguard them continually. As a result of overly increased demands and an unhealthy expansion of nets, perspective and control were necessarily lost, and insufficient attention was paid to basic security rules. A one-sided striving for success without regard for security is doomed to failure in the long run.

b. In some cases only 14 days elapsed between spotting, investigation and recruitment (also with radio operators). This proves that the necessary means of checking were insufficiently employed.

c. As a result of the investigations into the ERHARDT flap, considerable cross-connections to other Western services came to light, among colleagues in the West as well as among agents. Security questions and widening of the circle automatically arose from this. Conscientious checking of other IS contacts in investigations: In this connection we may point out that every takeover of other nets has ended in failure, and most in an unpleasant flap. Intelligence peddlers are not to be considered for jobs as employees (Mitarbeiter).

d. Flaps were hushed up or not further investigated. Arrested agents or agents who did not appear were simply reported as dropped (Reason: "Can no longer come to Berlin" or "Other professional employment"). If the April 1953 arrests of ERHARDT's nephew and other agents had been reported through the KLEINBACH office and worked on as a flap, the ERHARDT flap would never have arisen, since ERHARDT would then have been recognized as an enemy.

e. Continuing, conscientious maintenance of agent relation and exposure records from the beginning offers the assurance of avoiding a flap or of keeping it from expanding. A new, detailed review of the origin of the operation is nevertheless necessary with arrested agents, or those who have been involved in a flap, in order to learn any previously unknown or hushed-up knowledge on the part of the affected agent, and to recognize the dangers which result therefrom.

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f. Employees carry out double functions (e.g., courier, spottar, recruiter). This increases the danger not only for the agent but also for those persons who are in contact with him. In exceptional cases where this cannot be avoided, the increased risk must be considered, and must be counterbalanced by appropriate additional security measures.

g. Couriers served several agents at the same time, or were used in another job after their activity had ended. Complications and losses which cannot be excused from a security point of view resulted from the arrest of such a courier. This also holds true for radio transport couriers.

h. Transfer of agents and case officers below the Zweigstelle is to be avoided, since difficulties in both the old and new field bases can arise therefrom.

i. In regard to training quarters (especially radio), we must make sure that a short circuit from one flap cannot carry over into another net via these quarters. In general, only one training area for each radio operator or agent (sic).

j. The IS training of a radio operator (including security training) must be carried out, from the beginning, continuously and according to plan, and may not be neglected in striving for a rapid end to the radio training.

k. The point of departure for our work in the GDR should not be limited to West Berlin alone, since the opposition, because of this knowledge, concentrates the main part of its GE activities there. It was again and again determined that the enemy has a good surveillance system at his disposal. Therefore a general loosening (sic) toward the Federal Republic is necessary. This measure is supported by the easing of interzonal travel regulations. Use of cover addresses in the Federal Republic. Training in the Federal Republic.

l. Personality files on employees of the neighboring branch office, in which KLEINBACH formerly worked, were included among the KLEINBACH documents. As a result of this situation, which resulted from irresponsible action, agents lost their freedom completely unnecessarily, and the flap spread to another branch office. With the erection of each new office or the change of a case officer, the immediately superior office has the responsibility of carrying out a detailed examination of the written material.

m. The ERHARDT and SCHULTZ flaps had far-reaching consequences for agents in the GDR because the card files of agents there were kept in the offices of the branches, and the enemy was able to gain possession of these files. Since the enemy is informed as to the manner of keeping personnel files in the branch offices, it will also be his goal in the future to gain access to these records by force or by the infiltration of

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CE agents. Therefore, it is the duty of the separate IS offices to investigate countermeasures, whereby the enemy's access can be avoided: Extent of the files. Method of safekeeping (concealment). Making rapid identification difficult by means of secret inks and codes.

n. The surest protection against kidnapping is concealment of IS activity. No close acquaintanceship between agents and case officers. It was determined that in all kidnapping cases the enemy carried out a detailed study of the habits of the subject. Prior compromise was a prerequisite for that. Change place, time, and method of contacts as often as possible. No routine. Alertness for opposition observation and surveillance.

D

Consequences for our Work

1. General

In the course of the past few years, our organization, having evaluated prior experiences, has developed a thoroughly thought-out security system for agents who might be subject to opposition arrest. This system has proven itself. It is important, however, not to stop at the level already reached, but to improve and refine the system continually. The roll-up of whole nets by the opposition in the form of a chain reaction, as a result of the arrest of agents, could generally be avoided. In the case of flaps having their origin with agents in the GDR which took on major proportions, it has been definitely determined that the fault lay in a failure to heed our basic security rules.

The flaps described in Section B were caused on another plane (choice of case officer personnel, thoughtlessness, compounding of case officer errors). But the fact that these flaps had the results they did, and that the enemy gained such widespread knowledge concerning our operations, proves that we deviated from the decisive, basic IS rules in the course of time. It was managed partially according to bureaucratic-military rules, but not along the lines of IS principles. The dangers which existed for case officer personnel in the West, whether in the case of treason or as a result of enemy violence, were ignored. It is therefore necessary to subject our methods of operation to a critical examination in this regard, and to operate even in the West in the future in a professional manner and with regard to security principles. It would exceed the scope of this study to give details concerning the change in our operational methods. It is essentially the job of the offices to draw the necessary conclusions, based on the indicated flap experiences and consistent with the mission and the practical work of the office. It is important to avoid any uniformity, and to encourage each case officer in the discovery of new methods which are not known to the enemy.

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Therefore, only basic principles in the most important areas are given in the following paragraphs. These should serve as indicators of direction for further work.

2. Checking of case officer personnel

The security situation of our organization is decisively dependent on the selection, training and continual control of case officer personnel. Failure to heed this requirement, paired with neglect of the duty of supervision, considerably simplifies opposition penetration, and can lead to serious losses on account of the greater insight of these persons in the field of operations. An examination of all case officer personnel in the organization was ordered on 1 December 1953. This examination should not represent a unique phenomenon, but should be carried out on a continuing basis. We must be more watchful and critical than before, and control and check continually. Indications of dirty manipulations, IS cross-connections, hushing up of official events, character faults, unclear family relationships, questionable conduct, etc. must be picked up and energetically followed to a solution. It is important, further, to come to a conclusion quickly and effectively when such derogatory information is brought out. Higher requirements must be followed in the hiring of new case officers:

Sponsorship by a reliable person; if possible, by a reliable employee.

Examination by an investigative unit.

Presentation of a police records check.

Obtaining of a graphological (hand writing) assessment.

Detailed investigation of background, character, reliability and suitability.

Thorough check of curricula vitae, with special regard to their completeness.

Practical trial (test mission) in a job with limited scope, if possible.

In addition to character defects, which cannot be overevaluated, the following IS debits must produce in the future an absolute "IMPOSSIBLE":

Very close relatives in the GDR.

Escape from the GDR, leaving close dependents behind.

Temporary arrest by the opposition, or imprisonment of relatives which is still in effect.

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Former activity for another IS (exceptions can be made only in exceptional circumstances, with the approval of central headquarters).

Extant criminal charges.

Activity as intelligence peddler or swindler.

Persons who have spent a long time in the Soviet area (including PW status) can no longer be used in the future in the West, if their work would give them a fairly large insight or would entail the possible endangering of a large number of sources in the GDR. This holds especially for agents who have fled from the East, even if they have proven themselves in their work. It must be noted in this regard that the enemy frequently has an entree to these people as a result of their former activities, even if the persons have been investigated and found reliable, and the enemy may use this entree for an approach and attempts at extortion. Remark: Regulations for the hiring of support personnel (Rahmempersonal) are issued by headquarters personnel office.

3. Compartmentation system

The organizational breakdown represents not only management levels, but also planes of compartmentation. The compartmentation system, horizontal and vertical, must be more strictly adhered to. In case the enemy makes a penetration of a branch office, this must be sealed off horizontally and vertically. Therefore no direct running by the case officer to his superior headquarters, no general discussions among case officers of the same level.

Names of field bases and cover indicators (e.g., for actions, operations and plans) should not be passed down schematically. In the future, the enemy must be prevented from gaining knowledge of management affairs, including names right up to the central headquarters, as a result of a penetration of one branch office.

Each case officer knows the designation only of his immediate headquarters. It is recommended that all offices gradually adopt different designations for use upwards and downwards, e.g., upwards and in the divisions of the central headquarters, "branch office p"; and downwards, simply a number, a name or a firm. We must create organized disorganization, i.e., the leadership must have a clear view of the breakdown, but the enemy must not be able to see this breakdown from below. Case officers must use various cover names in appearances at different units. Cover designations given out by central headquarters (e.g., Operation WACHT) should no longer be passed down schematically. Individual designations should be chosen by the units for their own use. The same is true for the designation of secret inks.

As a result of the measures delineated above, the enemy will be

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considerably hindered in the evaluation of facts learned about the organization, which will continue to come to him as a result of flaps and his espionage activities in the West, and he will no longer be able to grasp connections between separate IS units.

4. Correspondence

In working against us, the opposition strives to obtain originals or photostats of intelligence correspondence. This not only provides valuable espionage material, but also makes it possible for the opposition to arrest our agents legally and to attack us through propaganda. In order to strengthen our security, a general change in methods with regard to correspondence must take place in the future. The following principles must be followed:

a. Correspondence must decrease from the top down. The lower field sub bases can largely be directed verbally.

b. With the receipt of a message, each office must examine it and decide whether, to whom, with what content and in what form (verbally, in writing, by radio) the message is to be passed on. Each subordinate office should receive only that which is necessary for its work, in the frame of its mission.

c. Written instructions should as a matter of principle be passed only to the immediately subordinate office, which in turn is responsible for further dissemination of the message, in accord with subpara b above. No dissemination of headquarters instructions to lowest echelons.

d. Each written message should be checked as to whether a control indicator (e.g., "for the info of the branch office only" or "no passing to West Berlin", "destroy after assimilation", or better "return after a certain period of time") should be used.

e. Written materials should be continually reviewed in lower offices, in regard to secure maintenance, completeness and destruction. Results of the review are to be reported in writing. The execution of this measure is of decisive importance, especially in the lower field sub bases.

f. Preparatory measures should be checked and firmed up covering the destruction or removal of documents in case of danger.

g. Compromising remarks (especially reasons for things) are to be avoided in the text of written messages. Experience has shown that reasons carry with them the greatest points of danger from the security point of view, and can injure our organization politically. That does not exclude the possibility of giving necessary reasons verbally later on. No compromising indications of source. Omission of compromising

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unnecessary formalities. Messages to case officers with the introduction "At the request of central headquarters, in the future...", or "Our Friends (Western service) are very interested in the further clarification of...", show a lack of IS understanding.

5. Strengthening and improvement of CI work

a. It appears to be necessary to accord increased attention to security considerations in the future. Every attempt at an increase in production with concomitant disregard of security principles will finally lead to failure. It is therefore necessary to assign competent, well-trained security officers to all field bases down to the branch offices. These security officers must be properly used, i.e., they must be brought in on all questions in which dangers could arise.

The submission of a quarterly security situation report was ordered in a Directive dated 30 March 1954. Field bases are thereby required continually to draw for themselves a picture of their own security situations, so that they will recognize points of danger promptly. In addition, the security officer should be given the opportunity of giving, within his unit, his interpretations and his judgment.

b. Efforts at espionage coverage of the opposition IS and its measures within enemy territory must be increased throughout the organization, by means of external observation (location of offices, informants, control measures, methods, etc.). Each of our agents active in enemy territory can and, in his own interest, must contribute to this.

c. Observation and planned espionage coverage of the opposition security service is a prerequisite to our own protection. Moreover, there must be a strengthening of CI work, since the opposition espionage (against us) itself offers an opportunity of internal penetration of the enemy IS, and thereby strengthens directly or indirectly our own security situation. Instructions to this effect are following separately.

6. Working on the flaps

The opposition attempts to pick up leads gained from flaps, even after a relatively long time. Insufficiently investigated flaps; and those which have not been intensively gone over, carry within themselves the seed of additional flaps.

Detailed instructions were sent to all field bases in a Directive dated 27 February 1954, which dictated both the form in which the flaps were to be worked up in the future, and the points which should be analyzed in detail. All points which are to be treated or previously investigated are included in this instruction.

The flap report itself presents a reflection of the form and

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the flap was handled and worked up by the appropriate office. Bringing
the CE expert in will be useful and necessary in most cases.

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Attachment I

MUELLER FLAP

Case officer MUELLER was kidnapped from West Berlin on 13 February 1953. He was a former police officer, and had been an employee of the Organisation in West Berlin since 1948. At the time of abduction, he was deputy chief of one of our CI branch offices. In this capacity, he had knowledge of official connections (legalisation, liaison, etc.). MUELLER was very diligent in his work, and had above average success in the recruitment of productive sources. But he unfortunately possessed a certain need for recognition, which manifested itself, among other ways, in a lack of the necessary secrecy. The warnings from central headquarters in this regard were not heeded by the former chief of the office. MUELLER represented himself as the Organisation's OE chief in Berlin, as a result of which he automatically became a target of the opposition IS. An exaggerated camaraderie complex led him to become rapidly over-trusting with his sources.

Since September 1951, MUELLER had been in contact with Horst KIRVES, Director of USIG (Administration of Soviet Property in Germany). It was unknown to the leadership that a personal friendship had also developed between MUELLER and KIRVES, and that they visited one another in their apartments.

At 1800 hours on 13 February 1953, MUELLER and KIRVES met at the restaurant "Moselaner" on Wittenbergplatz. Both left the restaurant at approximately 1930 hours, going in the direction of the subway station. MUELLER has been in Soviet custody ever since.

It has been proven beyond doubt that MUELLER did not desert to the Soviets voluntarily, but that he was kidnapped. Whether this took place through force, with the help of narcotics, or as a result of a trick could not be definitely determined. At any rate, MUELLER was in the prison in Karlshorst, in chains, on 14 February. KIRVES took part in the kidnapping as traitor and helper.

MUELLER had a certain amount of insight into personal and organizational relationships, not only in his office but also in the whole organization. The necessary protective measures were carried out with the greatest speed, in order not to give the enemy any openings to penetrate our communications system (Meldkopfsystem) in Berlin. Since MUELLER had had several meetings with West Berlin colleagues on the afternoon of 13 February, he had some documents and his notebook with him. On the basis of the indications contained therein, it would have been easy for the opposition to get out of MUELLER, in a planned interrogation, all of his knowledge about his contacts. The arrest of all persons in the East Zone with whom MUELLER had had IS contacts followed in the next few days. In the course of the summer, these persons were confronted with MUELLER.

In the fall of 1953, the Soviets attempted to induce MUELLER's wife

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and their two children to move to the East Zone. This was avoided at the last minute through our intervention. The purpose of this Soviet attempt was to gain, in the form of the family, collateral in the event of MUELLER's release, which had been promised him by the Soviets for his services, and in order to eliminate MUELLER's fear that his family might be brought into difficulty as a result of his publicised statements against our Organisation.

MUELLER appeared as a presentation witness in the SCHULTZ trial.

The whole MUELLER case was worked up by the Soviet IS, with the SSD completely excluded.

MUELLER should have been regarded as blown several months before his kidnapping. The necessary consequences of this (protection and security measures) were unfortunately not carried out. Special caution was called for in regard to KIRVES. MUELLER tossed warnings to this effect to the winds in his blind confidence and as a result of their friendship.

At the end of December 1952, one of MUELLER's sources was arrested (a high-level economic source in the GDR government). This source knew MUELLER very well. The failure of this source to appear was explained as rupture of contact (sickness) until the middle of February, and was not treated as a flap. The close acquaintanceship between the two was unknown, and was therefore also not heeded.

The extensive investigations after the flap showed that personal connections existed among the case officers in the West, as well as among the agents, which were not known to the appropriate office and therefore could not be controlled. Thus the necessary protective and security measures could be carried out only after difficult and tedious labor.

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Attachment II

ERRHARDT FLAP

I. Prior History

From the summer of 1952, KLEINBACH was acting chief of a branch office which carried out economic and military espionage in the GDR. On 1 January 1953 he was officially invested with the leadership of the branch office. On 1 September 1953, KLEINBACH recruited ERHARDT, a resident of Falkensee bei Berlin, as a courier for a border crossing operation planned for the Muehlhausen area. ERHARDT, born in 1901, had been a communal official and a farmer. He drew a pension during his activities for the Organization, and was a representative of a wholesale paper concern in West Berlin. He wrote crime novels in his spare time, using the pen name Erich REUDE. On 1 November 1953, ERHARDT recruited his nephew, who was a lieutenant in the transport police in East Berlin. ERHARDT was released from his mission as border crossing courier, and was entrusted with the running of this transport police source. ERHARDT's nephew brought worthwhile material, including two books containing lists of those persons sought by the East German police. In the course of his activity, ERHARDT recruited two additional persons who, as came out after the flap, were old personal acquaintances of ERHARDT. KLEINBACH, who knew that sources were not approved when such personal connections existed, veiled the origin of the recruitment and represented them as his own discoveries—a system that KLEINBACH used in numerous other cases, in order to recruit persons who otherwise would not be approved, as a result of activity with the French IS, for example.

KLEINBACH's branch office developed in a short time to an unusual size and operated with success. When several agents of the branch office failed to appear at meetings in April 1953, among them ERHARDT's nephew, KLEINBACH simply dropped them, although it became known to him in the course of time that they had been arrested by the opposition. He did not report the arrests to his superior office.

ERHARDT, who now no longer had a mission, was used by KLEINBACH as an assistant. Thus ERHARDT rented a room in the American Sector of Berlin. His DPA (East German identity document) was taken away from him and he agreed to move his family, which still resided in Falkensee, to West Berlin by 1 November 1953.

KLEINBACH lived in the British Sector of Berlin and also had his office there. He was instructed to move the office to the American Sector. Thus KLEINBACH moved his office in July 1953 into the room rented by ERHARDT, and reported at the same time that ERHARDT had been charged with guarding the documents, but that the personnel files still remained in his apartment under special lock and key. After the flap, it was determined that the personnel files were also kept in the office "under ERHARDT's guard".

Through one of his case officers, KLEINBACH was conducting on his own a double agent operation with an MVD office, without the knowledge

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of his superiors. The enemy had begun this operation by sending a letter to the case officer via his father-in-law, in which the case officer was exhorted to work for the opposition.

At the beginning of May 1953, one of the sources mentioned above, whom ERHARDT had recruited, appeared and stated that he had been turned by the opposition in April.

KLEINBACH, a very ambitious and unscrupulous man, was concerned only with expanding his office and perhaps becoming chief of a next higher office. Therefore he hushed up countless other items which were injurious to the intelligence work of his office, which do not need to be mentioned here in detail.

II. Course of the flap

On KLEINBACH's orders, ERHARDT had placed a classified ad in October 1953, which stated that a secretary with a mastery of Eastern languages (sic) was being sought. The applicants were to come to a cafe. In the absence of KLEINBACH, who was in West Germany at the start of the flap, ERHARDT spoke with the applicants and aroused the suspicion of one. She denounced ERHARDT to the criminal police, and on the afternoon of 29 October they tried to visit ERHARDT in the office. He was absent, and was informed of the visit of the criminal police by the landlady. On the evening of 29 October ERHARDT returned again to his apartment—which was also the office—and then fled into the East Sector of Berlin during the night, taking numerous documents with him.

During the investigation which was then instigated, it was determined that ERHARDT had been in possession of a Minox since September, and had attempted to have a copy made by a West Berlin locksmith of a key to a special compartment of the document cabinet. The locksmith refused the demand. However, we must assume that ERHARDT got the key made by his Soviet case officers.

III. Results

It was determined that the following documents were taken by ERHARDT:

- a. Spotting and spotting requirements.
- b. EEI's and espionage requirements.
- c. Screening (correspondence and composition of reports).
- d. Radio
- e. CI affairs
- f. Special document—background target material

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g. Secret ink and CI instructions

The following documents were still there:

- a. Administration
- b. Accounts
- c. Correspondence on background target material
- d. Personnel files
- e. Timetable for emergency meetings (S-Kalender)
- f. Secret inks

Since ERHARDT had the Minox mentioned above, however, we must assume that the contents of these documents are also known to the enemy. The personnel files which were still there showed that KLEINBACH had not only kept the files on the active agents of his unit in the office, but also files on those who had become known to him through his prior work with another office, and, in addition, some on persons who had been spotted in his field but had been turned over to another office. Therefore the opposition succeeded in arresting a rather large number of persons by a coup de main on the night of 29 October. Included therein were agents of the branch office and of a neighboring office, dropped agents, and individuals who had been spotted but had not yet worked for us actively.

The documents which fell into the hands of the enemy contained, in addition to the EEI's and espionage requirements mentioned above, detailed correspondence on plans, administrative affairs, personnel matters, etc. It was thus possible for the opposition to make deductions as to organization and method of work, EEI's, points of concentration, and methods.

The attempt to warn the agents of the unit and to instruct them to flee misfired, since the opposition had been able to prepare the arrests long in advance, as a result of ERHARDT's work. KLEINBACH reported that several agents had arrived in West Berlin as a result of the warnings, but it came out later that he had lied here too. Some of these agents had been in West Berlin for over a year, though KLEINBACH had not reported it.

The investigation of the flap showed that ERHARDT had been turned by the opposition, presumably in April 1953, after the arrest of his nephew. He had worked for the enemy since that time.

The work of the opposition service was considerably promoted by KLEINBACH's ambition. As described above, he hushed up facts that were injurious to him or to his office, or portrayed them falsely.

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Original charges were brought against KLEINBACH by the Public Prosecutor. He was very skillful in freeing himself from the charge by deception, and the superior office did not follow up the indictments consistently.

It was learned subsequently that KLEINBACH had contacts to the French IS and to other Western organisations.

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Attachment III

SCHULTZ FLAP

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I. Prior History

The events of the 17th of June 1953 and the resultant closing off of the Zone and Sector borders showed the necessity for creating connections to sources in the GDR and East Berlin that are crisis-proof.

Therefore the laying out of telephone wires across the border was ordered. One of these wire crossings was to be laid out in Berlin-Treptow, in the urban area on Kieholstrasse. The first preparations were made by the office chief Z. SCHULTZ's predecessor, in September/October 1953.

During the second half of October 1953, SCHULTZ, formerly deputy chief of another branch office, took over as chief of the office. In his former office he had already been initiated in the laying of a wire crossing and in the protective security measures to be taken.

At the beginning of November, SCHULTZ carried out a reconnaissance of the Kieholstrasse area and a test laying in the Grunewald, with the others who were taking part in the operation. Taking part in the laying as helpers were: the future West operator, RICHTER, and the future East operator, IMHOF (recruited by RICHTER).

II. Execution of the operation

At about 2130 on 13 November 1953, SCHULTZ left his apartment and went to Treptow for the wire laying.

According to SCHULTZ's testimony at the trial later, the operation developed as follows: Because the garden gates were locked, SCHULTZ was unable to go through the lots in the West Sector to the border trench, in which the wire was to be laid, as he had done during the reconnaissance. Thus he had to go with RICHTER along Kieholstrasse in order to begin the laying at the place where the ditch crosses under the street. SCHULTZ followed RICHTER by about five minutes—according to the report of the trial—and was arrested on Kieholstrasse in the Soviet Sector. Nothing was mentioned about the arrest of RICHTER or IMHOF, just as nothing at all has been said about these two in any East Zone publications.

The further events of the night of 13 November were described by Frau SCHULTZ: After her husband's departure, Frau SCHULTZ went to bed. At about 0300 the telephone rang and one HINZE told her that he and her husband had been arrested. He said that Frau SCHULTZ could help her husband only by bringing a document case which was in their bedroom to him, HINZE, on Kochstrasse. A letter in the mailbox written by her husband would confirm his instructions.

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Frau SCHULTZ found the letter, in which her husband wrote her to follow HINZE's instructions. Thereupon she brought the document case to Kochstrasse in a taxi, and HINZE got in and took over the case. HINZE tried to go into the East Sector in the taxi, but the driver refused. When the taxi was then stopped by West Berlin police for control as they drove along the sector border, HINZE jumped out with the case and disappeared over the border.

III. Results of SCHULTZ's arrest

The personality files of all of SCHULTZ's agents were among the documents which came into the possession of the opposition. Prompt warning of SCHULTZ's sources was no longer possible since SCHULTZ represented the only channel of communications to them.

IV. Measures

1. Since SCHULTZ was previously deputy chief of another branch office, compromise and consequent exposure to the opposition of the identities of these sources also had to be reckoned with. As a result of immediate warnings through the emergency channels of SCHULTZ's former branch office, all sources were brought to safety.

2. Operatives in West Berlin, of whose existence SCHULTZ had knowledge, were flown out to West Germany, or their addresses and cover names were appropriately changed, so that the enemy would have no openings for a further approach. The offices of the field bases were moved within West Berlin. Cover addresses and reporting places were dropped.

V. Knowledge acquired by the enemy

A part of the EEI's given out by the leadership became known to the opposition from the documents which came into its possession. (Served the enemy as practically only a confirmation of the knowledge learned from the ERHARDT flap).

The loss of some spotting EEI's for radio operators, sources in important places such as border and Elbe River crossing points, airports, and higher KVP units, and for students travelling to the USSR, was especially unpleasant. It was very undesirable, for political-tactical reasons, that documents concerning connections to West Berlin officials and Customs units fell into the hands of the enemy.

The loss of secret inks, with which this branch office was especially richly endowed, and of their processes was especially aggravating for future work.

The arrested sources could give information only about their limited EEI's and the means of passing on reports.

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VI. Judgment

1. It is completely clear today that RICHTER and IMHOF were working for the enemy and that they reported to the enemy the intended laying of the wire on the night of 13 November. Since SCHULTZ did not take any measures to conceal the action, it was simple for the enemy to ambush SCHULTZ. It could not be definitely determined whether SCHULTZ's arrest occurred on West or East Sector territory. We must assume that it took place in the West, since the Prosecutor skipped over this point very rapidly in the trial.

2. In spite of approval of his initiative, which is absolutely necessary in the intelligence field, SCHULTZ cannot be spared from the accusation that he did not prepare the wire laying operation carefully enough. As a result of an understandable ambition to show good results after taking over the branch office, he wanted finally to complete the project, which had been going for some time. In all conscientiousness, he neglected a preemptory examination of IMHOF, and also neglected the necessary security measures for the operation.

3. Frau SCHULTZ was so distraught as a result of the late telephone call in the night and the news of the arrest of her husband, to whom she was very devoted, that she did not think of the immediate notification of the police precinct station in her own apartment house. In her striving to help her husband, she acted more or less in a trance, without thinking over the consequences.

4. SCHULTZ has kept silent about his knowledge of sources of the branch office of which he was formerly deputy chief. In the trial, he also made misleading statements as to their field of operations. Various statements made by SCHULTZ during the trial were obviously placed in his mouth. No one ever spoke with SCHULTZ about espionage against France, the Saar or China, and never about a new putch at the beginning of 1954, and such plans never existed.

5. SCHULTZ's excellent character made him absolutely competent to be chief of a branch office. Neither insufficient supervision on the part of his superior office nor lack of training are to blame for the failure of the operation. His keen sense of responsibility, coupled with an extreme desire to succeed and spontaneous initiative, which led to too much blind confidence and too little regard for proper security. Individual zeal on the part of a case officer should not be suppressed, but on the other hand it must be clear to everyone that personal courage can be a crime, when others are endangered thereby.

6. The field base responsible for SCHULTZ's net worked on the case with remarkable speed and thoroughness after the flap began, so that measures for the saving of threatened persons were carried out effectively and successfully, and it was impossible for the enemy to expect

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the penetration. It was possible to execute these measures only because the office had detailed files on the persons taking part, the connections, and agent relations and exposures.

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4 January 1954

MEMORANDUM FOR : Deputy Director, Plans

SUBJECT : Propaganda Campaign Against ZIPPER

1. Background. Beginning with the flight eastward at the end of October 1953 of a Soviet-ZIPPER double-agent the Communist press has been making a full-fledged effort to destroy the Gehlen organization by means of publicity. As far back as June 1952 we learned that Gerhard Eisler, then the East German Propaganda chief, was in possession of a "brochure" of the Gehlen organization which it was expected he would release. However, the time was apparently not considered opportune for nothing appeared. The Geyer case exposé was the opening gun in a series of releases. It was followed immediately by the publicization of the arrest of Werner Hasso for laying a wire across the inter-sector boundary in Berlin. (It is suspected that this may have been a kidnapping and that false charges were published as a part of this campaign.) On the whole, prior to these cases the American press had been quiet on the subject of General Gehlen. European papers have contained sporadic articles for several years, some of them reflecting Communist smear attempts which had appeared in the left-wing press. However, with the publication of the ADN release of 18 December 1953 (Attachment "A") we can expect a rash of articles throughout Western Europe and the United States. The ADN article has a foundation of fact woven into a fabric made up of several propaganda themes which we can expect to appear in western articles. The identity of these themes with the Soviet line should be used to discredit any stories appearing in the western press. (Example: Attachment "B")

2. Propaganda Themes:

"The Gehlen Organization:

- a. is engaged in sabotage and anti-democratic activities. Following this line, General Gehlen is tied in with the BINJ incident and is accused of continuing its activities underground.
- b. is illegal, i.e. engaged in criminal activities.
- c. is Nazi and contains many Nazis and members of the SS and SD among its ranks.

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d. is the German General Staff

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d. is the German General Staff reincarnate bent upon war-mongering. This attack has been based on United States and British war-time propaganda themes aimed at destroying German militarism. In this connection the attacks use war-time organisational terms to describe the organization. It is said to have a "II Section", the war-time term for the sabotage division of the Abwehr.

3. In addition to these four main themes in the attack on the Gehlen organization there will be wedge-driving efforts. To bring fear to our allies, the [redacted] in particular, the American IS will be said to depend entirely on the Gehlen organization for its intelligence on the Soviet Union. It will be implied that the Germans desire war and that their intelligence will mislead us into war. To throw confusion in our own ranks the CIA will be accused of having lost control and to have failed to "penetrate" the organization. To split the German intelligence effort into three parts Gehlen will be accused of internal meddling with the aim of creating a politically powerful intelligence service at the expense of the Blank Office, the future Defense Ministry of the Bonn Government, and the BfV, the German Internal Security Office. The Eastern effort will harp on the main themes and seeds of suspicion planted in western press channels will result in these and other wedge-driving efforts. (Attachment "C")

4. Possible counter-action. We can expect that newspaper stories will be presented to CIA with a query as to their veracity. In answer it is suggested that there should be no absolute denial but merely a reiteration of the necessity for secrecy in intelligence matters. The interested parties should be told of the East German Press propaganda themes and the danger that western recognition of these stories will be taken as "proof of the pudding". Attached is a selection of the Eastern propaganda. The propaganda themes are underlined. The accompanying analysis of the press coverage of the Geyer Case will also clarify the Soviet approach. (Attachment "F")

5. Summary. The entire campaign has its roots in the June 17 uprising. Every effort is being made by the opposition to prove to their own people and the rest of the world that the uprising was not spontaneous; that it was inspired by western espionage organizations. It is conceivable that the Soviets will use the Berlin Conference to pound this propaganda theme home. Attached to this memorandum (Attachment "E") is a factual account of the Geyer Case. Although it does not reflect the propaganda themes of the East it became grist for the propaganda mill when the Taegliche Rundschau (last item Attachment "D") picked it up as proof of their allegations. From this sample it should be clear to all that any publicity is dangerous and to be avoided.

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JOHN BROSS
Chief, EE

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EE/FIG/Z/[redacted]

4 January 1954

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SECRET

EGIA 6914

1-5 JAN 1954

Chief, ER

INFO: COM

Chief of Base, Pullach

Operational/ZIPPER
ZIPPER Operations Berlin/ODR

1. For your advance information only, we are forwarding the following documents:

a. A letter from UTILITY's deputy, MERRER, to [redacted] regarding the rather broad problem of "Interrogations in Berlin."

b. A letter from MERRER to [redacted] titled: "Lessons Learned from the Uprisings, Summer 1953."

2. Both documents are under study at POD. [redacted] will visit Berlin 7 and 8 January to discuss with [redacted].

3. Our comments and recommendations will be forthcoming.

4. Washington and Frankfurt comments are desired.

NOTE: Attachments are PCB translation of German originals.

Enclosures: 2
as above

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5 Jan 53

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Handwritten:
Add comments
bud. EG QW-15611
5/5/54 - Policy

Handwritten:
Policy
EG QW-15611 prepared
13 April
routed to Comur + ST D for
coordination.

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17 November 1953
30a No. 148/53 sv,

TO : 25
FROM : 30.0
SUBJECT : Interrogations in Berlin
REF : 25 Memo No: 8175 dated 2 Nov 1953

In the following we want to sum up once more our problems which eventually could be taken up for discussion in Berlin during a trip of 25 or his representative to that city.

I. 1. It would be appreciated if all Allied IS agencies in Berlin were briefed:

- a. in general on the mere fact of our interrogation activities in Berlin,
- b. in particular on our activities in the line of emergency admission to the Federal Republic and our cooperation with the department II of the Berlin Police Hq.

Define more specifically

*What ones?
How many?
Down what?*

2. Furthermore, a telephone number should be made available in Westberlin, where Allied authorities may receive information regarding our interrogators, if necessary.

That telephone number must also be given to our interrogator personnel.

*Ambiguous? →
Who sees
under what
circumstances?*

Similar arrangements were made for German authorities which were given a telephone number of the Berlin Kripo.

3. Request that possibilities be investigated whether and on what conditions our interrogators could receive definite support from the Allies in Berlin providing for interrogations to be held officially in an office without special cover. By such a method considerable advantage would also accrue to positive IS in the SRZD, by obtaining for-
tins.

-2-

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Answered by EGQW-15

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One such possibility, for instance, would be to have interrogators of the organization assigned to Allied interrogation agencies.

*Taken out of Czech
& Polish files
will not be
this.*

In addition, Allied authorities could be instrumental in getting our people access to refugee camps, such as the foreigners' camp in Wannsee, Am Sandwerder, which can only be entered with a written permission of the US side.

4. It is considered important that a special identification card with photograph of the bearer be issued to interrogating, forschungs and recruiting personnel in Berlin.

Such a card would - toward refugees - serve as documentary evidence that personnel concerned are definitely working for the West. Toward Allied authorities they can always prove their identity by stating the emergency number.

The necessity for such documents results from the fact that in pursuit of their tasks, personnel in question must constantly contact persons not belonging to the organization, and on the other hand, from the fact that the people in Berlin are very careful and alarmed to be approached by Soviet provocateurs.

Corresponding to the West-German identification cards for interrogators, such should also be made out in Polish, Czech and Russian.

II. The present status of negotiations on the German level is as follows:

1. We maintain close cooperation with the agencies handling emergency admission procedures; three interrogators were legally established.

2. We secured the assistance of the senator for social welfare. Thus, we succeeded in establishing one forschers in the refugee reception center and got access to refugee camps of the Berlin senate.

3. Department V of Police No. agreed to provide cover for our interrogators and names & telephone number, however, they so far refused legalization of our own Vood interrogators within their department. We continue our efforts in that respect.

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4. Department II of Police Hq. agreed to provide G- (secret ink) documentation. The first contact was established with the foreigners' police. The fundamental attitude is positive, however, so far no actual results were reached.

5. For the time being, Vopo interrogations are not yet in progress. With regard to IS matters they are held in the camps, however, this method is not very expedient and often forced our people to submit their emergency numbers etc.

It will be attempted that this part, too, is included into procedures for emergency admission.

1/13/10

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1 December 1953

To: 25

From: 30.0

Subject: Lessons Learned from the Uprising, Summer 1953

Our organization learned valuable lessons during this summer's unrest in Berlin (and the Soviet Zone ?) and was able to spot numerous gaps and insufficiencies which we must now eliminate. A part of these remedial measures could be applied within the sphere of our own organization. The basic questions, however, impinge on areas which demand a preliminary agreement with the 25 staff, or must be decided by 25. Several of the following points have been discussed many times, and have up to now been rejected by the 25 staff. We are convinced, however, that our viewpoints have been justified by the events of the past summer and the experiences arising from them.

1. Orientation of the Organization by the BS. *be forwarded Seite*

a. It would be of great value in estimating the situation, and steering the intelligence collection effort, if the Organization could be briefed on the situation as seen by the BS in the light of information available to them. This need becomes more acute in time of crisis. We request, therefore, that at such times a close contact be established and maintained to exchange information acquired. This would mean above all getting such information to the evaluation section (45) rapidly.

b. We would also welcome an exchange of knowledge in the radio intercept sphere. Up to now we have merely delivered our material, and have had no reaction whatever. It is particularly necessary in time of crisis that radio interception agencies working in the same area, and perhaps on the same targets, keep a close mutual contact. This would unquestionably eliminate duplication of effort, and bring a considerable rise in results. We do not plan to dwell on details here. Once a continuing contact is established, cooperative work on details will develop. The stress on secrecy, usual in radio interception work, should not hinder this cooperation. Security can be achieved through suitable measures to the extent necessary for both agencies.

c. Operational information has particular value to the collection effort in Berlin. The Organization will have operational information collected by the Berlin head exponents, and put directly at the disposal of the Berlin operational leaders. In order to create a means to exchange information here too, (mutual) orientation by the head exponents in Berlin and a staff member of the BS would be welcomed. We request that you establish this contact.

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2. Leadership within the GVs.

The actual leadership in collecting intelligence is in the hands of the GVs. Research, recruitment, and training of the V-men, leadership during their commitment, and regulation of the means of communication, and support, are all handled by the GVs with complete independence. The HQ merely indicates the targets, gives general directions on commitments of agents, and regulates or watches the use of funds. If the GVs are to carry out their independent functions, they must be given all the means necessary to the fulfillment of this task. The most important of these today are technical aids.

Research (Forschung), recruitment and training of AFUs is also a GV function. They have their own personnel at their disposal, as well as radio schools which have the necessary equipment. It is only in the technical leadership by radio of the radio agent in place that the entire organization must depend on the central head radio station. The GV is, therefore, without any direct effectiveness. This situation is in direct contrast to the system in use throughout the organization. If leadership is decentralized, the means of leadership must also be decentralized.

The centralized radio leadership of the radio agents has already led to friction; and above all to delays in the transmission of orders and of reports. Speedy and supple leadership of the radio agents by the GVs through the medium of a distant radio station which they do not control, is often impossible. The important individual approach to different radio agents cannot be maintained - in spite of the best intentions and efforts of the central radio station - as it could be by a tactical leadership and support through the GVs. One central station, however willing, cannot meet all the wishes of the GVs since these represent an unbearable burden, and will make it difficult to maintain an overall view, and an orderly development of the radio traffic. Technical reasons too require a division of the work by several base stations. The various radio agents could be watched by two base stations simultaneously (GV and Head base station). The traffic lost due to technical difficulties (poor sending conditions, for instance) could be held to a minimum. All of these considerations argue for the construction of several base stations and their attachment or subordination to the GVs. A strong influence would, however, be exerted on them by the head base station.

The development of the Org's radio service, in particular the steadily growing number of radio agents ready for commitment, will force us in 1954 to consider expanding our base station capacity.

3. UEM-Contacts in the Berlin Area.

The uprisings on 17 June showed once more how important it is that we have a means of reaching agents in the East Sector or in the East Zone near Berlin quickly. The best means for this is a one-way ultra short wave contact. In this way agents could receive messages on a normal receiving set, with an ultra short wave attachment, without endangering

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themselves in any way. They might also be given an ultra short wave set made by the organization. In exceptional cases where the risks run by the radio agent can be reduced to an acceptable minimum, a two-way contact could be considered.

The expense involved would not be very great. Two or three rooms situated in the top floor of a high building or tower, or the possibility to mount a special short wave antenna on the roof of such a structure would be necessary. A four man team would suffice for the present. Getting the necessary equipment would present no problem. These ultra short wave stations could also be used for short wave monitoring. This type of station was sorely missed on 17 June. The ultra short wave traffic of the KVP, of the Soviet Army units converging on Berlin, and of the state police, could all have been easily monitored. On top of this, such a station in Berlin could have monitored ultra short wave traffic of the Soviet air units which cannot be heard in West Germany. The organization would be particularly grateful for support in this matter. Our use of U.S. facilities could be profitable if we could use them to cover the operation of our own instrument. The Project "UKW - Base Station in Berlin" is very high priority and requires basic preparations which require time. For this reason we suggest a start as soon as possible with two or three people.

4. Use of Radio Stations to Send Messages to Agents.

Sending messages to agents through regular radio stations is a method used by the Allies and the Germans before and during the war. In many cases this method was used with considerable success. Various observations lead us to the conclusion that the Soviets are making use of this method on a large scale.

In this case, as in the case of short wave radio, we believe that an intelligence service must utilize all possibilities, and in particular those which have been proved of value over the years.

The German radio stations are unfortunately not available to us at present. RIAS, Berlin is the station best suited for our purpose. We should try this method, even if only with one agent.

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COURIER

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EOL-A-7995

Security

Chief of Mission, Frankfurt

Chief of Base, Pullach

INFO: ME

10 FEB. 1954

Operational

Background Statement on Recent ZIPPER Publicity

REF: SFRAN 1329

1. We have prepared attachment in compliance with your reference request for a factual background summary of the recent ZIPPER DER flaps and the ensuing publicity.

2. As you will notice, attachment is prepared in a sterilized form which may be handed over directly to the customers you have in mind.

3. COM is of the opinion that there is no security objection to passing attachment as is. It states very little that is not already known by the enemy intelligence services. Aside from the factual summaries of the cases involved, we have included brief comments about the development of the East German publicity campaign which seem necessary to put the facts in proper context and perspective. We leave final compliance with DER 35861 to COM.

routed

Approved by:

Encl: (1) 8 Cys - As Stated Above

Dist:

3 - COM, w/a Cys Att.
2 - ME, w/a Cys Att.

9 February 1954

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Attachment to
EOL-A-7595

- I. The following is an account of the nature, extent and effects of the major SIS/Soviet Intelligence executive actions against the GEBLEN organization since 29 October 1953. A brief description of the ensuing DFR press and propaganda campaign against GEBLEN is also included.
- II. During the past three years, the GEBLEN organization has conducted positive intelligence operations in the DFR which utilized an average of 690 agents within the Soviet Zone. This figure takes into account expected turnover, seasonal personnel gains or declines and "normal" security losses to enemy intelligence services of varying but usually rather limited extent. Over this three-year period, and in fact throughout the entire history of the GEBLEN organization, the eastern bloc failed to grasp several obvious opportunities to publicize the GEBLEN service. From time to time, arrested GEBLEN agents were personally identified, but the organization itself was never exposed by Eastern publicity organs, although enemy intelligence services were without doubt capable of supporting such exposes, at least to a limited extent. Any evaluation of the significance of both the actual arrests described below, and the ensuing press and propaganda campaign against the GEBLEN organization should be viewed in this context.
- III. Out of a total of just over 700 agents active in the Soviet Zone at the beginning of October, 1953, to date 70 are known or presumed arrested, while 16 fled to safety; their services as agents obviously lost. A number of dropped agents, whose names were unfortunately compromised, were also arrested, but these arrests do not affect current operations. Though total losses were unusually serious, they were reasonably well contained by operational compartmentalization. It is fortunate that the Eastern propaganda effort was forced to include cases up to three years' old (several such cases were never GEBLEN controlled, but belonged to other Western agencies) in order to make the sudden blow against GEBLEN appear catastrophic.
- IV. Presented below is a brief review of the three specific GEBLEN organization cases which incurred the losses described and set the propaganda wheels rolling. No attempt is made to compare or refute the Eastern press versions of these cases.

A. SEYER Case

1. Hans Joachim SEYER was employed by a GEBLEN agent leader named Hermann FOLSTER, alias FALSTER, as a courier from Berlin to East Berlin on 1 September 1952. By November, 1952, SEYER had offered his neighbor as a transportation information source in East Berlin. At the same time, SEYER offered one Alfred WIERSSCHAK for W/T training.

2. On 1 March 1953, SEYER was allowed to recruit a courier to a Soviet Zone couple already trained and in place as a W/T team. On 11 April 1953, this courier was arrested and turned by the SIS, but fled to Berlin and reported this fact. The W/T team was warned and fled to safety. SEYER may or may not have been connected with the arrest and subsequent turning of the courier, and this incident is cited merely as a possible indication of the time SEYER himself became an SIS agent. At any rate, SEYER was not connected with this incident by the GEBLEN organization and he so completely gained FOLSTER's confidence that he (SEYER) was installed as an office worker during July, 1953, in the operational office of FOLSTER in West Berlin. The organization was about to promote SEYER when he fled.

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3. On 29 October 1953, the Berlin Kripo made inquiries about GEYER based on a report of suspicion of the POLSTER office by a woman whom GEYER had interviewed for a secretarial position. GEYER was not present at the time of the Kripo visit; was warned by Fran POLSTER of the police interest in him. As an Eastern double agent GEYER understandably jumped to the conclusion that his penetration work had been discovered, made a final unauthorized night check of the office on 29 October 1953, and fled with a quantity of files. Presumably, GEYER had SFS assistance in his decision to flee, since three arrests of POLSTER agents were made during the course of 29 October. The first DDR bulletin on the "defection" of GEYER was broadcast on 30 October, and was followed by highly detailed press coverage. This coverage consisted of a clever use of the considerable factual material available to the enemy, combined with purely propaganda claims notably including the false assertion that the GEBLEN organization was engaged in sabotage activities.

4. The exact date and circumstances under which GEYER was recruited by the SFS has not been determined. Resulting investigation did reveal that the W/T agent recruited by GEYER had been turned since April, 1953. This agent, when fortunately apprehended and interrogated, was firmly and probably rightly convinced that he had been betrayed by GEYER, therefore indicating that GEYER had been under SFS control at least since April, 1953.

5. Without detracting from the obviously well executed SFS management of GEYER, it should be noted that subsequent investigation indicated that inefficient and actually dishonest operations by POLSTER made possible the entire coup. Ironically, an independent investigation of POLSTER's sub-organization based upon suspicion of financial and operational irregularities was already under way, but not sufficiently advanced to have made any significant discoveries. An organizational weakness which contributed to SFS success was the fact that the POLSTER unit had been allowed to grow to outsized (and incidentally insecure) proportions compared with other GEBLEN units of a similar level. The loss in agent personnel numbered 53 persons.

B. HAASE Case

1. During the night of 13/14 November 1953, a trusted GEBLEN agent leader named Warner HAASE was engaged in preparation of a wire-laying operation intended to establish a clandestine communication link opening the Berlin sector boundary in the vicinity of the point where Kieholstrasse crosses from the American to the Soviet Sector. Assisting HAASE were Heinz BUBBE and Helmut BUBBE, who were intended to service, respectively, the west and east terminals of the line once it was installed. Although for various fairly sound reasons the GEBLEN organization labels the HAASE Case a kidnapping and declines to believe the publicized Eastern statements that HAASE was arrested in the East Sector of Berlin, the fact remains that the actual circumstances under which HAASE and his companions came into SFS custody are not known. The three were, nevertheless, captured, along with several items of equipment which were later proudly displayed by the Eastern propaganda experts.

2. A surprisingly few hours after the presumed time of arrest, Frau HAASE received a call from an individual using BUBBE's alias instructing her to bring from her bedroom a briefcase containing HAASE's records by taxi to a point where she would

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be met. As an authenticator, the caller had already caused a letter in HAASE's own handwriting to be placed in the HAASE mail box. The letter, obviously dictated, instructed Frau HAASE to comply, and in a natural state of confusion she did so. She was met by a person who may have been identical with BEUKEL, and conducted to a point at the sector boundary where the person seized the bag and escaped into the Soviet Sector when challenged by a West Berlin policeman.

3. As a result of this incident, a total of 16 agents, including couriers, reporting sources and a W/T operator were either definitely arrested or are presumed arrested. However, an almost equal number were successfully warned. HAASE himself, together with several of his agents have since been subject to a show trial which has been thoroughly reported by the DDR press, and have received long prison sentences (life for HAASE). Instead of treating the simple facts of HAASE's undoubted guilt, the trial, whose political motivation was unmistakable, was an elaborate indictment of the GEBLEN organization.

4. In contrast to the GEBLEN case, efficient and careful operation by the GEBLEN field agency supervising HAASE, together with HAASE's own meticulous attention to detail, resulted in well defined operational compartmentalization which made the necessary subsequent GEBLEN investigations and protective measures comparatively easy to complete.

C. Annesmarie SCHMITZ Case

1. Annesmarie SCHMITZ was utilized by her husband Gerhard SCHMITZ as secretary to handle the paper work connected with his agent leader activities for the GEBLEN organization. On 14 November 1953, despite many previous warnings, Annesmarie SCHMITZ went voluntarily into the Soviet Sector. She claims that she was simply so concerned for the safety and comfort of her partially disabled mother, who was arriving from Halle at an East Berlin rail station, that she was frank without thinking seriously of security to meet her mother at the railway junction rather than at the appointed West Berlin S-Bahnhof. While in the railway station, Frau SCHMITZ and her mother were arrested by East Sector authorities who held them temporarily in Berlin and then removed them to Halle where the mother was released, and Frau SCHMITZ was intensively interrogated for over two weeks. Frau SCHMITZ claims that she was interrogated solely concerning her husband's former activities on behalf of the Kampfgruppe gegen Unmenschlichkeit, and that only at the very end of her interrogation was she questioned as to her possible knowledge of the GEBLEN organization.

2. On 20 November 1953, Frau SCHMITZ was released in Halle with instructions to return to Berlin and to ascertain before the date of an arranged future meeting the nature of her husband's current activities.

3. The GEBLEN organization is still engaged in the interrogation of Frau SCHMITZ. For various reasons, it is believed that she has not yet been broken. Her version of her arrest, interrogation and subsequent SIS-assigned mission is inconsistent and illogical. Neither she nor her husband have been cooperative with GEBLEN personnel attempting to clarify the case. The mission which she allegedly received from the SIS does not appear genuine. Yet despite existing doubts, many factors argue against either herself or her husband having been SIS doubles prior to her voluntary venture out of West Berlin. All suspicious aspects to the contrary, it is just possible that her arrest was purely chance, that police coordination turned up

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previous record in Halle, that interrogation naturally concerned that previous record, and that the interrogators were so preoccupied with the earlier aspect of the case that they neglected to consider seriously the chance that her husband was GIBLER-connected. Finding from SCHMIDT of no great use or interest, the GIB was then have released her, having no more in mind than the assumption that her husband must maintain current intelligence connections in West Berlin which would inevitably reveal themselves to an intensively applied surveillance. In fact, Frau SCHMIDT was covered for several days in West Berlin by an enemy surveillance which culminated at a crucial meeting held between Frau SCHMIDT and GIBLER interrogators while 15 rather definitely identified surveillants watched the outside of the West Berlin address.

b. Fortunately, Frau SCHMIDT only knew the true names and addresses of four GIBLER agents in the Soviet Zone, and all of these were missed in time. Naturally, these persons are no longer available as informants.

F. Press Exploitation

A. The extremely thorough and effective IIR press exploitation of the above-mentioned cases represented only the first phase of a well planned IIR propaganda campaign against the GIBLER organization. Fairly rapidly, older and genuine anti-GIBLER cases were reported in the IIR press as new IIR successes. Beginning with the trial of HAHN, the considerable knowledge of the GIBLER organization which the GIB had gained from Wolfgang HAHN was utilized to good advantage. HAHN had been kidnaped from West Berlin during February, 1953, and had remained since in Soviet captivity in East Germany.

B. The expanding IIR press campaign soon consisted of general articles designed for purely propaganda effect concerning the "criminal" nature of the GIBLER organization, its "sabotage activities," and its alleged Nazi, Fascist and German General Staff roots. GIBLER was accused of operating against the French. Substantiated GIBLER agents in the IIR were urged to cooperate and furnish in return for amnesty. Although no thorough analysis can be attempted here, it may be stated that none of the more obvious objectives were:

1. Restoring of credibility to the minds of the IIR populace against agent operations;
2. Stopping of agents as yet undetected;
3. Reestablishing the reputation of the new WOLFGANG GIB regime; and
4. Arousal of French fears of the GIBLER menace as related to IIR infiltration.

C. In its climactic phase against GIBLER, the IIR press published several general releases on the GIB, organization, physical location, and personnel of the GIBLER organization. Though in many details omitted and inaccurate, the exposure was certainly of great value as to impress the widespread public and, to that extent, to startle thoroughly the GIBLER organization itself. Nevertheless, sufficient study betrays the conviction that the releases were not nearly as serious as their implications as had been feared. In short, in virtually every case, analysis revealed the probable means through which items of information found its way into enemy intelligence hands and eventually into the press releases. In no case did a

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penetration seem probable. On the other hand the GHELEN security analysts fully realize any information originating with a penetration in place would undoubtedly have been thoroughly camouflaged. Roughly, the DDR release material, divided by sources, is as follows:

1. Relatively widely known and previously publicized (in the West) information on the general structure of the GHELEN organization and on its relationship with the Bonn Government and the Americans.
2. Information concerning GHELEN headquarters and the American staff which filtered down through the GHELEN training schools and main field bases to chief agent personnel subsequently captured by the StB or Soviets. Principal person involved here is Wolfgang BORNH.ER.
3. Personality and organizational information about GHELEN field agencies known to agent leader personnel now in StB or Soviet hands.
4. Miscellaneous carded data collected over a considerable period of time in connection with various other flags caused by the enemy (partially incorrectly) to be GHELEN cases.
5. A small number of scattered facts, the method of whose disclosure to the enemy cannot yet be conjectured.
6. Briefs and MI's sent from GHELEN headquarters to the field agencies.

Detailed analysis of the general disclosures are still in progress, and corrective organizational, administrative, personnel changes are being accomplished. Understandably, the GHELEN service is conducting an intensified search for possible penetrations in place.

D. The most recent aspect of the DDR press campaign has been expanded to include all of American intelligence. When considered together with the previous intense anti-GHELEN effort, this last phase has been interpreted as a possible indication that Western intelligence activities against the DDR may be proposed by the Soviets as an agenda item for the current Berlin Four Power Conference. Conjecture on this point is out of place here.

VI. Direct Effect upon Intelligence Operations of the GHELEN Organization

A. The direct effect of the StB/Soviet executive measures against the GHELEN organization has been described above in the operational terms of agents lost.

B. The impact of the DDR propaganda campaigns against the GHELEN organization (as well as other Western intelligence agencies) with respect to Soviet Zone operations cannot be judged and must be viewed only as one factor which may partially explain such declines in the rate of positive reporting as may occur.

C. To date, the following effect upon GHELEN positive reporting from the Soviet Zone has been observed:

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1. During recent months, reports disseminated by the GRUBER organization on the Soviet Zone totaled as follows:

May, 1953	328
September, 1953	374
December, 1953	514
January, 1954	496.

2. The above indicates a slight drop in January in the number of reports received from the Soviet Zone. However, the level of reporting is running ahead of the production during the corresponding period of 1953. The stringent security measures instituted by the GRUBER organization are in all probability responsible for the present slight decrease in the number of reports than Soviet action, on the psychological reaction of agents to Soviet disclosures of various security branches in the GRUBER organization. The organization reports a general attitude among agents that now "more than ever" they must continue their work.

3. Certain security measures imposed as a result of the leaks described above will be incorporated into new standard operational procedures, and will, therefore, probably have a permanent effect upon reports production.

4. The American element, SDU, feels unqualified to comment upon the probable overall effect of all the above on future American intelligence operations in the Soviet Zone of Germany.

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CLASSIFICATION

DISPATCH NO. ECLA-8122

TO : Chief, WE
ATTN: [REDACTED]
FROM : Chief of Base, Pullach

DATE: 16 MAR. 1954

INFO: COM

SUBJECT: GENERAL— Operational/ZIPPER
SPECIFIC— ZIPPER Political Reporting

1. ZIPPER political reporting is certainly the most controversial aspect of the German effort. Within both the ZIPPER and POB staffs the ZIPPER effort in this field has been the subject of continuing debate at both working and top echelons.

2. Several years ago when we first gave this problem our attention, it appeared to be reasonably uncomplicated. The ZIPPER field agencies were preoccupied with the production of information for our military customers and had not been subjected to any pressure to produce political intelligence of the type which is stock-in-trade for CIC/Berlin. At the headquarters staff level, political information was processed in the CI/CE office which considered political information only as an integral element of the CI/CE product. The only political effort in the evaluation staff dealt with the analysis of high-level and almost entirely overt material on the USSR which was carried out by BRAEUTIGAM, now head of the Eastern Section in the Foreign Office, or by former Ambassador von DIRKSEN, who was eventually dropped by ZIPPER from his consultant status because of non-authorized political activity. @KLAUSNER, ZIPPER's CE chief, is still responsible for passing political requirements to the field. Because he tends to handle these as an element of his CI/CE effort, and because he does not have much stature with the ZIPPER field agencies, political information requirements have never been accorded any priority in the collection field.

3. Our insistence that ZIPPER establish a more systematic evaluation procedure resulted in the establishment of a political evaluation group at the time that @HERDAHL became chief of evaluation and Dr. Otto BRAEUTIGAM left ZIPPER for his present Bonn post. @KLAUSNER has managed to retain most of his authority and the respective responsibilities of the CE and evaluation staffs remain unclarified. Uebersicht is the product of an ad hoc committee with representation from all ZIPPER staffs which can in any way contribute; normal staff arrangements remain almost as unsatisfactory as heretofore.

4. UTILITY has never shown any interest in resolving this problem. We do not believe that the ZIPPER field agencies, i.e., "G V's", lend themselves to this type of collection. In fact, I am convinced that UTILITY regards the collection of political intelligence on the GDR on behalf of the Americans with little enthusiasm.

Distribution:
3 - WE (DIRECT)
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CLASSIFICATION
REF ID: A7

15 March 1954
FORM NO. 51-28 A
MAR. 1949

Hq Action Req.	by cable	
See para _____	by pouch	
Hq Comments Req.	by cable	
See para _____	by pouch	
For info and files		[REDACTED]

The whole problem has been greatly complicated during the past year by the development by UTILITY of a number of "independent" [redacted]-type operations which produce a large number of information reports dealing almost exclusively with political matters. A year ago UTILITY was providing his more important Bonn customers, primarily [redacted], with both ZIPPER and [redacted] reports coordinated only by superficial evaluation carried out by @STEURER. This practice produced considerable friction and eventually @KUEHNE, strongly supported by @HERDAHL and probably by @KLAUSNER, persuaded UTILITY that [redacted] material should be integrated with ZIPPER information by the ZIPPER evaluation staff. These reports, with special red-stripe markings and classified in accordance with UPGROWTH security regulations, are now received by @HERDAHL. However, neither he nor @KUEHNE's operational staff are given source information on these reports. In January 1954, one of these original "red-stripe" reports came by accident to me. I utilized this incident to take issue with UTILITY on this entire procedure charging that UTILITY was morally obligated to provide KUBARK with any and all intelligence information on the Soviet Bloc, including the GDR, that came to him through operations controlled by him regardless of the origin of the funds involved. Since that time, @HERDAHL has been instructed by UTILITY to prepare carbon copies of those reports which he feels are of interest to KUBARK, and to forward these copies to UTILITY for concurrence and transmission to us. Off the record, @HERDAHL told me that he has been receiving UJDUSK material on the Soviet Bloc, including the GDR, since the first of the year and has, with few exceptions, found these reports to be general in character and of little or no value, particularly since he has no access to source data.

5. The POB staff has noted a gradual, if small, improvement in ZIPPER political reporting during the past year and does not feel that any change in our present procedure for disseminating political RIGs is indicated. It is extremely important that political reports originating with the UJDUSK operation be considered as a distinct and separate problem. Although we initially disseminated several of these reports passed personally by UTILITY, we now simply accept and forward them as raw material from uncontrolled sources, i.e., [redacted].

6. Unfortunately UTILITY occasionally confuses the situation by taking a regular ZIPPER source report out of the ZIPPER mill and passing it to us with vague reference to "one of my own sources."

7. We have never been able to fathom what subtle purposes UTILITY may have in mind by his repeated and unprovoked assertions that there exists an unbridgeable gap between his and the KUBARK concept of political intelligence. He has repeatedly stated that worthwhile political intelligence can only come from high-level sources and that high-level sources are so sensitive that they cannot safely be identified beyond the immediate agent-handling echelon. Following his proposal regarding coverage of the Geneva Conference (SFULL 7554), I expressed to UTILITY our feeling that most of his so-called political reports were in content so general and with regard to source so vague that no responsible intelligence agency could disseminate them to a customer. I referred UTILITY to several specific reports, including the famous red striped one (ECLA 7201) of January 1954, suggesting that the contents could have been the result of an educated guess produced by any competent student of Soviet foreign policy and that the value of subject report was related solely to the position of the source. To emphasize this point, I asked UTILITY to assume that his

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office was a political target of a foreign service and that a source, described as "Pullach source," provided a report describing in general terms UTILITY's thinking on the question of ZIPPER legalization in [REDACTED], including his personal views regarding the relations between [REDACTED] and the three Allied governments on this particular issue. If the source were identified, for example, as CHARTWIG, UTILITY's closest aide and confidant, even a generalized report would have value. However, if the source were any one of the several hundred individuals in the Hqs, who have no access to either UTILITY personally or to his files, it would be most difficult to accept such a report. Yet this is precisely the responsibility that UTILITY expects us to assume in accepting most of his so-called political reports from high-level sources. UTILITY acknowledged that our position was not entirely without merit and immediately retreated into his old argument that there was simply a difference in philosophies which had not been resolved.

8. From the above, which is admittedly a very superficial analysis of a complicated problem, the inescapable fact remains that the UTILITY/ZIPPER/[REDACTED] complex can hardly be considered well-equipped to produce for KUBARK useful political intelligence. At the same time, we feel that there is very little to be gained by passing on to UTILITY evaluations of the type contained in EGLW 601. POB staff members who have studied [REDACTED] analysis of this particular Karlshorst report are in full agreement with [REDACTED] but are divided on their views regarding the advisability of passing to UTILITY this type of evaluation which, if one admits to the errors and/or discrepancies which were noted at the time the report was made, is fairly hypothetical and not based upon inescapable logic. I feel that we should indulge in this type of analysis for our own purposes and to build up ammunition but should not pass it on to UTILITY unless we have a fairly strong case indicating deception and/or fabrication. We should continue to urge ZIPPER to produce a more substantive type of political reporting which will lend itself to more concrete evaluations on our part. On the working level, we will increase our immediate scrutiny of individual reports by particular sources and, where possible, restate our specific interests in individual targets. We will try to sharpen further ZIPPER awareness of reporting techniques such as the frequently far-fetched "field comments." Concurrently we will continue to exercise pressure on UTILITY to bring his [REDACTED]/ZIPPER house in order and to create ZIPPER procedures for handling political information, including more systematic examination of both source and content data. Then later this summer it will again be time to re-evaluate what we are receiving and whether any improvement has been made.

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Publicity

31 mar 54

MEMORANDUM FOR: Chief of Operations, DD/P

SUBJECT: ZIPPER Security

1. Attached is a translation of the summary of a ZIPPER report on the East Zone press releases of December 1953 and January 1954 (EGLA-8017). The full text includes a detailed analysis of the releases, paragraph by paragraph.

2. The details of ZIPPER's countermeasures are not included and will be reported at a later date. The Pullach Base will continue to press for clarification of those points as yet unresolved.

PETER SICHEL
EE/FI

Attachment

EE/FIG/Z/[REDACTED]
31 March 1954

Distribution:

- Orig & 1 - Addressee
- 1 - EE/FI files
- 3 - EE/FIO/Z

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ZIPPER Headquarters: The press reports identifying members of the ZIPPER Headquarters staff by true name seem to be based on information obtained in 1950 rather than 1953. ZIPPER has still not determined how the correct cover designations of these staff members were obtained. ZIPPER feels that these data could have been compiled only by a source within the Pullach compound in 1950.

Information on the location and cover used by ZIPPER Headquarters, as well as on the number of American and German staff members working in the Pullach compound, was undoubtedly obtained through external observation over a long period of time by various workers, drivers and other tradesmen. Names of the American officers stationed at Pullach could easily be obtained by conversing with domestic employees outside the Pullach compound.

ZIPPER is in contact with the Blank Office and the BfV through Adolf Hausinger and Albert Radtke respectively, as was reported in the press. However, the nature of these contacts differs from the description given in the press. The fact that Hausinger and Radtke were both formerly connected with ZIPPER is known to many. ZIPPER has, as reported, personal contact with the President of the Bavarian Landpolizei and the Commander of the West Berlin Schutzpolizei. It is not known how the press learned of these latter two contacts.

Reports on the founding of ZIPPER, its objectives, methods of operation, as well as data on ZIPPER training schools (which were partially inaccurate) were undoubtedly obtained as a result of the recent arrests. Training schools which have been in the same location for a number of years are bound to become known, eventually, to the opposition.

Based on the recent press releases, it would seem that no information on the internal functionings of ZIPPER Headquarters has become known since 1950. Steps must be taken to ensure that all persons within the Pullach compound are completely reliable and security conscious. Good psychological leadership of all staff members and employees will at least decrease the possibility of future penetrations, if not make such penetrations impossible.

General Agency B (GV B): Information on the location of GV B, and identification of some of its leading members (Hans WOROITZKY, Otto SOMANN, Hermann GISKES, Eberhard von NOSTITZ) were undoubtedly obtained as the result of a security incident in the fall of 1953. Reports on other GV B personnel were probably based on a minor flap which took place in the fall of 1952.

General Agency G (GV G): The published reports on GV G do not contain much detailed information on the activities of this

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Agency. The data on Hans LUTZ, head of GV G, and on Karl GARTENFELD, Berlin representative, seem to have been obtained in the spring of 1953. Undoubtedly both LUTZ and GARTENFELD became known to the opposition as a result of the years they have spent in extensive intelligence activity. The information on two other GV G members was apparently obtained in 1948 and is no longer accurate. Of the eleven members of GV G identified in the press articles, six had been dropped by the fall of 1953; the five remaining members had become known partially due to their lengthy intelligence activity and partially due to various security incidents.

In the case of GV G, as in the case of two other General Agencies, it is of interest to note that the GE staff member was identified as the deputy agency leader. It has not been possible to ascertain why these inaccurate designations seem to follow a pattern. GV G's main office has been in Munich since early 1953, as was accurately reported in the press. It is not known how the opposition discovered this fact.

District Agency E (BV E): The low level and generally insignificant information reported in the press on BV E was undoubtedly obtained through the East German Ministry of State Security interrogation of Werner HAASE. The location of BV E Headquarters, and the true name of the leader of BV E were not known to HAASE, and did not appear in the newspapers. The report identifying Heinz BERGMANN of Berlin-Tempelhof as a BV E W/T trainer refers to a BV E staff member who used the name "Heinz BERGMANN" in 1950 while training a W/T agent who was later involved in a security incident. The staff member did not use the name "BERGMANN" after 1950, but he did remain at the same address. ZIPPER is now trying to determine how the opposition learned of "BERGMANN's" home address; "BERGMANN" has been evacuated from Berlin. Three other persons identified as members of BV E had been dropped in early 1952 as the result of a security incident.

General Agency H (GV H): The information on GV H personnel was compiled, for the most part, as a result of the Hans Joachim GEYER defection. However, it has not as yet been determined how the true name of the deputy leader of GV H was obtained, or how the names and functions of two other GV H members were learned. All possible security measures are being taken to ensure that the opposition will not be able to obtain any further information on the organization of GV H.

General Agency L (GV L): The most complete press reports on any ZIPPER activity were those dealing with GV L, ZIPPER's CI/GE Agency. Accurate data were presented on the leaders of GV L, and on two of the subordinate offices. Of the nineteen members of GV L

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who were mentioned by name, all but three are currently employed by OV L. As a result of the opposition's extensive knowledge, it will be necessary to take immediate steps to ensure that no further damage will be done.

Five members of OV L were compromised as a result of the abduction and successful interrogation of Wolfgang HOEHER by the East German Ministry of State Security. It has not yet been possible to ascertain how the opposition learned the names of the other OV L members, and how they were able to determine, accurately, their dates of birth, addresses and in some cases, even telephone numbers. In general, however, certain minor errors made in these identifications would tend to indicate that this information was obtained not by direct observation, but by verbal reporting.

Drastic measures will be taken to increase the security of OV L. It has been suggested that OV L be completely reorganized, and that each member of OV L be thoroughly reassessed.

General Agency C (OV C): The opposition's knowledge of OV C seems to be rather meagre. The location of the main office of OV C is not in Stocking, as reported, but in Stockdorf. It is not known, however, how the opposition obtained this information. The cover names of the leader of OV C and of his deputy were mentioned in the press reports. These names have been used for many years and therefore could have become known to the opposition through any of a number of ways.

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VIA: (SPECIFY AIR OR SEA ROUTE)

DISPATCH NO. ECLA 8437

MAY 25 1951

CLASSIFICATION

28
6 APR 1954

TO : Chief, EE
Chief, EE

DATE:

FROM : Chief of Base, Pullach

INFO: COM
BONN

SUBJECT: GENERAL— Operational

SPECIFIC— ZIPPER and East/West Trade Intelligence

Carded

1. Some months ago I entertained Deputy High Commissioner Walter Dowling, UTILITY, [redacted] at dinner at my home. Sometime after dinner the conversation turned to the subject of Germany's trade prospects with the Soviet Bloc.

2. Both Dowling and [redacted] followed the East/West trade question with some interest in Austria and have, of course, pursued the matter with interest since their assignment to Bonn. They both assured UTILITY that the present economic structure of the Soviet Bloc was such that, disregarding the political implication of East/West trade, no western country could really make trade with the Soviet Bloc a profitable affair. UTILITY replied that this was not entirely consistent with the opinions that he had heard advanced by German experts, including his friend Min Dir (Dr) Voltrath Frhr von MALTZAHN, head of the Foreign Trade Section of the Economics Ministry in Bonn.

3. UTILITY returned to Dowling's position later that evening after Dowling and [redacted] had departed to catch their special train back to Bonn. He expressed surprise that the Americans had such clear-cut, black-and-white views on the subject and declared his intention of discussing the matter further with von MALTZAHN and other German economists.

4. Against this background and in light of the recent ZIPPER/POB/EE agreement that ZIPPER should direct its efforts more into the "legal" type of operations, we should examine what has long been suspected but can now clearly be labelled as UTILITY's policy regarding ZIPPER reporting to KUBARK on East/West trade. From a sensitive ZIPPER source, we have learned that UTILITY has issued instructions that ZIPPER is to refrain from submission of reports to KUBARK that reveal Federal Republic industrial participation. Allegedly, UTILITY expressed this view some time ago. He desires utmost protection of Federal Republic industries, and maintains that the harm that ZIPPER could do to this trade by keeping KUBARK informed is far outweighed by the value of cooperation with KUBARK in this field. Thus, the collection of intelligence on the Federal Republic concerns engaged in this trade is encouraged, but the resulting reports are not disseminated to KUBARK.

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MAR. 1949
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5. Germany's East/West trade has long been a politically controversial issue; we are not in any way surprised to learn that UTILITY's policy on this question is exactly what we thought it would be. To what extent this will eventually effect our cooperative effort with the ZIPPER intelligence apparatus to utilize for espionage purposes the increasing number of German economic ties to the East remains to be seen. It will certainly be a complicating factor whenever one end of a trade connection is a West German firm. I think that we can expect to get the Eastern Bloc intelligence that results but will gradually be denied the operational data that reveals the West Germany economic interests involved.



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MICROFILMED
NOV 26 1968
DOC. MICRO. SER.

Cy # 4 of 7 cys
-9 JUL 1954

Chief of Mission, Frankfurt (Attn: [redacted]) INFO: EE
Chief of Base, Pullach

Operational

ZIPPER Capability for Reporting on SHAPE East Germany Targets

REF: Top Secret Document listing East Germany Targets from a SHAPE Study

1. Reference document which consisted of seven pages of detailed listing of military air and ground intelligence targets in East Germany was hand carried to POB on 1 July by [redacted]. He identified the document as part of a SHAPE document that had been handed to [redacted] by the clandestine planning committee in Paris to determine "what reporting assets KUBARK had which could report on these targets just before and just after the outbreak of hostilities."

2. We have speculated on the purpose of this particular exercise, since it seems to duplicate, to some extent, the ICCO target review and appears related to [redacted] and other arrangements designed to evaluate the U.S. intelligence capability of providing "early warning" information.

3. Attachment #1 is a compilation prepared by the Pullach KUBARK staff of ZIPPER's current reporting capabilities on the targets listed. Concerning this document:

a. It is very sensitive and should not be passed outside of KUBARK.

Att: 3

- 1. ZIPPER Capability, 8 July 54, GLTS 9M, 3 cys of 3 cys
- 2. Early Warning Study, 29 Nov 53, in duplicate
- 3. Airfields in East Germany, Czech, Poland, GLTS 914A, 1 cy of 1 cy

DISTRIBUTION

COM cys 1-3 of 7 cys, w/1 cy each of att. 1,2,3 (Att 1, GLTS 914, cy#1 of 3 cys)
(Att 2, GLTS 914A, cy#1 of 1 cy)

✓ EE cys 4-6 of 7 cys, w/1 cy of att 1 and 2 (Att 1, GLTS 914, cy #2 of 3 cys)

POB cy 7 of 7 cys, w/1 cy of att 1 and 2 (Att 1, GLTS 914, cy #3 of 3 cys)

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9 July 54

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ABSTRACT	X	INDEX

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b. Even the most superficial comparison of this document with the military target coverage review made by the USAREUR member at the February 1954 ICCO meeting indicates that a USAREUR report to EUCOM would present a drastically different view. This is because USAREUR G-2, unlike other members of the ICCO, continues to discuss coverage of ground targets in the SovZone exclusively in terms of USAREUR G-2 sources instead of the total coverage available to the U.S. Intelligence Community in Germany.

c. The description of current coverage available from the sources of ZIPPER and other Western Intelligence efforts cannot be utilized to determine "early warning" capabilities without taking into consideration a number of other related considerations. Attachment #2 is a copy of a paper on this subject which I prepared at the request of the EUCOM J-2 while on duty at EUCOM in November 1953. The conclusions are applicable to any effort by U.S. Intelligence, in the broadest sense of the expression, to estimate its capability of providing "early warning" of a Soviet attack.

4. Attachment #3 is the reference document hand carried to POB by [REDACTED]

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1. In order properly to assess the ZIPPER capabilities for covering the airfields in the following list at the present time, the POB reports staff studied the files in POB on sources, target coverage, and recently-produced reports on the various airfields. The evaluation of the coverage capabilities is a composite of all the materials consulted. The evaluations possible are indicated below:

- Excellent:** More than three sources reporting regularly on the activities at the target. The content of the reports indicates that the sources have a good future potential and understand the nature of the target.
- Good :** More than three sources reporting regularly. The content of the reports indicates a restricted capability of the source either to report or to gain access to the target area.
- Fair :** Three or less sources reporting regularly. Reports indicate that the sources are not in a good position to report all the information desired on a target.
- Poor :** No regular reporting. Sketchy reports.
- None :** No capability.

East Germany

<u>Target Name</u>	<u>Evaluation</u>
1. Altenburg	Fair
2. Altengrabow New	None
3. Alt-Lonnevitz	Fair
4. Barth	None
5. Bautzen/litten	Good
6. Brandenburg/Briest	Good
7. Brandenburg/Industrieafen	Excellent
8. Brandis	Good
9. Briesen	Fair
10. Cottbus	Good

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Airfield
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<u>Target Name</u>	<u>Evaluation</u>
11. Dessau	Good
12. Doberitz	Excellent
13. Dresden	Good
14. Drewitz	Poor
15. Erfurt/Bindersleben	Excellent
16. Finow	Good
17. Finsterwalde	Good
18. Furstenwalde	Fair
19. Grossenhain	Good
20. Haganow	Fair
21. Jocksdorf -Bei-Forst	Good
22. Juterbog	Excellent
23. Kamens	Fair
24. Kothen	Excellent
25. Mahlwinkel	Fair
26. Merseburg	Fair
27. Neubrandenburg	Good
28. Neuruppin	Excellent
29. Oranienburg	Excellent
30. Parchim	Good
31. Peenemunde	Good
32. Perleberg	Fair
33. Putnitz	Excellent
34. Rangsdorf	Good

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Airfields
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<u>Target Name</u>	<u>Evaluation</u>
35. Rechlin/Lars	Good
36. Rainsdorf	Fair
37. Retsow	Fair
38. Rothenburg	
39. Schonafeld	Good
40. Schonhauser Damm	Fair
41. Schonwalde	Fair
42. Schwerin/Buchholz	Poor
43. Staken	Good
44. Stendal	Good
45. Strausberg	Excellent
46. Tutow	Good
47. Vietmannsdorf	Excellent
48. Walsow	Fair
49. Berlin/Tegel (Under Allied Control)	Good
50. Berlin/Tempelhof (Under Allied Control)	Good
51. Gatow (Under Allied Control)	Good
52. Werder	Excellent
53. Werneuchen	Excellent
54. Wittstock	Excellent
54A. Zerbst	Excellent

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2. Since the maneuver areas of East Germany occupy large areas and contain many other targets, the ZIPPER capabilities in these areas are covered in railroad, airfield and order of battle reports. The evaluation of the ZIPPER coverage of these targets is noted below:

- Excellent:** Fifteen to twenty sources reporting regularly on activities in the target area. The reports give a clear picture of the activities in the area and indicate that the sources are in a good position to report the material. Most of the reported material is corroborated by other information.
- Good:** Less than fifteen sources regularly reporting on activities in the area. "Good" also indicates that the sources are in a restricted position to report on the events in the area.
- Fair:** Less than fifteen sources reporting on activities in the area. Reports are incomplete or lack desirable details. Sources are not trained to report the events completely or their information is difficult to confirm.
- Poor:** Few reports from the area.
- None:** No coverage.

East Germany

	<u>Target Name</u>	<u>Evaluation</u>
1.	Wittstock (Tng Area)	Good
2.	Schwerin	Good
3.	Ludwigslust	Good
4.	Salzwedel	Fair
5.	Juterbog	Excellent
6.	Halberstadt	Fair
7.	Nordhausen	Fair
8.	Heilingenstadt	None
9.	Muhlhausen	Fair
10.	Eisenach	Excellent
11.	Meiningen	Good
12.	Saalfeld	Good
13.	Plauen	Fair

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3. In order properly to assess the ZIPPER capabilities for covering the rail center targets in the following list, the POB reports staff studied the POB files on sources, targets and recently produced reports on the rail centers of East Germany. The evaluation of the coverage is a composite of all the materials consulted and attempts to find a common denominator for over-all coverage of a rail center. It should be noted that sources who are reporting on other materials from these areas can easily report on rail traffic, and official records in many areas record the activities in other areas. Possible evaluations are indicated below:

- Excellent: Three or more sources reporting regularly on activities in the target area. The reports indicate that the sources are in position to report properly and that they know the nature of the target. All targets which are indicated to be covered "Excellent" have corroborative information from other rail points.
- Good: Three or more sources reporting on activities in the target area. The content of the reports indicates that the sources are in a position which restricts their capabilities to report activities in the target area.
- Fair: One or two sources reporting regularly. The content of the reports indicates that the sources are not in a good position to report the information desired on a target.
- Poor: No regular reporting. Sketchy reports.
- None: No coverage.

Through East Germany

Track No. 1a:	Stettin	Fair
	Pasewalk	Fair
	Gustrow	Fair
Track No. 2a:	Stettin	Fair
	Eberswalde	Good
	Templin	Good

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	Lowenberg	Poor
	Neuruppin	Good
	Pritzwalk	Good
	Perleberg	Good
	Wittenberg	Good
	Ludwigslust	Good
Track No. 3a:	Kustrin	Excellent
	Berlin	Excellent
	Neustadt	Fair
	Wittenberg	Good
Track No. 4a:	Frankfurt/Oder	Excellent
	Berlin	Excellent
	Rathenow	Good
	Stendal	Good
	Potsdam	Good
	Magdeburg	Excellent
	Belzig	Fair
	Gutergluck	Fair
	Magdeburg	Excellent
Track No. 5a:	Guben	Excellent
	Forst	Good
	Cottbus	Excellent
	Berlin	Excellent
	Luckenwalde	Fair

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Communications
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Halle	Good
Aschersleben	Fair
Halberstadt	Fair
Track No. 6a: Nieder Bielau	None
Gorlitz	Fair
Dresden	Excellent
Chemnitz	Good
Saalfeld	Fair

Important Points

River Crossings

Over the Oder-Niesse:

Stettin	Fair
Guben	Excellent
Zittau	Fair
Kustrin	Excellent
Forst	Good
Gorlitz	Fair
Frankfurt/Oder	Excellent
Nieder Bielau	None
Horka	Good

Over the Elbe:

Stendal	Good
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Complex of:

Magdeburg	Excellent
Wittenberg	Good

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Schonebeck	Fair
Torgau	Good
Dessau	Good
Riesa	Fair

In East Germany:

Frankfurt/Oder	Excellent
Dresden	Excellent
Leipzig	Excellent
Magdeburg	Excellent

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4. ZIPPER capabilities to report on major Soviet headquarters in East Germany have been assessed on the basis of number of sources reporting, nature of reports, and time interval between reports. Almost all of ZIPPER's reports indicate that the sources are German and that the information is based on observation and some very fragmentary documentary material.

Because the coverage of these headquarters is tied to general military movements in the area, a specific capability for the headquarters is difficult to determine. The following is the key to the evaluation of ZIPPER capabilities to cover major Soviet headquarters:

- Excellent: Three or more sources reporting regularly on activities in the area. The reports indicate that some important movements at or near the headquarters are regularly observed and that the sources are conscious of the nature of the target.
- Good: Three or more sources reporting regularly on activities in the area. Reports indicate a restricted source capability to observe and report.
- Fair: Some regular reporting by less than three sources from the area, but reports lack details.
- Poor: Irregular and sketchy reports.
- None: No coverage.

East Germany

<u>Target Name</u>	<u>Evaluation</u>
Furstenberg	Good
Eberswalde	Good
Magdeburg	Excellent
Dresden	Excellent
Nohra	Good
Juterbog	Excellent

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Major Soviet hqtrs.
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Wunsdorf	Good
Werder	Excellent
Wittstock	Excellent
Wittenberg	Good
Finsterwalde	Good

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5. In addition to sources who report on harbor and port installations, other sources in the target areas occasionally report on these targets. The evaluation of ZIPPER capabilities takes this into consideration. The possible evaluation of ZIPPER's present capabilities as extracted from sources, types of reports and period of reporting is as follows:

- Excellent:** Three or more sources reporting regularly on events in the target area. Reports indicate sources are in good position to report the events observed and are conscious of the nature of the target. Other sources occasionally confirm events in the area.
- Good:** Three or more sources reporting regularly on events in the target area. Reports indicate that sources are in a restricted position to report events. "Good" also indicates that in addition to these regular sources, other sources report occasionally from the target area.
- Fair:** Two or less sources reporting from the area.
- Poor:** Occasional reports only. Sketchy reports.
- None:** No coverage.

East Germany

	<u>Target Name</u>	<u>Evaluation</u>
1.	Warnemunde	Good
2.	Eckernfoerde	None
3.	Flensburg	None
4.	Stralsund	Good
5.	Peenemunde	Good
6.	Swinemunde	Good

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6. ZIPPER occasionally reports on ports and repair activities in West German ports. It also covers movements of Russian and Iron Curtain vessels as they move in the Baltic Sea or through the Kiel Canal. No evaluation of ZIPPER capabilities to report on such targets in West Germany can be made since there is so little material available for assessment.

Evaluation of ZIPPER's capabilities in East Germany which was made on the basis of sources reporting, type of reports, and reporting periods is made as follows:

- Excellent:** Three or more sources reporting regularly on activities in the target area. Reports indicate that sources are in a good position to observe events and are conscious of the nature of the target. Other sources occasionally confirm materials reported by regular sources.
- Good:** Three or more sources reporting regularly on activities in the target area. Reports indicate a restricted capability to observe events.
- Fair:** Less than three sources reporting on the area. Reports lack detail and do not come at regular intervals.
- Poor:** Only occasional reports. Sketchy reports.
- None:** No coverage.

Baltic

<u>Target Name</u>	<u>Evaluation</u>
Stettin	Fair
Swinemunde	Good
Stralsund	Good
Warnemunde	Good
Rostock	Good
Wismar	Good

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BKA-11919

22 DEC 1954

Chief, ES
 Acting Attn: [REDACTED]
 Chief of Base, Pullach

INFO: COM

Operational

Emigres

New York Times Article on Vlassov Veterans' "Aid Group"

1. The 12 December issue of the "New York Times International Edition" carried an article by Albion Ross describing how "ex Nazis" have organized an "agency" to aid the large number of "former Eastern European collaborators with Hitler," as well as Hungarians, Rumanians, or Slovak "Fascists" or former Nazi "agents" in Czechoslovakia. These people, now located largely in Bavaria, are to be aided by a group supported by "former members of Alfred Rosenberg's 'Eastern Ministry' now in the Bonn Foreign Ministry."

2. This is the gist of the article signed by Albion Ross covering the meeting held in Munich last week end of the aid group for former Vlassovites which @ Herdahl is interested in. The repeated use of "Nazi," "Fascist," and Hitler, particularly in the lead paragraph, gives Ross's article a decidedly caustic slant.

3. I showed @ Herdahl the article this morning and he flatly blew all his fuses. He was outraged by the impression of political and particularly Nazi and Fascist activity that the article appeared to indicate for the group. He reiterated that only former Vlassovites were involved and that by no means were Hungarians, Rumanians, or Czechs, or any former Nazi agents included. He stressed that he and many others had put extensive time, energy, and money into this group (@ Herdahl mentioned that the meeting had cost him alone 200 DM) to keep the aid group non-political and actually to help the former Vlassov people, aside from keeping them on the string for the future.

4. Several other KIPPERites are involved, according to @ Herdahl, including @ Durbach and @ Bernuth and "several others in Bavaria."

5. The mention of former members of the Rosenberg Ministry, @ Herdahl felt, was particularly a reference to @ Bernuth; and "people now in the foreign office," @ Herdahl felt, was a reference particularly

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15 December 1954

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BHA-11919

Page 2

to von Herwath, the Protocol Chief in Heuss' Office. Further, Theodore Oberlander was never in the Rosenberg Ministry, as stated.

6. G Hardahl was particularly disturbed about the reaction of people in Bonn to the article. He called me several times during the course of the morning to talk about the background or connections of Albion Ross and to hypothesize on where he got his information. He reviewed the list of Americans who were invited to be present, a list kept small so that it would not appear that U.S. aid was being solicited. He recalled only two Americans from the Consulate--one named Jones (fma) and the other with an Armenian name, something like "Abidjian." He asked for any assistance I might give him in revealing the background for what he considers a vitriolic attack on a basically charitable enterprise.

7. [REDACTED] Comment: G Hardahl is extremely interested in this aid group which he described to me as being composed principally of former German liaison officers to the Vlassov units. Of these G Hardahl is now senior in past German military rank, since Gen. Koenig's recent death. He had anticipated an attack on the group from various quarters, particularly East Zone or even SPD. Obviously any group, no matter how charitable, involving defected Russians from World War II, has political implications, if not immediately, then certainly in the future.

8. Attached is the article, also a copy of the press release prepared by the aid group at the time of the meeting, emphasizing the non-political nature of the group.

9. Comments on Ross, or suggestions, are invited.

[REDACTED]

Approved:

[REDACTED]

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FASCIST REFUGEES AIDED IN GERMANY

Ex-Nazis in Government and
in Coalition Parties Set Up
Agency for Hitler Allies

By ALBION ROSS,

Special to The New York Times.

MUNICH, Germany, Dec. 11—Former Nazis now in the Bonn Government have started a movement here for closer relations with former Eastern European collaborators with Hitler.

In southern Germany, notably Bavaria, there is a large number of former members of the forces raised in the Soviet Union to fight on the German side and of Hungarian Fascists, Rumanian Iron Guardsmen, Slovak collaborators with the Hitler régime and some Czech agents of the National Socialist régime in Bohemia. They fled westward and took refuge in this part of Germany toward the end of World War II.

A congress of the "former voluntary bands" has just been held here. The name refers to Eastern Europeans, including Ukrainians, Russians, who were on Hitler's side as volunteers in the war. The new German organization set up to aid these people and establish better relations with them is the Aid Office for Homeless Foreigners.

Refugees Held Neglected

The movement has support, moral or otherwise, from former members of Alfred Rosenberg's East Office under the National Socialist régime who now are in the eastern section of the Bonn Foreign Ministry. They are members of the All-German bloc, a party that is a member of the ruling coalition. Apparently support comes also from the Minister for Refugees, Dr. Theodor Oberlander, also a former member of Rosenberg's East Office.

The organization evidently takes the stand that these people, who were on Germany's side during the war and now are refugees in Germany, have been ne-

glected during the Allied occupation.

The German group already has been helpful to Rumanian and Hungarian Fascist refugees here. Certain of the Fascist groups publish periodicals and are organized on a mutual-assistance basis. They maintain relations with elements among German minority refugees from Eastern Europe and with the Sudeten German refugees.

These relations have brought them into contact with the All-German Bloc and the Refugee party, and they now seem to enjoy increasingly the protection and patronage of those groups.

New Social Status

The group of former officials of Rosenberg's East Office who are in the Bonn Government's service or associated with the Government coalition are men who generally disapproved of the persecution of Eastern Europeans. They held that everything should have been done to win the people over to support for Nazi Germany. This deviation from what became the Government's policy of terror got some of them into trouble.

Certain of the Fascist refugees here, who apparently are in the process of receiving at least a new social status as friends who shared a common fate, still are wanted on war-crimes charges in the country. They were hampered considerably by the circumstances that the country was under military occupation. The Aid Office, it is understood, will now undertake to provide funds and jobs for them. It has scheduled a census of all such refugees who were volunteers in Hitler's armies or who had other connections with the Nazi side during the war.

Most of the political refugees now in Germany are persons who were on Hitler's side during the war. The post-war volume of democratic refugees who, beginning about 1948, started fleeing from Communist rule has not come anywhere near the number of Fascist refugees. More of the democratic refugees moved on to other Western European countries and overseas. The refugees who were allies of Hitler have found it more difficult to emigrate farther west and have shown less inclination to do so.

New York Times, 12 Dec. 1954

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AIR

KAPOK

EGGW-21203

Chief of Mission, Frankfurt
Attention: Chief of Base, Pullach/
Chief, RR

Operational/
Evaluation of ZIPPER Production

REFERENCE: EGLA-13979

1. The reports by the Army and Air Force liaison officers which were transmitted under reference will not be used by the Clark Committee. Upon receipt of your cable, PULL-0040, the matter was taken up with the committee members who concurred in your position. Upon receipt of the reports on March 25 I again checked on the matter and obtained verification of the non-use of the material. Therefore these reports will not be circulated outside of

2. We here in the German Branch are very proud of the glowing comments which we understand have been made by the Committee members regarding PCB and particularly . . . Naturally we are prejudiced in our convictions that we have been supporting for so long a really good show but to hear such laudatory descriptions from unbiased observers does provide comfort.

25 March 1955

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Briefing file

EXTENT AND QUALITY OF ZIPPER
MILITARY REPORTS ON EAST GERMANY

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1. INTRODUCTION

Of all positive intelligence targets in East Germany, military installations and activities are among those which have been covered most thoroughly. While there are various sources for this type of information, data on Soviet and German military establishments in East Germany have received their most comprehensive and most reliable coverage through the Zipper organization. Zipper has been outstanding not only in the wealth of material supplied by its numerous informants, but also in the number of subjects included in its reports, the frequency of reporting on individual targets, the speedy availability of salient information, and the analytical facilities in the field. In effect, Zipper has provided a running log on military activities in the area, has given an insight into the state of preparedness of the Communist forces there at all times, and has furnished numerous clues for the analysis of military intentions and capabilities of the Eastern bloc. Zipper has also contributed its own military assessments, ranging from penetrating comments in individual spot reports to consolidated studies of high-level interest. (See, for instance, CSUB-X-21367).

2. STATISTICS

It must be pointed out here that Zipper does not limit its efforts to the collection of purely military information, or to information on East Germany. Generally, between ten and twenty percent of its products have dealt with other areas behind the Iron Curtain, including the USSR itself. Within the East German category, about a few years ago ninety per cent of the reports were military in nature, about fifty per cent are now devoted to other fields, such as economics, politics, and scientific and technical intelligence. There are few Zipper reports of any category, however, which do not have at least an indirect bearing on military intelligence. In recognition of this fact, more than 5,000 of the 5,430 reports received during 1954 were forwarded to the intelligence components of the U.S. military services. The vast majority of those reports, and practically all those regarded as "military", were pertinent to requirements issued by the armed forces. To what extent evaluations received from the customer agencies have confirmed the value of the reports will be shown later.

During the last three months of 1954, a total of 1226 Zipper reports on East Germany were received. Of these, 590 were purely military. The average monthly figure for this period shows a production of 409 reports, with 197 (48%) of them military. The 48% can be subdivided further into specific areas of interest. On that basis, about 26% are of primary interest to the Army, 15% to the Air Force, and about 5% to the Navy. These figures provide an accurate measure of current production as can be found at this juncture.

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3. REPORTING CAPABILITIESa. Transportation

A large percentage of Zipper reports cover military and civilian transportation. Zipper has been able to observe trains carrying troops and material to and from the Polish border, as well as shipments moving from one East German garrison to another. In most instances, train and shipment numbers, type of load and other details have been reported, along with periods of arrival and departure. Zipper reports on transportation range from general surveys to detailed descriptions, and include the contents of dispatch documents as well as the details of loading and unloading operations. Trains to and from fuel and ammunition depots have been given special attention. The value of this information for tactical and strategic estimates has been acknowledged by customer agencies.

b. Ground Force Information

Zipper appears to have large-scale facilities for observing Soviet and East German ground force units and installations, and for exploiting sources of information on these subjects. Equipment and training procedures are regularly described in minute detail. Names and numbers found on personnel letters, military documents or plain scraps of paper are exploited to identify units and personnel. In addition to the impressive number of detailed reports, Zipper produces as a combination of all individual efforts a monthly order-of-battle summary which has usually received highest praise from U.S. Army analysts. More significant developments are forwarded by wire, as are regular weekly order-of-battle summaries. Analysis of Soviet vehicle numbers are compiled from time to time by the Zipper organization.

c. Air Information

Similar detailed reporting has been the rule for information of air interest, with sources largely similar to those of ground force information. More than sixty airfields, reviewed, empty or under construction, but always of present or potential value to the Communist forces, are covered by Zipper information. Active installations are surveyed regularly and often. Figures compiled on four typical airfields show the following:

Airfield	Time	Number of Bombs
Brandenburg-Briest	17 July - 15 November 1954	7
Prisasn	2 July - 22 November 1954	8
Pinow	17 July - 6 November 1954	7
Neuruppin	4 July - 30 October 1954	6

Air information is also summarized in a weekly cable, with important developments wired individually. Reports obtained through liaison channels have often confirmed the accuracy of Zipper reports on air installations. In addition to its regular collection efforts, Zipper conducts technical

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coverage of Soviet air installations ~~SECRET~~ whereby giving a day-by-day picture of the activities in the area of the 24th Air Army.

4. Naval Information:

The number of Naval reports, while so far below that of the others, appears to be increasing. Zippor sources manage to observe Soviet and East German vessels in Baltic ports as well as on the open sea, have seen and photographed ships and naval installations, and have in a number of cases reported naval exercises.

5. Technical Information:

Zippor has given special attention to the description of technical installations and equipment. His radar and radio reports have been submitted in individual form and in the form of general surveys, and have been well received by technical analysts. Aircraft and other equipment have been described, photographed and sketched in detail. Not infrequently, Zippor sources have presumed parts of Soviet equipment, valuable for technical research on Soviet weapons.

6. East German Military Information:

There has been said above about the collection of military information on Soviet forces by East Germany spies in west Germany to intelligence on East Germany's own forces -- the IVF (ground), the VDA (air) and the Sea Police. Zippor has had especially good access to IVF personnel, and has submitted East German order-of-battle data along with the general order-of-battle summaries.

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EVALUATIONS

page 4

4.
Army and Air evaluations have acknowledged the contribution of Zipper reports to the total of information on Soviet forces in East Germany and have repeatedly requested continuation of this coverage.

Evaluations are requested of the services for only a small representative proportion of Zipper reports issued to them. Of 57 reports on which evaluations were received in 1954, 11 were evaluated as A (Considerable Value), 37 as B (Of Value), 8 as C (Slight Value Only), and one as E (Already Sufficiently Known). The reliability and the value in terms of new information is attested by the fact that the content of 53 of the 57 reports was evaluated as 2 or 3 (probably or possibly true), while only one was considered doubtful and two as confirming information received previously by other sources.

Given below are excerpts of evaluations received from customer agencies:

- CS-X-22413 (RMK-2633) Instruction Schedule for VFL Division in September 1951
 Air Force, A-2
 Information is of considerable value and probably true. Other sources have confirmed the cessation of VFL jet training.
- CS-X-23284 (RMK-2670) Tulov Airfield
 Air Force, B-2
 This is an excellent compilation of the intelligence data on this subject installation/activity and we concur in the conclusions made in the report.
- CS-X-27660 (RMK-3418) Vietnamdorf (Schorfheide) Airfield
 Air Force, B-3
 Certain parts of this report can be verified. It is believed that most of the other information is possibly true.
- CS-X-28179 (RMK-3171) Possible Use of Blind Bombing Devices in Soviet Il-28 Aircraft
 OSI, A-2
 This information is of considerable value to OSI. The presentation of the evidence is logical and well verified by photographs and a number of observers.
- CS-X-28333 (RMK-5465) AAA Units Assigned to the Soviet Air Force
 Army, B-2
 This analysis will be incorporated into our files for further study. Additional research and dissemination will be appreciated. This is the first report on subordination of AAA units.
- CS-X-28465 (RMK-3421) Status of Airfields
 Air Force, B-2
 Information herein agrees very substantially with this headquarters. In Merzbury and Rosenheim (Rothenburg) are carried at 8200' by this headquarters; in sub-par d, par 2, Schorfheide is carried at 6600'. This would place each of the above one category higher than carried in CS-X-28456.

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Evaluation Item 2

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page 5

CS-X-29633 (RQX-3902) Main Administration of the German Border Police
Army B-1
B-3
The information concerning training and target practice of the Border Patrol was useful.

CS-X-29638 (RQX-3855) Soviet Activities in Warden
Air Force, A-2
Data re airfield construction (and cancellations) checks rather closely with other reports. This type of material is very valuable. Some names mentioned are known to have been associated with airfield construction in the Sovzone.

CS-X-32262 (RQX-4063) Status of Twenty-Fourth Air Army
Air Force, B-2
HQ USAF carries 64 airfields in East Germany. Referring to CS-X-28465 there appears to be one major airfield not carried by CIA, i.e., Parohin, a Class 1 airfield. The other discrepancies occur in comparatively minor airfields. Information on present construction agrees with other sources as does that on Schorfheide (Vietmannsdorf).
B-2
(Paragraphs 1-9) This office concurs in general with the AOB information contained in this document.

CS-X-32279 (RQX-5084) Vietmannsdorf (Schorfheide) Airfield
Air Force, B-2
This report is an excellent summary of the status of construction of the airfield at the time it was made. Some facts given can be checked against other information and appears to be substantially in agreement.

CS-X-37368 (RQX-4656) The Order of Battle of Soviet Ground Forces
Army, A-1
A-2
The source of this report continually provides high quality Order of Battle intelligence data. Continuing reports of this type are highly desirable.

CS-X-37402 (RQX-4658) Schorfheide Airfield
Air Force, B-2
B-3
Details as given in paragraph 2 are very interesting and seldom obtained from reports of this nature. This report adds additional information with reference to the use of an outer and inner landing beacon for assistance to a pilot during an instrument approach.

CS-X-37421 (RQX-4471) Radio and Radar Installations
Air Force, B-3
This report is valuable in that it throws additional light on some operating factors.

CS-X-37677 (RQX-6264) Identification of Soviet Vehicle Numbers
Army, B-2
The content of report is of considerable value to the Order of Battle Desk. Further reports of this type would be appreciated.

CS-X-38266 (RQX-4739) Possible Airfield Construction near Querfurt
Air Force, B-3
This is the only report of airport construction received at Querfurt. (Later confirmed).

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Evaluations PAGE 3

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page 6

CS-X-39331 (EOL-4856) Tutow Airfield
Air, C-3

Report is probably accurate. Gap in runway is confirmed by other sources. Scheduled work on headstands is interesting but more details on placement, size, etc., would add to value of report. Concur with field comment.

CS-X-40480 (EOL-4854) Order of Battle of Soviet Ground Forces Army, B-2

Information concerning organizational changes and possible T/E changes in the Soviet units in Germany, reflecting the arrival of material from the USSR, is very useful and is greatly appreciated.

CS-X-43498 (EOL-5114) Status of the Twenty-Fourth Air Army as of 1 May 1954

Air B-2

1. PARA 1-6. The air order of battle information of this report is generally accurate, and this is an excellent compilation. The value of the document will be chiefly as reference material in the future when the facts are needed for background information.

B-2

2. Information on increased motor vehicle equipment in 24th Air Army is of value. This data not previously noted. No additional comments on reason for increase.

C-2

3. Since the airfield information herein is a compilation and "re-hash" of reports already received by 203, it is of slight value. The information is generally true and confirmed by other reports or is probably true.

CS-X-43552 (EOL-7000) Soviet Troops at the Doellersheim Training Camp in Kaiserslautern

Army B-3

No information is available to confirm or to refute the information contained in Paragraph 1. It is considered unlikely that KVP officers would be sent to Poland for training or to participate in maneuvers; they might go as observers for a short time.

Further information is desired concerning the rotation of officers to the Soviet Union for training, where they attend school, the types of courses taken, the prerequisites for selection to attend such school, the grades of the officers selected, and what their assignments will be upon their return to East Germany.

CS-X-45721 (EOL-5819) Radio and Radio Installations
Air B-3

The information in this report is of distinct interest to this office.

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5. REQUIREMENTS

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It is significant that specific intelligence directives and requirements on critical or new Soviet military developments are constantly submitted to Rippert. These requirements are levied by the services in the field as well as by the interested agencies in Washington. The requirements of the latter are frequently channeled, for purposes of coordination, through other components of OIA (OSR, CCI, OSI).

The following are examples of military requirements, completed or still current, levied in the field:

USSR Army Food Requirements
 Mine Detector for the IVP
 Repetitive Repeating Device for Missile Mounted Telemetry for Airplanes

Alleged Radar Installations in the Vicinity of Gorka
 Unidentified Installation near Steakhan
 Coastal Defense, Arzums Area

Alleged New Type AAA Gun Observed In Munsburg
 Soviet Transport Number System

Air Ammunition Depots of the 24th Air Army
 Questions on Orenburg Airfield
 MiG-Type Aircraft at Gorka
 Intra-Red Conspicuity

USSR and Satellite Naval Ship Observations; Technical Details of Design.

Requirements, levied by Washington customers, which have been fully or partially answered or are still carried on our current files include the following:

Soviet 150 to 180 mm Guns
 Atomic Warfare Pamphlets in the KVR
 Soviet Twin-Jet Swept Wing Airplanes
 Soviet Atomic Munitions
 Soviet Military Railroad Traffic on East German Railroad System

Soviet Flamethrower

IL-28 Aircraft

Information on Radar Site Assigned to the 1st VPL Division

Equipment of Soviet Army in GDR

New Russian Amphibious Vehicles

Possible Equipping of Soviet Troops with T-54 Tanks shown in the servicing of the latter two requirements. Upon the successful completion of the requirement on amphibious vehicles, the following communication was received:

"We wish to extend appreciation to your Staff who participated in collecting intelligence concerning the sighting of an amphibious tank in East Germany during August 1954. The number and speed with which additional intelligence information was supplied on this subject was outstanding. The resulting intelligence product is of considerable value to this Office and to Army in light of the rapidly changing military tactics and concepts to meet the threat of atomic weapons."

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It may be of interest to you to know that the content, except for location, of EHL-7902, dated September 1964, is very similar to a report received through British channels. The intelligence observer of the latter report was an officer of the British Army. Your report of the British report were given added stature by an Air sighting of the same amphibious vehicle. Consequently, the source of EHL-7902 is rated as very reliable in this particular case.

We would also like to call attention to the field comment on paragraph 2 of EHL-7902. This comment is very enlightening and appropriate and assisted greatly in the interpretation of the basic substance of the report.

The requirement on T-54 tanks which was levied on 16 December, had been satisfactorily answered by 20 December. In the for the British Committee conference on this topic on 21 December.

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31 May 1955

MEMORANDUM FOR: Director of Central Intelligence
THROUGH: Chief of Operations, Deputy Director/Plans
SUBJECT: East German Falsification Concerning Recent
Activities of Mr. A. W. Dulles

1. Attached is the text of an East German radio broadcast (Deutschlandsender station) of 18 May 1955.

2. The broadcast is worthy of note because a complete falsification is couched in reasonably objective terms and certain details are included which suggest to the average reader that the broadcast was based on factual information.

3. It is recalled that the recent East German publicity on the alleged roll-up of U. S. espionage efforts followed somewhat similar lines. We know from reports from Germany that the East German-sponsored spy publicity caused some nervousness and apprehension in the U. S.

4. This falsification concerning the physical presence and activities of Mr. Dulles could well be quoted as an example of Communist propaganda techniques in conversation with U. S. officials who appear to be over impressed with the danger that covert operations will provide substance for Soviet propaganda. The lesson of this case appears to be that the Soviets are perfectly capable of fabricating material implicating us in subversive activity whether or not any actual evidence of such activity exists. Their propaganda blasts are not necessarily tied in with any actual U. S. covert activities, nor would the cessation of such activities mean the end of Communist propaganda efforts.

15/
John A. Gross
Chief, Eastern European Division

Attachment

Written by [redacted]

Distribution:

1 & 1 to Addressee

1 - Chief, FP

1 - Chief, FI

1 - C/PP/G ✓

1 - C/EE

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BERLIN DEUTSCHLANDSENDER IN GERMANY TO EAST AND WEST GERMANY MAY 18, 1955,
1800 GMT.

(FROM GERMANY -- FOR GERMANY; COMMENT ON GEBLEN ORGANIZATION)

(FEIT) THE BUDGET COMMITTEE OF THE LOWER HOUSE, FROM MAY 1, HAS REFUSED TO RECOGNIZE THE GEBLEN ORGANIZATION OFFICIALLY AS A GOVERNMENT INSTITUTION, OR TO PROVIDE THE NECESSARY FUNDS. DEUTSCHLANDSENDER IS ABLE TO PUBLISH A NUMBER OF FACTS ON THIS MATTER WHICH COME FROM THE BLANK OFFICE.

AFTER THE REFUSAL OF THE BUDGET COMMITTEE, THE U. S. AUTHORITIES IN WEST GERMANY, AT THE REQUEST OF ADENAUER, IMMEDIATELY AGREED TO PROVIDE AN ADDITIONAL 27 MILLION DOLLARS TO FINANCE THE GEBLEN ESPIONAGE ORGANIZATION. THE MONEY HAS ALREADY BEEN SENT TO MUNCH, WHERE THE HEADQUARTERS OF THE ORGANIZATION IS LOCATED.

IN THIS CONNECTION WE HAVE LEARNED DETAILS ABOUT THE TALKS, WHICH WERE RECENTLY HELD BETWEEN U. S. ESPIONAGE AUTHORITIES, CHANCELLOR ADENAUER, AND STATE SECRETARY GLOUCE AT BUEHLERHOEHE. ALAN DULLES, HEAD OF THE UNITED STATES ESPIONAGE ORGANIZATION FBI (AS BROADCAST -- ED) DECLARED DURING THESE TALKS THAT A COMMISSION OF FBI EXPERTS WILL COME TO WEST GERMANY DURING THE NEXT FEW WEEKS TO INVESTIGATE IN DETAIL THE RELIABILITY OF THE STAFF OF THE GEBLEN ORGANIZATION AND THEIR RELATIONS WITH THE UNITED STATES AUTHORITIES.

DULLES HINTED THAT THE UNITED STATES GOVERNMENT IS NOT WILLING TO ASSUME ANY KIND OF RISK WHEN SPENDING 27 MILLION DOLLARS PER ANNUM. THE COMMISSION HAS FULL POWERS AND IS ABLE TO ORDER DISMISSALS IMMEDIATELY. STATE SECRETARY GLOUCE WAS REQUESTED TO MAKE THE NECESSARY PREPARATIONS FOR THE RECEPTION OF THE COMMISSION AND TO NAME A LIAISON OFFICER WITH THE COMMISSION.

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- 2 -

WE FURTHER LEARN THAT MINISTERIAL DIRECTOR (GUNDOLF), HIMSELF FOR MANY YEARS ON THE STAFF OF THE FBI, HAS BEEN INSTRUCTED TO PREPARE THE CHECK ON THE GERLEN STAFF, ACTING UNDER THE COVER NAME WEBER. THE INVESTIGATION WILL BE CONCERNED WITH ALL MEMBERS OF THE STAFF WHO WERE NOT MEMBERS OF THE NAZI PARTY, OF THE SS SECURITY SERVICE, OR OF THE COUNTERINTELLIGENCE BRANCH OF THE FASCIST HIGH COMMAND OF THE WEHRMACHT. (GUNDOLF) STATED IN A CONVERSATION WITH AEBRAUER AND OLOENK THAT AT LEAST 500 MEMBERS OF THE ESPIONAGE ORGANIZATION ARE TO BE DISMISSED, SINCE IT IS NOT CERTAIN THAT THEY WOULD CARRY OUT ALL THE UNITED STATES ORDERS IN EVERY DETAIL.

AEBRAUER HAS GIVEN HIS APPROVAL TO THIS PLAN AND HAS STATED THAT, AFTER THE INVESTIGATION, HE WILL INTEGRATE THE GERLEN ORGANIZATION INTO THE GOVERNMENT APPARATUS AS AN OFFICIAL GOVERNMENT BRANCH EVEN WITHOUT THE (APPROVAL OF) THE LOWER HOUSE. IN A SECRET SERVICE INSTRUCTION, BEARING THE NUMBER 3,700/V, THE NAMES OF THE MEMBERS OF THE GERLEN ORGANIZATION WHO ARE TO BE DISMISSED HAVE BEEN SENT TO THE OFFICE FOR THE PROTECTION OF THE CONSTITUTION.

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Rel GER

Kevin C. Ruffner compiled and edited this collection of documents and supporting material as a companion volume to *Forging an Intelligence Partnership: CIA and the Origins of the BND, 1945-49*, published in 1999 and subsequently reissued in 2002.

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