

C O N F I D E N T I A L

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PRISONER: O/Stubaf PRAEFFGEN, Theodor Leiter VI-D RSHA.

Theodor PRAEFFGEN, successively with SD Haupt Amt BERLIN, and Stapo Stellen TILSIT and BIALYSTOK, was Gruppen Leiter of VI-D RSHA from August 1942 until April 1945. He has knowledge of espionage activities in South America, the United States, Great Britain, and Scandinavia.

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1. REFERENCES

PIR, Third US Army, AIC 1743, dtd 3 Aug 45. PIR No 69, UNPFI MIS Center, dtd 19 Sep 45. Two special briefs, CI War Room, London: PF 602749/WRC 3c, dtd 23 Aug 45; PF 602749/WRC 3a, dtd 14 Sep 45, and attached letters.

2. REASON FOR REPORT

Information contained in this report is believed to be of immediate interest and is in reply to briefs referred to in REFERENCES (1 above).

3. REPORTa. Organization of VI-D(1) Prior to 1944

DAUFELDT and SCHELLENBERG present different accounts of the changes in leadership of VI-D prior to the arrival of PAEFFGEN. DAUFELDT states that he was acting chief of VI-D from Autumn 1939 until the end of 1940, when O/Stubaf Dr GRAEFE was appointed Leiter. DAUFELDT claims that he lacked the training and education for the position, and it was only because of personal considerations that his release was not made known until his actual departure in 1941. According to DAUFELDT, O/Reg Rat Dr SCHAMBACHER succeeded GRAEFE as Gruppen Leiter VI-D at the end of 1941, when GRAEFE became Leiter of VI-C.

In contrast, SCHELLENBERG states that until DAUFELDT's transfer to Switzerland in 1941, the latter was at all times Gruppen Leiter VI-D, in fact as well as in name, and that SCHELLENBERG always dealt with him as such. SCHELLENBERG further insists that GRAEFE was never in charge of VI-D even temporarily. In the interim following DAUFELDT's transfer, SCHELLENBERG himself took charge of VI-D, handling the affairs of the Gruppe until PAEFFGEN's assignment as Leiter. During this period SCHELLENBERG availed himself of the services of O/Reg Rat Dr SCHAMBACHER, a member of SCHELLENBERG's personal staff and formerly in IV-E (counter-espionage). The fact that SCHELLENBERG frequently delegated the handling of particular VI-D matters to SCHAMBACHER may have led other members of VI-D to assume that SCHAMBACHER was actually the Gruppen Leiter, but SCHELLENBERG asserts that this belief is unfounded.

During DAUFELDT's tenure, VI-D employed HAMMAN, NIKLAUS, Dr KRUEGER, U/Stuf MAYWALD, JOHN, Dr THOST, and JUETTNER. Their tasks were general because functions and duties had not yet been broken down into specialties to any great extent. From 1938 to 1941 VI-D handled intelligence pertaining to England and the United States, and, for one period of a few months, Scandinavia. At this time there were no separate Referate; all intelligence matters were treated by VI-D as a unit operation.

(2) Organization at the Time of Military Defeat(a) Referat VI-D/1 (United States)

In Summer 1944 SCHELLENBERG and PAEFFGEN reorganized this Referat. Owing to past experiences, further espionage missions

BEST AVAILABLE

to the United States were deemed improbable; consequently, the Erfassung (collection of intelligence) section of VI-D/1 found itself with nothing to do. It was decided in July 1944 to disband the section and to transfer its remaining functions to VI-D/4 (South America) under H/Stuf GROSS. Stubaf CARSTENN, who had been chief consultant of VI-D/1, was relieved of his duties and later sent to Denmark.

The Auswertung (evaluation) section was retained. Its chief consultant, Stubaf Dr LANGE, was sent on detached service to Dulag OBERURSEL (Auswerte Stelle West) to interrogate Allied air force personnel on political topics (cf ADI (K) Report No 328/1945, par 224). LANGE used a detailed brief prepared by O/Stuf RUDOLPH for the United States and by U/Stuf GAEDE for the United Kingdom. The interrogations produced little political intelligence. LANGE wrote numerous reports on the political opinions held by Allied air force personnel. PAEFFGEN states that LANGE's presence in OBERURSEL was not resented by the CO, Obst/Lt KILLINGER. However, both KILLINGER and Amt VI objected to the operations of Amt IV personnel which had been sent to the Dulag from Stapo Leit Stelle FRANKFURT/Main.

Stubaf CARSTENN was an old hand in the SD. He was appointed chief consultant VI-D/1 at the time that PAEFFGEN assumed charge of VI-D, but failed to activate an intelligence net in the United States. CARSTENN spent eight months preparing for Unternehmen ROSL. PAEFFGEN would have relieved him much sooner if a good replacement had been available. In Summer 1944 CARSTENN went to Finland, where for about four weeks he assisted the Amt VI HB, Stubaf BROSS. He was then sent to Denmark to organize an I-net in preparation for an Allied invasion.

In April 1945 LANGE escorted General VANAMAN, a US Air Force officer, to the Swiss border. VANAMAN was allegedly given an oral message to deliver to President ROOSEVELT. This project was supervised by SCHELLENBERG, who acted upon the advice of Stubaf Giseler WIRSING (of Third US Army Int Center Special Interrogation Report No 2). After changing his mind several times, HIMMLER had reluctantly consented to VANAMAN's release from a PWE.

The reorganization of VI-D/1 left O/Stubaf RUDOLPH in charge of the entire Referat and supervisor of the Auswertung section, with U/Stuf HAMMANN and Frau ALLMANN assisting him. The last-named also kept the card index files covering the United States.

(b) Referat VI-D/2 (United Kingdom)

Until November 1944 O/Stubaf SCHUEDDEKOPF was in charge. He was then lent to Zentral Buero VI-A to write daily reports on political developments in countries handled by VI-D. The material he used usually came from VI-D.

O/Stuf NIKLAUS was deputy chief consultant of VI-D/2, and H/S PRETSCH and H/Stuf GIESE supervised the collection of information by VI-D/2. It was also their job to find and train agents.

U/Stuf GIESE evaluated the information. O/Stuf REIMERS kept the card indices and the agent file. Dr THOST, a civilian employe, was the specialist in matters concerning British domestic policy, and had represented the Voelkische Beobachter in LONDON for four years. In March 1945 he escorted a British PW, Maj DODGE, to the Swiss frontier. Frau HORCH, a civilian employee, also worked in the Auswertung section.

In August 1944, at the request of Graf MUELLER of Amt IV, SCHEIDENBERG asked PAEFFGEN to send an English-speaking interpreter to LINZ to assist with the interrogation of a number of British and American officers or agents. According to PAEFFGEN, the prisoners were supposed to have been American or British agents who had been secretly sent to Czechoslovakia to assist the Czech underground. PAEFFGEN says that THOST was used only as an interpreter. He knows only that the prisoners admitted having worked with the Czech underground. On the trip to LINZ, THOST was accompanied by a Gestapo agent who was also en route to the interrogation.

PAEFFGEN is not certain of the number, but he believes that there were about ten English and ten American agents in the group and that they had come via Italy. He believes that when captured the agents were dressed in civilian clothes.

(c) Referat VI-D/3 (Scandinavia)

Stubaf GROENHEIM, formerly with the old SD Haupt Amt (III-3), was in charge of the Referat (cf C20 Report on JOHST). GROENHEIM was relieved in August 1944 and in October was sent to Abt VI, Bds OSLO, to collect intelligence on Sweden and to organize an I-net in Norway. In his reports he stressed the difficulties facing him in the latter task.

GROENHEIM's successor was Stubaf BUSSINGER. Stubaf BROSS, HB for Amt VI in Finland, had done excellent work there, and when that country was forced out of the war in September 1944 he returned to Germany and was sent to Sonder Kommando Nord. Stubaf FINKE was HB in Sweden but had to be recalled in March 1945 upon the insistence of the Swedish Government. Dr KRUEGER, FINKE's assistant in STOCKHOLM, was recalled 31 Dec 44 and assigned to the Auswertung section of VI-D. The chief evaluation officer (Auswerter) of the section, H/Stuf DOERING, went to OSLO in February 1945 to help GROENHEIM. H/Stuf ZOELLNER evaluated information from Finland. O/Stuf MUELLER, a recent arrival at VI-D, did the same for Sweden. U/Stuf WAHLSTAB kept the card index. H/Stuf DAUFELDT, the brother of PAEFFGEN's predecessor as Gruppen Leiter of VI-D, was a member of Abt VI, Bds OSLO, at the time PAEFFGEN assumed control of VI-D. At the end of 1944 DAUFELDT was recalled for disciplinary reasons and transferred to Amt I for reassignment.

(c) Referat VI-D/4 (South America)

(Note: * Frau Hildegard BEETZ, a civilian employee of the SD in ROME, who was employed from November 1941 to July 1942 in the offices of VI-E/3 (Italy) and VI-E/1 (South America), under U/Stuf Ewald GEPPERT, has given the following information concerning the work of the South America Referat, which was then operating from Italy. It should be remembered that the organization of the various Referate was different at that time.)

Until the severance of diplomatic relations, the Brazilian Embassy in BERLIN was the principal source of information gathered by Referat South America. Through a German employee (name unknown to PAEFFGEN) of the Brazilian Embassy, GEPPERT was able to secure copies of all reports which the Brazilian Ambassador sent to his home office. The reports were extremely interesting and were passed on without delay to the Foreign Office and the Reichs Chancellery. In 1941 the Germans were organizing an intelligence net in South America, staffing it with Germans who lived there or with others who had returned to serve in the Wehrmacht but had been found qualified to work as agents and were sent back as such to South America.

At the end of 1943 H/Stuf GROSS was placed in charge of VI-D/4. His assistant was U/Stuf GROSSE. The two dealt mainly with the collection of intelligence. Evaluation was done by five civilian employees: HAHNS, WILKENS, HIEZE, HUYZELSCHREITER, and LANGE, all of whom had lived in South America. LANGE had worked for the SD in Brazil and later in Chile.

b. Functions and Operations

VI-D was charged with collecting, evaluating, and disseminating intelligence pertaining to the United States, the United Kingdom, South America, and Scandinavia. Intelligence in the finished form was sent to the policy-making agencies of the Reich, primarily to the Foreign Office. The division of power between the state and the NSDAP often hindered or blocked the flow of intelligence, and often it went to waste.

In August 1942, when PAEFFGEN took charge of VI-D, there were only three Referate; Scandinavia was still under VI-E. The key personnel of VI-D included H/Stuf CARSTENN, O/Stuf SCHUELDEKOPF, O/Stuf NIKLAUS, O/Stuf REIMERS, and the civilian employees, Dr THOST and BOEHME. In PAEFFGEN's opinion, the most pressing need at the time was to increase the personnel commensurately with the importance of VI-D.

To secure good personnel, PAEFFGEN tried to apply the standards set by SCHELLENBERG. He gave preference to those who possessed linguistic ability and political knowledge. SCHELLENBERG's predecessor, JOHST, failed to follow high standards, according to PAEFFGEN, because not enough qualified applicants were available.

When he took stock of the operational status of VI-D, PAEFFGEN found that no direct channels of communication existed to either the United States or the United Kingdom, and that no agent net had been activated in either country. PAEFFGEN states that German leadership failed to foresee the advantages of a well-coordinated and smoothly-functioning intelligence service, and that once the war broke out it was too late to try to establish one. PAEFFGEN characterizes procedure in Amt VI as amounting to rank dilettantism before SCHELLENBERG took over.

The little information on the United States and the United Kingdom which reached VI-D at that time was exclusively from sources located in neutral European countries and in the Near East. VI-D tried to post its own agents in these neutral countries, but this led to considerable friction with other Gruppen of Amt VI and resulted in SCHELLENBERG's decision to have VI-D refrain from doing so. However, the other Gruppen (VI-B, C, and E) were told to gather information about the countries under VI-D and to pass this along to VI-D. This procedure met with the approval of all the Gruppen Leiter and was carried out. Because its own intelligence undertakings in the United States and Great Britain failed, VI-D was forced to resort to other agencies for help.

The failure of VI-D to secure information directly from the United States and Great Britain is laid to the geographical difficulties, the surveillance of law-enforcement agencies of both these countries, and the lack of enough trained agents with linguistic ability and good educational background.

(1) VI-D/1

PAEFFGEN claims that he found no evidence that any of his predecessors had made serious attempts to organize information

nets in the United States. SCHELLENBERG frequently stressed the imperative need of opening up intelligence channels at all costs. An untapped reservoir of potential agents existed among German repatriates. VI-D screened them systematically but found most of them reluctant to return to the United States. The usual reply was, "You should have let us know earlier that the Reich was interested in political espionage; if we had only known, we would have stayed (in the US) and worked for you." All the repatriates who were interviewed emphasized the efficient and ubiquitous control exercised by the FBI and expressed serious doubt that their presence in the United States would have remained undetected very long, their fingerprints having been taken and their personal data recorded when they left the United States.

PAEFFGEN says that no connections, directly or via the Auslands Organisation, existed at any time between VI-D and the German-American Bund. The one nearly-successful attempt to gain a foothold in the United States launched by VI-D came to an end when the FBI announced the capture of COLEPAUGH and GIMPEL.

(a) Unternehmen ELSTER

According to SCHELLENBERG, a very important factor in the launching of Unternehmen ELSTER was the unexpected intervention of the Auswaertige Amt. Up to that time the Foreign Office had turned a cold shoulder to all SCHELLENBERG's efforts to establish a system of collaboration, whereby the Auswaertige Amt would brief Amt VI on the information required for the conduct of Germany's foreign affairs.

In Spring 1943 SCHELLENBERG and PAEFFGEN were ordered to report to RIBBENTROP at Castle Fuschl in Austria. SCHELLENBERG went into conference with RIBBENTROP while PAEFFGEN had a talk with Dr MAEGERLE of the Auswaertige Amt, one-time editor-in-chief of the Berliner Boersenzeitung, who was in charge of Germany's official propaganda directed against ROOSEVELT's reelection as President. Very much to SCHELLENBERG's surprise, RIBBENTROP wanted to know whether Amt VI had succeeded in organizing an espionage net in the United States. In no uncertain terms, SCHELLENBERG reminded RIBBENTROP that the Foreign Minister had, as late as 1941, characterized SCHELLENBERG's concept of a Geheime Meldedienst as "idiotic" and had claimed he could accomplish the same ends by employing five or six top-notch agents. He also reminded RIBBENTROP that the Auswaertige Amt had failed to create a pool of available agents in the United States, although with a potential of 900, 000 Volksdeutsche and an Embassy staff of 900, something could have been done along those lines during the period from 1920 to 1941.

RIBBENTROP explained to SCHELLENBERG that the Auswaertige Amt was in urgent need of on-the-spot coverage of public sentiment in the United States, in order to form a reliable estimate of the prospects of ROOSEVELT and DEWEY in the presidential contest. The Auswaertige Amt also wanted to determine the efficacy of its propaganda in the United States, especially the results it attained among racial minorities in the United States.

SCHELLENBERG then offered to organize a submarine expedition to land W/T agents in the United States who would transmit the information required by the Auswaertige Amt once every fortnight. The final agreement was that PAEFFGEN and Dr MAEGERLE would attend to the technical details of the enterprise.

SIEVERS had resided in the United States for many years and PAEFFGEN believes that he worked either in the banking or in the insurance business. Shortly before Germany's declaration of war against the United States, SIEVERS returned to Germany via Japan and Siberia.

SIEVERS' proposition was accepted and the four men he had recommended as agents were engaged by VI-D/1. Two of them were picked as W/T operators and sent to VI-F for training. Both dropped out soon: one of them, STECHMESSER, because he was found to be implicated in a case of moral turpitude; the other, whose name PAEFFGEN does not recall, reneged on his promise and asked to be relieved. SIEVERS eventually found a replacement, a student named RASCH who had been to the United States as a tourist. SIEVERS decided to go along with the agents and take charge of the agent net in the United States. He claimed that some of his acquaintances in the US were prominent in politics.

In early 1944, SIEVERS and his party, including RASCH and two W/T operators whose names PAEFFGEN claims not to recollect, left LORIENT by submarine. They carried with them two W/T sets, Office of War Information passes, and 60,000 dollars in US currency.

Based on information given by repatriates from the United States, an informal record of contact addresses (Anlauf Stellen) in the United States was compiled by VI-D. However, no independent means existed for checking whether the parties at those addresses were trustworthy and willing to cooperate.

(2) VI-D/2

PAEFFGEN says that his attempts to organize a net of agents in the United Kingdom proved futile. No British or German agents could be found and committed with hope of success.

In December 1943 VI-D made its first and last attempt to drop agents into Ireland, which would have been an ideal base for the UK. O'REILLY and KENNY were British subjects who were living in Jersey when the Germans invaded the Channel Islands. After the occupation had begun they went to live in Germany, and, according to PAEFFGEN, expressed their willingness to work for the SD.

COLLINS, an Irish citizen, received W/T training from VI-F at the time PAEFFGEN took charge of VI-D. VI-D/2 considered using him in conjunction with the O'REILLY attempt but found he lacked proficiency and mechanical aptitude for W/T work. PAEFFGEN does not know what became of COLLINS and adds that COLLINS never worked for VI-D. PAEFFGEN claims he cannot recollect all the technical details involved in getting O'REILLY and KENNY started (cf SCHUED-DEKOPF report).

The two agents were captured by the Irish police, and the German Embassy in DUBLIN was notified. The German Foreign Office complained that espionage activities on Irish territory were in direct contravention of a blanket prohibition, and that the full responsibility for a possible breach of diplomatic relations between Germany and the Irish Free State would rest with the RSHA. This complaint resulted in a direct order from KALTENBRUNNER to stop sending agents to Eire.

PAEFFGEN believes that the uncompromising attitude of the German Foreign Office stemmed from considerations other than its professed solicitude for Eire's neutrality. He infers this from the following incident: In Winter of 1942/3 PAEFFGEN attended a conference in the office of Ambassador Dr VEESENMAIER. Under discussion was a contemplated undertaking in Eire, involving the parachuting of a considerable number of intelligence and sabotage agents. The question under discussion was, who should handle the incoming messages, the Foreign Office, which sponsored the project, or Amt VI, which claimed a monopoly on operations of this kind? O/Stubaf BOERNER, who represented VI-F/L (Havel Institut), wanted all messages processed through VI-F. VEESENMAIER demurred. The undertaking itself never came off.

At the same conference VEESENMAIER expressed a desire to contact BEELEY, former charge d'affaires of Eire in BERLIN, last reported working for the SD in ROME. PAEFFGEN disclaims knowledge of any plans on the part of the Foreign Office to start an insurrection in Eire at the end of 1943. Nor did the Foreign Office, in protesting the O'REILLY action, imply that by acting precipitately the SD had deliberately foiled a parallel enterprise of the Foreign Office.

It is worth noting that SCHELLENBERG's version of the O'REILLY - KENNY expedition is at variance with PAEFFGEN's, insofar as SCHELLENBERG offers a much more plausible explanation of the motives which prompted the Auswaertige Amt to protest SD operations in Eire. According to SCHELLENBERG, Unternehmen 1000, as contemplated by RIBBENTROP and VEESENMAIER, was conceived as a diversionary move in the event of an invasion of the British Isles. There were to be two distinct phases, one consisting of the parachute drop of Irish agents who would establish liaison with elements of the Irish Republican Army (IRA) and send wireless messages to their home station in Germany in preparation for the main phase: the landing of airborne elements of the Waffen SS in Eire to be coordinated with an IRA uprising. The conference which PAEFFGEN attended at the Auswaertige Amt merely dealt with the first phase of Unternehmen 1000. In its preparation VEESENMAIER had established a pool of Irish agents, among them O'REILLY and KENNY. Both SCHELLENBERG and PAEFFGEN were aware of this when they decided to dispatch these two agents on an intelligence mission. SCHELLENBERG knew that this move might cross the purposes of RIBBENTROP and VEESENMAIER. He also knew that the capture of O'REILLY and KENNY was bound to give away the secret of Unternehmen 1000, both agents having knowledge of the operation. SCHELLENBERG remembers vaguely having been called upon to explain his conduct in writing and having offered a very lame excuse.

PAEFFGEN states that during his tenure of office no member of the German Embassy staff in DUBLIN, nor for that matter any German press representative stationed in Eire, was employed by Amt VI.

Stubaf Dr Wilhelm HOETTL, deputy Gruppen Leiter VI-E, states that either PAEFFGEN or SCHUEDEDEKOPF asked him to assist in enlisting the services of the Vatican Referent of the German Foreign Office, Dr Guenther HOFFMAN. HOFFMAN had lived in Eire for many years and was married to an Irish-born woman. HOFFMAN, an avowed anti-Nazi, declined the proposal. Shortly before ROME fell to the Allies, he joined his friend, the German Ambassador to the Holy See, Baron von WEIZSACKER, and stayed at the Vatican with him. PAEFFGEN denies having approached Dr HOETTL in this matter.

(3) VI-D/3 (Scandinavia)

Denmark and Norway, being German-occupied territories, were outside the jurisdiction of Amt VI. Their internal intelligence service was controlled by Amt III. In 1944, however, Sweden's stiffening attitude toward Germany's intelligence operations on Swedish soil led Amt VI to prepare offices in OSLO and COPENHAGEN. VI-D was represented in COPENHAGEN by H/Stuf DAUFELDT and in OSLO by H/Stuf KRAUSE. PARFFGEN saw that neither measured up to his task and took remedial action by replacing them in Autumn 1944. H/Stuf CARSTENN was sent to COPENHAGEN, H/Stuf GROENHEIM to OSLO. Their assigned mission was to maintain intelligence contacts with Sweden and to organize I-nets in each country. In the rapidly-developing situation the results of their work were negligible.

VI-D's Haupt Beauftragter in Sweden was O/Stubaf August FINKE. Ostensibly an assistant commercial attache with the German legation in STOCKHOLM, he was considered one of the ablest agents in the service of the SD. FINKE was known to be one of SCHELLENBERG's Sonder Linien (special sources). Before his assignment to Sweden, FINKE was Gruppen Leiter VI-A, succeeding Stubaf Dr FILBERT and preceding Standf Dr SANDBERGER. FINKE was a bon vivant with a vehement dislike for sustained work. As to his accomplishments and abilities in intelligence work, PARFFGEN and SCHELLENBERG did not agree. SCHELLENBERG once told Dr HUETTL that FINKE had worked well and that he had managed to set up a comprehensive intelligence net which yielded good information. PARFFGEN, on the other hand, took exception to the lack of factual material contained in FINKE's numerous reports. Although FINKE had a wide circle of acquaintances in STOCKHOLM, he never succeeded in establishing a good connection with Swedish, let alone British or American, sources (Of Third Army Interrogation Center Special Interrogation Report: German Intelligence Operations in the West; source, Maj Friedrich BUSCH, last with Luftwaffe Fuehrungs Stab).

According to BUSCH, FINKE's specialty was to turn up information concerning convoys between Great Britain and RUSSIA. FINKE's alleged source was a German named SCHMIDT who had an affair with an English girl who in turn had an affair with an Irish priest. This priest was supposed to have been the British Ambassador's father confessor. This is hardly plausible, especially since the British Ambassador was a Scotch Presbyterian.

FINKE's colleagues at the Legation treated him as an interloper and expressed relief when he was withdrawn in February 1945 at the request of the Swedish Government. FINKE's assistant, Dr KRUEGER, was withdrawn in December 1944 at the request of the German Foreign Office.

FINKE found his informants among Swedish and German newspaper correspondents and among the staff members of the German legation. Graf DOUGLAS, a German national who was related to the Swedish General DOUGLAS, was slated for an appointment at the German legation in STOCKHOLM. He supposedly went to STOCKHOLM in January 1945 as an agent for Mil Amt C (East). He may also have worked for FINKE.

Von GOSSLER, representative of the German Railways Publicity Bureau (Reichs Bahn Werbe Zentrale) at STOCKHOLM, worked for FINKE as well. He was expelled from Sweden at the end of 1944 on suspicion of espionage. According to FINKE, he was a mere purveyor of society gossip.

Dr DANKWANT, Counsellor of the Legation and the German Ambassador's right-hand man, was not kindly disposed toward FINKE, an

planned to organize an I-net in Sweden through the facilities of the German legation. BAUERSFELD, who worked on exchange students' matters in the Kultur Abteilung of the German legation, and Dr PENZLIN, STOCKHOLM correspondent of Dr GOEBBELS' newspaper Das Reich, were among FINKS' agents. So also was Countess KNIP-HAUSEN, the divorced wife of a German news correspondent in HELSINKI, who went to Sweden in 1943. She was a Norwegian citizen, supposedly the daughter of the Premier of the Norwegian Government in Exile. Her excellent connections in Swedish and Norwegian circles yielded but little information of political value.

The dean of GIS agents in Sweden was Dr KRAEMER. At the request of SCHELLENBERG, KRAEMER also collected political information. His reports on the political situation in England before and after the YALTA conference seemed well authenticated and were rated very highly (see Third Army Interrogation Center Special Interrogation Report No 2, par 2, on source HASSO). After a long drawn-out dispute, the vexing question of whether KRAEMER had dealings with the Allies was decided in the negative. KRAEMER, who for many years had been with Abwehr I-L, was taken over by Mil Amt C after the reorganization in Spring 1944. His activities were coordinated by Obst/Lt von DEWITZ of Mil B, the chief of the Evaluation Section West of the Luftwaffe Fuehrungs Stab, since most of his information concerned England. At first SCHELLENBERG suspected KRAEMER of working for an enemy intelligence service. KRAEMER's steadfast refusal to divulge his sources of information and his extravagant style of living increased this suspicion, and SCHELLENBERG told PAEFFGEN and Obst/Lt i G OHLETZ (Gruppen Leiter VI-C and Mil Amt C) to keep an eye on KRAEMER. Neither OHLETZ nor PAEFFGEN (who had KRAEMER investigated by FINKS) were able to find incriminating evidence.

According to PAEFFGEN, KRAEMER knew a great deal about British politics and was a capable analyst of political information. Maj Friedrich BUSCH, second assistant to the air attache of the German Embassy from March 1943 to Fall 1944, claims that KRAEMER had many powerful friends in BERLIN for whom he took foreign currency to Sweden. Among them were Maj BENTHEIM of the Luftwaffe Fuehrungs Stab; Obst/Lt KLEINSTUEBER, chief of Abt I-L Amt Abwehr and last reported with KO MADRID; SCHELLENBERG; and Reichs Marshal GOERING. BUSCH also suspects KRAEMER of having appropriated certain files concerning the USSR which were missing after one of KRAEMER's frequent visits to BUSCH's office. Hptm ZETSCHKE of the Luftwaffe Fuehrungs Stab cautioned SCHELLENBERG in August 1944 about KRAEMER. BUSCH himself was recalled to BERLIN at the insistence of KRAEMER and was warned by the Gestapo to cease prying into KRAEMER's affairs.

Among other stories, KRAEMER reported that the Danish inventor, Niels BOHR, wanted to make the secret of the atomic bomb available to Germany. HITLER was supposed to be so impressed by these reports that he appointed SS Brigf ALBRECHT head of an atom-splitting department in his headquarters.

SCHELLENBERG, under questioning at this Center, claims that the whole issue centering on KRAEMER's alleged British affiliation was used by SS O/Gruf Heinrich MUELLER, Amts Chef IV, as a pretext to undermine SCHELLENBERG's position. SCHELLENBERG clearly recognized that if MUELLER should succeed in establishing KRAEMER's treason, it might seriously jeopardize his position as chief of Mil Amt. He therefore resolved to back KRAEMER to the hilt, disregarding several weighty elements of doubt in his own appraisal of KRAEMER's sources. Over and above considerations of the safety of his own position, SCHELLENBERG claims to have liked KRAEMER's reports, inasmuch as they lent support to the political line expounded by the EGMONT reports. As long as KRAEMER

reports continued, at least by implication, to stress the imperative need of arriving at a negotiated accord with the Western Allies, SCHELLMANNBERG was prepared to accept the KRAEMER material and use it in the EGMONT reports in full knowledge of its having been derived from British sources.

The VI-D representative in Finland was Stubaf BROSS. According to PAEFFGEN, he was a top-notch intelligence agent and had the advantage of working in a country friendly to, and allied with, Germany. As a cover occupation BROSS held a job with OT. He worked by himself and had connections with men high in Finnish political circles.

BROSS was well-informed on political trends prevailing in Finland, and, during the critical phase of Spring and Summer 1944, his reports proved to be sound and well-authenticated. When the Finnish-Russian armistice forced him to quit the country in September 1944, he managed to organize a stay-behind net which continued functioning until March 1945.

After the evacuation of Finland, SCHELLMANNBERG ordered the formation of a Sonder Kommando NORD to collect military and political information originating in Finland, with special emphasis on the USSR and Russian methods used in Finland. Freg/Kptn CELLARIUS, the former Abwehr representative in Finland, and two of his assistants, SS Stubaf BROSS and, at a later stage, Dr KRUEGER, former assistant to FINKER in STOCKHOLM, formed Sonder Kommando NORD, with CELLARIUS in charge. Both Mil C and VI-D were authorized to issue directives. Sonder Kommando NORD had its headquarters in HELINGSLOOF. At the end of January 1945, after first notifying HELSINKI, CELLARIUS and BROSS went by submarine to the west coast of Finland to pick up a Finnish intelligence officer, Col FABRITIUS. Notes were compared on the prospects of activating a secret intelligence net in Finland and organizing a system of communications between Germany and Finland. FABRITIUS undertook to select prospective agents from among his subordinates and sent them to Germany for training as W/T operators. It was arranged that the agents be returned to Finland, equipped with W/T sets. However, this was never done. At the beginning of February 1945, BROSS' communication channel to Finland, upon which the operations of Sonder Kommando NORD hinged, went out of existence. All the while that PAEFFGEN was in BERLIN efforts to resume communications were in vain.

(4) VI-D/4 (South America)

When PAEFFGEN took over VI-D, an agent net in South America was operating, linked with the home office by wireless. Its foundations had been laid at a time when it required neither excessive skill nor courage to carry on espionage in South America. A courier service, by means of which PAEFFGEN tried to supplement the communications system, did very little to increase its efficiency.

The HB for VI-D in Argentina was Siegfried BECKER, cover name SARGENTO, usually abbreviated SARGO. He started to work for the SD in 1940, and in 1941 went to Germany for a short visit returning to Argentina early in 1942 on a Spanish boat. The last message filed by BECKER reached VI-D in August 1944. PAEFFGEN believes that BECKER was interned by Argentine authorities.

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BECKER's assistants were SEYDLITZ, representative of the German Railways Publicity Bureau (Reichs Bahn Werbe Zentrale) in BUENOS AIRES; LANGE, SD representative in Chile; and IMHOFF, wireless operator. LANGE and IMHOFF returned to Germany in October 1944 after US intervention had made German activities in Argentina uncomfortable.

*
Frau BEETZ claims to know of the following agents who were dispatched to South and Central America while GEPPERT was in charge:

LANG, a Venezuelan businessman of German extraction, who went back to Venezuela in Summer 1940. He was supposedly assigned to sabotage and intelligence tasks.

UTZINGER, a Lt in the German Navy. Frau BEETZ met him in ROME in 1941. In August or September 1941 he flew to South America, where he assumed the cover job of an engineer working for Siemens & Schuckert. Frau BEETZ believes that he was supposed to make his way to the United States. According to PAEFFGEN, UTZINGER is possibly identical with FRANZCOCK (code name: LUNA), who handled all technical details involved in W/T traffic between the BECKER net and Germany. All operational messages were signed LUNA.

GEPPERT had connections with the chief manager of Ferro Stahl AG, HAMBURG, who put one of the branch offices of his firm in South America at the disposal of the SD. PAEFFGEN disclaims knowledge of any of the above-mentioned agents. Nor does he know of any connections between VI-D/4 and Ferro Stahl AG. The reports reaching VI-D from its South American sources dealt exclusively with the domestic and foreign policies of the South American republics. PAEFFGEN is certain that the South American net had no extensions to the United States. No information originating in the United States was at any time forwarded through this channel. LANGE, who covered Chile, gathered inconsequential information. According to PAEFFGEN, his reports were very meager. PAEFFGEN met LANGE in BERLIN in December 1944. When he departed from Chile, LANGE left no agent net behind.

At the end of 1943 VI-D received a report from LANGE, about 200 words, purporting to be based on secret material that had been obtained by extraordinary means (auf Nachrichten dienstlichen Wege). The report dealt with naval gunnery tactics practiced by the US Navy. PAEFFGEN has a vague recollection that the report tried to bring out the fine points of bracketing a target. The German naval authorities to whom this report were passed on were lukewarm in their reception and suggested that more material along the same lines be procured.

BECKER had one W/T set somewhere in Argentina. He communicated with the Havel Institut (VI-F) on a frequency officially designated Linie 23. Reception at BERLIN attended with considerable atmospheric difficulties. More favorable conditions for clear reception obtained in HAMBURG and PARIS, PAEFFGEN was told. Sub-stations, presumably located in Argentina, Chile, and Paraguay, relayed their messages to BECKER's central station. He sifted all incoming information and transmitted what he considered to be of importance.

At the beginning of 1943 BECKER was paid 50,000 in US currency. PAEFFGEN claims that Embassy funds were made available and that the money was called for by SEYDLITZ. BECKER repeatedly

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asked for W/T personnel replacements. In compliance with this request, VI-D/4 picked HANSEN and SCHNOELL, the former an employee of the German Reichspost and highly recommended by VI-F as a W/T expert. Both were long-time residents in South America, with a fluent command of Spanish. It was tentatively planned that HANSEN, who was anxious to operate independently, should be assigned to Chile or, at the discretion of BECKER, to any other country in the Western Hemisphere where the opportunity to use him might exist.

(a) Unternehmen JOLLE I (Naval Cover Name: MERCATO)

Equipment consisted of a W/T set plus accessories and a complete set of microfilm equipment. PAEFFGEN was a strong believer in microfilm as a means of transmitting messages. A shipment of rare pharmaceuticals consigned to BECKER for sale in Argentina and a sum of 20,000 were sent along. A navy cutter was used. Kptn/Lt SCHUCHMANN, owner of a well-known salvaging firm in HAMBURG, who during the war was assigned to Marine Gruppen Kommando West, worked out the nautical details and picked the crew. In command was Lt z S GRUBERS. The HANSEN-SCHNOELL party set out from BORDEAUX in May 1944. Their arrival in Argentina at the end of July 1944 was confirmed by wireless - the last message from the BECKER group ever to reach VI-D. PAEFFGEN claims that no instructions had been issued to turn the microfilm equipment over to the Japanese.

(b) Courier Service

At the end of June 1943 PAEFFGEN went to MADRID to check on progress made in the organization of a courier service between Spain and South America to supplement the existing W/T communications system. This undertaking had been entrusted to ARNOLD, an Amt VI representative stationed in MADRID.

ARNOLD told PAEFFGEN that he had been able to enlist sailors on Spanish boats who were willing to serve as couriers. Hitches were liable to occur, however, since the British employed crew members to uncover persons suspected of working for Germany. On frequent occasions such suspects had been taken off the boat at TRINIDAD and interned. Further difficulties had arisen due to the British practice of ignoring the assigned port of destination of Spanish boats and, after conducting a search, dispatching them to a different port. As a result one could never tell beforehand where to meet the boat. To cope with this situation a letterbox (Anlauf Stelle) had to be established in every port admitting sea-going ships. ARNOLD told PAEFFGEN that he planned to have letterboxes both in the North and in the South of Spain. PAEFFGEN cannot recollect any details, nor does he know whether this plan was ever put into effect. PAEFFGEN believes that in some instances the couriers delivered their mail to the German Consulate in the Canary Islands, from where it was forwarded by diplomatic pouch to MADRID. ARNOLD eventually had couriers working for him on about ten Spanish boats, all of them slow freighters. Fast passenger boats were found unsuitable because of the strict surveillance under which the crews and passengers were kept.

In practice the courier service was operated as follows: BECKER wired that a boat with a courier on board had sailed for Europe on a certain date. This information VI-D passed on to ARNOLD, who in due time contacted the shipping company in order to ascertain when and where the boat was expected to put in. A messenger was then dispatched to the port of arrival to pick up the mail. Conversely, mail addressed to BECKER would be entrusted to ARNOLD for shipment.

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As a means of conveying political information, this mailing service was altogether inadequate. The material took from two to three months to reach BERLIN, and was by then obsolete. For the forwarding of official mail to Germany, ARNOLD availed himself of the services of Krim Kem SINGER, an employee in the office of the German Police Attache in MADRID, who worked for VI-B/4 (Spain).

(c) Embassy Contacts

The Military Attache, SANTILLANA, and the Naval Attache, Cmdr CEVALLOS, of the Argentine Embassy in BERLIN were regarded as collaborators by Referat South America. They were both pro-German, as opposed to a faction in the Argentine Embassy represented by the Charge d'Affaires, LUTTI, a Germanophobe. Both officers were anxious to further certain pet projects. SANTILLANA wanted to purchase arms from Germany and CEVALLOS wanted a promise of safe conduct for a freighter being built in a Swedish ship yard. They held illusory hopes that Amt VI might be of service to them in attaining these objectives. The information furnished by SANTILLANA and CEVALLOS was gathered at social functions.

The SD cultivated relations with a view to tapping the Argentinians for information. H/Stuf GROSS told PAEFFGEN that SANTILLANA and CEVALLOS seemed to know less about politics in Argentina than did the SD. They claimed that what little information their own government released was being withheld on purpose by the Charge d'Affaires. Neither officer derived or asked for financial favors in exchange for information.

No contacts obtained between VI-D and the Chilean Embassy, nor with any diplomatic agencies maintained by South and Central American republics in the neutral capitals of Europe.

PAEFFGEN wanted intelligence connections in the South American embassies and legations in MADRID, especially in the Argentinian and Chilean embassies, and suggested to ARNOLD in June 1943 that he try to get these connections. ARNOLD's efforts met with almost no success. However, he managed to penetrate the Brazilian Embassy by inducing a member of the diplomatic staff, SILVEIRA, to turn over copies of all reports that went out over the Ambassador's signature.

(d) Spain

VI-D/4 used Spain as an advance operations base for intelligence operations in South America. Chief representative was ARNOLD, who had been sent to MADRID at the beginning of 1942. Prior to World War II ARNOLD had lived in Argentina for several years. For a short period of time he was employed by Referat South America under DAUFELDT. ARNOLD, according to PAEFFGEN, was an industrious, reliable, and capable worker not given to rash decisions. His only shortcoming was a conspicuous lack of social polish, which denied him access to leading circles.

Another VI-D representative was MAYWALD, also a former member of VI-D/4. He was controlled by PAEFFGEN personally. PAEFFGEN had obtained his assignments, first in PARIS and later in MADRID. While in PARIS, MAYWALD struck up an acquaintance with one SCHMIDT, an art dealer by profession, who claimed to be an outstanding expert in his field. It later developed that SCHMIDT was a notorious professional crook who used his connections with MAYWALD solely to enrich himself. MAYWALD's plan was

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to go into business with SCHMIDT as a convenient means of covering up his intelligence activities. This scheme was actively sponsored by PAEFFGEN, who convinced SCHELLENBERG that it might be a good idea to use Amt VI funds for support. SCHELLENBERG, however, did not deem the employment of SCHMIDT advisable. His police record did not commend him to SCHELLENBERG, who was of the opinion that the initial investment of 20,000 dollars would be followed by requests for more money. PAEFFGEN finally prevailed upon SCHELLENBERG to give his permission. He pointed out that SCHMIDT's criminal record provided an excellent means of keeping him under pressure and also stressed that SCHMIDT's connections in Spain as an art dealer would prove invaluable.

After MAYWALD and SCHMIDT had moved to MADRID, their plans underwent a change. It was decided that the original cover plan of starting an art shop be dropped. In MADRID, MAYWALD, through SCHMIDT, was brought together with Ana de POMPO, a well-known fashion creator. According to PAEFFGEN, there was in addition the consideration that she claimed to have some experience in intelligence work and could be of aid with her excellent social connections in Spain. In their revised form, SCHMIDT and MAYWALD's plans were to open a fashion store, with de POMPO ostensibly running the business and also giving it her name, and with MAYWALD and SCHMIDT as business partners. MAYWALD thought this arrangement would have the dual advantage of legalizing his stay in Spain and of serving as a perfect foil against Allied counter-espionage agencies. These new plans met the approval of Amt VI, and MAYWALD, SCHMIDT, and de POMPO went into business. After the initial investment was made by Amt VI, the enterprise was to operate on a self-sustaining basis. As a result neither SCHMIDT nor de POMPO was put on the payroll of Amt VI.

SCHELLENBERG now states that he considered the possibility of SCHMIDT and de POMPO being double agents but that he had very little to go by in support of his suspicion.

The project, Unternehmen OHIO (OHIO being MAYWALD's code name), was not handled by any Referat in particular. Inasmuch as ARNOLD was charged with the forwarding of MAYWALD's reports to the home office, all routine matters in connection with Unternehmen OHIO were turned over to VI-D/4. PAEFFGEN controlled the enterprise in a general supervisory capacity. Unternehmen OHIO was to supply information pertaining to all territory under the jurisdiction of VI-L/4. PAEFFGEN asserts that from an intelligence point of view, Unternehmen OHIO was a disappointment. The alleged connections of de POMPO with the British Embassy yielded only three or four reports. Possibly one of these reports passed on the rumor of a contemplated Allied parachute raid on HITLER's headquarters, but no importance was attached to the report. MAYWALD also contributed his share to the conjecture as to the likely date of the impending Allied invasion. Like hundreds of other reports on the same subject, it merely added to the confusion.

Ana de POMPO's code name was IDA. PAEFFGEN asserts that there was no one other than MAYWALD, SCHMIDT, and de POMPO connected with Unternehmen OHIO. The contention that IDA was actually not de POMPO but some other agent is, according to PAEFFGEN, absolutely without basis.

Unternehmen OHIO developed along the lines SCHELLENBERG had anticipated. Bankruptcy threatened and SCHELLENBERG was asked for 50,000 pesetas. ARNOLD, by order of SCHELLENBERG, carried out an investigation. The result was that SCHMIDT had to be ousted. As it turned out, MAYWALD, who wanted to hold his job at

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all costs, had winked at SCHMILT's financial manipulations and had failed to keep the home office informed. Both SCHMIDT and de POMPO left MADRID for parts unknown.

On his trip to MADRID, June 1943, PAEFFGEN questioned MAYWALD about his part in the de POMPO affair. MAYWALD claimed that de POMPO was born a Spanish duchess and had done excellent work for the British Secret Service. Ever since the Spanish Civil War, when the Republicans had killed her two sons, she had been violently anti-democratic and willing to work for Germany. It was well known that an intimate relationship existed between SCHMIDT and de POMPO. In terms of political information, the Amt VI investment in Ana de POMPO's fashion shop yielded but small dividends. She was credited as the source of a report that the British Embassy contemplated an attempt on FRANCO's person.

MAYWALD was more successful in his dealings with the Italian Embassy in MADRID. After MUSSOLINI's downfall, a member of the Embassy provided MAYWALD with copies of cable messages received from Italy.

One of the conspicuous failures in the intelligence operations of Amt VI was connected with the popular German writer, PESCOLLA (pen name: Tex HARDING). For some reason the group chief VI-F, SS O/Stabsf. DOERNER, succeeded in persuading SCHELLENBERG to send PESCOLLA to Spain as an agent. When no reports were forthcoming and not even the whereabouts of PESCOLLA could be determined, SCHELLENBERG ordered VI-D/4 and VI-B to start an investigation. SCHELLENBERG took a very personal interest in the matter. PAEFFGEN and GROSS discussed whether under the circumstances it would not be warranted to have PESCOLLA liquidated. Before undertaking anything along those lines, PAEFFGEN decided to broach the matter to SCHELLENBERG. The Amts Chef, PAEFFGEN claims, eventually gave a direct order that PESCOLLA be killed. PAEFFGEN passed on this order to GROSS, who in turn assigned the task to ALNOLD. PAEFFGEN does not believe that ALNOLD refused the assignment. No effort was spared to locate PESCOLLA, but he was not found.

(e) Central America (Unternehmen REMO)

In September 1944, VI-D/4 had three trained agents ready for commitment in Central America: ZUELSDORF, KELLERMANN (alias MAERTENS), and SCHNEEMANN, all three being former residents of South or Central America. VI-D/4 planned to land these agents on the coast of Venezuela, whence they would proceed to Mexico, where KELLERMANN claimed to have good connections. Their assignment was to obtain political information, especially on the relations between the United States and her allies. After prolonged negotiations, the German Navy refused to furnish submarine transportation because of the risks involved in getting close to the Caribbean Islands, but offered to release the cutter which had carried HANSEN and SCHROELL to Argentina.

PAEFFGEN had strong misgivings about the project in view of the navigational hazards attending it. Eventually the vigilance of the FBI relieved him of the awkward necessity of reaching a decision. The names of SCHNEEMANN and ZUELSDORF were published in the American press with a warning that the public be on the lookout for these men. Under what circumstances this leakage occurred has never been found out. SCHELLENBERG repeatedly voiced the suspicion that members of Amt VI were indiscreet in their outside contacts.

PAEFFGEN asserts that VI-D was not represented in Mexico and that no messages originating in that country were received.

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c. Sources of Information

Sources of information available to VI-D other than those developed by its own collecting agencies were the following:

(1) Information gathered and intelligence produced by the geographical groups of Amt VI (D, C, and E) and VI-Wi.

(2) Information gathered and intelligence produced by the geographical groups of Mil Amt (B and C).

(3) Deciphered messages supplied by the OKW (so-called VN - Vertrauliche Nachrichten) and the Forschungs Amt, a sub-unit of the German Air Force. Early in 1943 PAEFFGEN, SCHUELLER, THOST, and Ober Post Rat VETTERLEIN held a conference in BERLIN to discuss the Reichspost, which was monitoring radio-telephonic communications between LONDON and WASHINGTON. The Reichspost agreed to supply the text of the intercepts to VI-D. THOST was given the assignment of evaluating and exploiting information contained in the intercepts. PAEFFGEN states that the monitoring service was technically good but that American and British telephone discipline was exceptionally good, so that little valuable information was obtained. Under VETTERLEIN, the monitoring installation at LANGENVELD (nr Eindhoven, Holland) was in continuous operation until Germany surrendered.

(4) Reports gathered by the SD Abschnitte, VI-Wi and VI Kult, from persons traveling abroad. The Fichtebund was a quasi-official organization headed by KESSEMEYER, with headquarters at HAMBURG. It received official support from the Foreign Office and from Amt VI Kult. VI-D/2 consulted VI Kult about using Fichtebund members in Spain to send information about England through a certain AMENDE (cf Third US Army Interrogation Center IR No 38, dtd 9 Sep 45), who had Spanish friends and acquaintances with connections in England. Nothing resulted from this plan. PAEFFGEN has no further knowledge of the Fichtebund.

(5) Material put out by the monitoring services of the German Foreign Office (Seehaus Dienst), the official German News Agency (DND), and other news agencies like Europa Press, Transocean.

(6) Scientific material, background information, books, newspapers, periodicals, etc, which could be obtained through VI-G (U/Stubafr Lt KALLERT).

VI-Kult and, to a lesser extent, VI-Wi opened up incidental sources of information by enlisting the services of persons leaving Germany to travel abroad. Pass control agencies (Amt IV), the SD sub-units in Germany, and SD liaison officers with the various government agencies of the Reich were obliged to notify VI-Kult of impending journeys. VI-Kult in turn saw to it that other groups were given an opportunity to prepare special briefs to be answered. VI-D only began to avail itself of this incidental source of information after Scandinavia came under its jurisdiction in early 1944.

Among the Ehrenamtliche Mitarbeiter occasionally engaged by VI-D, PAEFFGEN is able to recollect the following:

Dr Ludwig WEISSAUER, a BERLIN lawyer, worked as an Ehrenamtlicher Mitarbeiter but received considerable sums of money from SCHELLENBERG. WEISSAUER wore the uniform of a Maj in the Luftwaffe and was active at the same time in the East Ministry under ROSENBERG. He made frequent trips to Finland and Sweden, where he had a large number of acquaintances, and reported to PAEFFGEN upon his return from these trips. WEISSAUER was ordered not to contact any other German agents on his trips. DAUFELT relates the following of WEISSAUER: He met WEISSAUER at a party in BERLIN in 1941, shortly after WEISSAUER had returned from a trip to Norway, where he claimed to have been unfavorably impressed by the German treatment of Norwegian teachers and clerics. WEISSAUER complained that he had no means of making a report on this matter, and DAUFELT volunteered to turn the report over to the proper authorities. DAUFELT left the report with HIMMLER's office, only to receive a reprimand and ten weeks' house arrest for not having submitted the matter through the proper channels. Frau WIEDEMLIN was WEISSAUER's mistress and frequently accompanied him on his trips.

Dr Ludwig LIENHARDT, employe of the East Ministry in Estonia, was in charge of bringing Swedish nationals from Estonia to Sweden for resettlement. Contrary to SCHUELLEKOFF's story, PAEFFGEN says that LIENHARDT volunteered to work for Amt VI and made numerous contacts with FINKE.

Viggo JENSEN is described as a Danish journalist of unsavory reputation who made a number of trips for VI-D into various neutral countries. He was in Finland during the latter part of 1944 but accomplished little.

Frau von EMLER (also known as Baroness ROTHKIRCH u PAN-THEN), a protegee of SCHELLENBERG, made a number of trips to Switzerland, Portugal, Spain, and Sweden, and reported the results to SCHELLENBERG, who had been assigned to look after her. Although she was well acquainted with a number of high-ranking diplomats in the countries she visited, the material which she reported was usually unimportant gossip.

Dr PETERSEN, a Balt, East Ministry, with good connections among organized groups of Estonian, Latvian, and Lithuanian emigrants in STOCKHOLM.

Director GLITSCH, Junkers Werke, DESSAU, with connections in Swedish industry.

Dr KOCH and MICHAELSEN, import merchants of HAMBURG, who also worked for Kptn WICHMANN, chief of KdM HAMBURG.

Referat Turkey made available its "Cicero" material, the designation for a set of documents procured from the British Embassy in ANKARA, and purporting to cover in all details the second CAIRO conference which followed TEHRAN. This conference determined the course to be adopted by the United States and the United Kingdom concerning Turkey and her treaty obligations. The British Ambassador in ANKARA took part in the discussions.

Referat Italy was fully informed on the talks that took place in 1943 among President ROOSEVELT's special envoy, Myron TAYLOR, and Archbishop SPELLMAN and the Pope. According to these reports, the President urged the Vatican to adopt a more conciliatory attitude toward the USSR. VI-D was kept fully informed by Referat Italy.

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Through its deputy chief, Stubaf Dr HOETTL, VI-E arranged with PAEFFGEN that the so-called "Nero" material be made accessible to VI-D. Inasmuch as it originated in England and dealt exclusively with questions concerning that country, its exploitation came within the jurisdiction of VI-D. As to the actual source of the "Nero" material, VI-D was unable to form an independent opinion.

Regular Nero features were pinpoint locations of V-1 and V-2 impact areas, without mentioning, however, the time the projectiles hit, which greatly reduced the reports' value. The reports canvassed public sentiment in LONDON, reflecting the viewpoint of the man in the street, and related current rumors. Nothing of exceptional intelligence value ever resulted.

German press correspondents abroad had been expressly forbidden to work for Amt VI. The same applied to press attaches on the staffs of German embassies. Repeated efforts to induce the Reichs Presse Chef or the Press Department of the Foreign Office to reconsider the ruling were of no avail. Through the facilities of VI Kult it was possible to overcome this prohibition to a certain extent. PAEFFGEN thinks it may be worthwhile to investigate German foreign correspondents who clandestinely supplied information to the SD through VI Kult. Dr PENZLIN, STOCKHOLM correspondent for Das Reich, who worked with FINKE, and other correspondents openly defied the rules and collaborated with the SD.

An indirect method of getting at information gathered by foreign correspondents but not accessible through normal publicity outlets such as press and radio was afforded by the JOHANNSEN Dienst. JOHANNSEN wrote analyses of foreign news based on information gathered by a select group of foreign correspondents who were members of the JOHANNSEN Dienst. According to PAEFFGEN the reports attempted to give an unbiased picture of the actual situation without getting lost in irrelevant detail. An outstanding feature of the reports was their finished form, which gave them an added air of authenticity. PAEFFGEN disapproved of the prevalence of conjecture unsupported by facts.

Amt VI was on the distribution list of the JOHANNSEN Dienst through the Ministry of Propaganda.

According to SCHELLENBERG, the JOHANNSEN Dienst drew its subventions from both the Propaganda Ministry and the Foreign Office, with the former contributing the major share and consequently wielding the decisive influence in framing its policies. SCHELLENBERG's attention was drawn to the JOHANNSEN Dienst at a time when he was still in IV-E. It had been brought to his notice that certain reports put out by the JD dealing with Russian affairs were circulated indiscriminately, ie, without regard to the classified character of the information they conveyed. SCHELLENBERG, who at the time already exerted considerable influence upon the direction of foreign espionage operations of the SD, proposed to JOHST, chief of Amt VI and SCHELLENBERG's predecessor in that position, that he should bring pressure to bear on JOHANNSEN to form liaison with Amt VI. JOHST's reaction to the proposal was lukewarm, but SCHELLENBERG nevertheless carried out his scheme. He got in touch with JOHANNSEN and, using the alleged security violations of the JD as a convenient pretext, he studied methods, sources, and distribution key of the association. The distribution key appeared to SCHELLENBERG to be of considerable significance, inasmuch as its ramifications revealed a genu-

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ing interest on the part of many Reichs Stellen to be kept informed on foreign developments. SCHELLENBERG was of the opinion that this demand could best be satisfied by Amt VI, which should establish an unchallenged monopoly in the field of foreign espionage. JOHANNSEN was at first very reluctant to subject his association to the jurisdiction of Amt VI. He vigorously disputed SCHELLENBERG's contention that the JD was actually nothing but an intelligence service, and claimed that his most important task was to feed German propaganda into foreign channels through the offices of his informers (Zutraeger) while ostensibly gathering information.

When SCHELLENBERG took over Amt VI he found that JOEST had failed to act in the matter. Thereupon SCHELLENBERG emphasized to JOHANNSEN that Amt VI had been established as the sole authorized political secret service ("politische Geheim Dienst") and that it would be incompatible with this monopoly for JOHANNSEN to pass on classified reports to agencies of the Reich which had not previously been censored by Amt VI. JOHANNSEN finally agreed to having a representative of SCHELLENBERG installed in his organization. SCHELLENBERG appointed SS Stuf GOETTSCH (later succeeded by SS H/Stuf UHLBERG), directing him to analyze all material gathered by the JD and to submit to SCHELLENBERG all news digests which were questionable.

In 1943 GOETTSCH, SS O/Stuf WANECK, and SS Stuf Dr HOETTL, of VI-E (South-East) tried to annex the JD, transferring its offices to WIEN. This attempt failed because of SCHELLENBERG's objections. Further difficulties developed in connection with the wider complex of the use of German foreign correspondents by the SD.

The penetration of the JD by Amt VI was deplored by the Ministry of Propaganda as an unethical means of circumventing the ruling which prohibited correspondents from collaborating with the SD. Ministerial Rat DR. UEBELER of the Propaganda Ministry raised especially strenuous objections. SCHELLENBERG finally had to take the matter up with GOEBBELS and Reichs Presse Chef DIETRICH. He succeeded in maintaining the status quo, however with one stipulation to the effect that all briefing of foreign correspondents would have to be done through the Ministry of Propaganda. SCHELLENBERG accepted this compromise with the mental reservation not to abide by it.

Among the administrative agencies of the Reich, the Reichs Verkehrs Ministerium (Transport Ministry) showed the least concern over the collaboration of its representatives in neutral countries with the SD. Most of the so-called Reichs Bahn Werbe Zentralen are presumed to have worked for the SD.

Information contained in embassy reports to the German Foreign Office was not officially accessible to Amt VI. However, Ambassador Dr SIX, chief of the Kultur Politische Abteilung of the Foreign Office, and his assistant, Dr MAHNKE, worked for Amt VI and passed on embassy reports and other classified information. The official representatives of the Foreign Office with Amt VI, successively Dr WAGNER, von THADDEN, and von COSSEL, confined themselves to communicating printed material of little interest.

RAEFFGEN states that VI-D was never involved in a scheme to establish communications with German prisoners of war in the United States and Canada. In Autumn 1944 SCHELLENBERG proposed that the potential value of such a project be considered. Mil Amt 3 studied the matter, but RAEFFGEN never heard of any practical steps being taken to put it into effect.

d. Evaluation and Dissemination of Information

VI-D/1 and VI-D/2 discontinued the collection of information but concentrated on evaluation and dissemination of material pertaining to areas under the jurisdiction of VI-D furnished by other geographical groups of Amt VI and Mil Amt. For evaluation aids, an up-to-date card index of important personalities and reports filed away for ready reference in accordance with subject matter were used.

The evaluation section also took care of briefing. Regular briefs were issued by the Referate to their representatives abroad. Special briefs gave supplementary questions to fill gaps in information or to correct contradictory and ambiguous reports. The Foreign Office, a primary beneficiary of the work done by Amt VI, was best fitted to do the briefing, but failed to do so. Amt VI never received replies to the reports and requests which it sent to the Foreign Office.

Amt VI established contacts in neutral countries and, through neutral intermediaries, with official and unofficial representatives of the United Kingdom and the United States. But owing to the recalcitrance of the Foreign Office, these could not be developed. When asked for briefing and information concerning German foreign policy with respect to the conduct and actions of Germans abroad who might be used for making contacts, the Foreign Office invariably prohibited any further dealings of this nature. The reasoning underlying this prohibition was that persons contacted could be presumed to belong to an enemy intelligence service attempting to get Germany's secrets of state.

A report containing important information derived from a source known to be trustworthy was passed on without delay to the Foreign Office and to HIMMLER. As soon as sufficient material had accumulated warranting definite conclusions, special reports were prepared on certain political events such as meetings of the Big Three.

e. Finances

There was no regular budget appropriation for any of the Laender Gruppen, but at a meeting of Gruppen department heads, which was held regularly each month, estimates of amounts needed to finance agents and establishments abroad were submitted for approval by SCHELLENBERG. At these meetings a representative of the Reichs Wirtschafts Ministerium was present as a consultant on currency matters and methods to be used in making payments.

VI-D had a special fund on hand at all times (appr 500 Marks) to defray small expenses incurred in the interest of the service. All drafts made against this fund were accounted for monthly. Payments to agents had to be applied for on a special form. Only the Amts Chef and, when larger sums were involved, the Cds (KALTENBRUNNER) could authorize such payments. By the time VI-D ceased operations, there were no more funds at its disposal. No funds have been hidden or otherwise concealed, PAEFFGEN states. VI-D had no part in the distribution of counterfeit currency. For this purpose SCHELLENBERG used SCHWENDT (alias WENDIG) and Gruppe VI-Wi. PAEFFGEN knows of no geographical group which circulated counterfeit money. VI-Wi tried to put counterfeit English pound notes into circulation in Spain and supposedly approached ARNOLD about the matter. PAEFFGEN claims that he knows no further details of counterfeit sterling notes having been taken along on the JOLLE I enterprise.

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f. Agents

V - 11 was the designation of a Dutch citizen whose correct name was either DUNKER or HUET, although he was usually referred to as DUNKER. For several years DUNKER had been in the employ of Amt VI, Bds Holland. His best assistant was a Dutch Jew named WEINHEIMER (?), who worked for him in Chile. WEINHEIMER's reports were supposedly forwarded in the diplomatic mail pouch of the Chilean diplomatic representative in Spain or Switzerland.

SCHELLENBERG was told of V - 11 by SS Standf KNOLLE, in charge of Amt III of Bds Holland, in May 1942 on the occasion of a trip to Holland. SCHELLENBERG resented KNOLLE's activities as an infraction of the Amt VI monopoly in the field of foreign espionage and, although KNOLLE gave a very glowing description of V - 11's accomplishments as an agent, SCHELLENBERG refused to take him over and merely advised KNOLLE to pass on all reports to Amt VI, from which they were passed on to VI-D/4.

The reports, which dealt mainly with economic matters, were well-written, obviously compiled by a man trained in the observation of economic affairs. In return for this work, Amt VI promised WEINHEIMER that members of his family within the control of Amt IV would not be interfered with, but at the end of 1944 V - 11 informed VI-D that this promise had been broken; WEINHEIMER's family had been arrested by the Gestapo. Their fear that WEINHEIMER would cease sending reports turned out to be unfounded. PAEFFGEN states that the reports continued to come in.

In Summer 1944 V - 11 proposed to VI-D that he work as an agent in South America or North America. GROSS, who was impressed by the idea, urged it upon PAEFFGEN repeatedly until PAEFFGEN asked V - 11 to put his plan on paper. V - 11 proposed to travel via Spain to South America on the passport of a neutral or to pass himself off as a Jewish refugee. PAEFFGEN was suspicious, especially since V - 11 wanted to take his family along, and refused to give his consent. The plan was finally abandoned, and the last that PAEFFGEN heard of V - 11 was that he was living with his family somewhere in Bavaria (March 1945).

During one of his frequent talks with GROSS, V - 11 said that he might be in a position to procure diamonds at no cost to Amt VI. GROSS told PAEFFGEN, who in turn informed SCHELLENBERG. SCHELLENBERG approved the deal "for purposes of financing the intelligence service." In due time V - 11 produced two small packages of cut diamonds, containing about 20 diamonds each. PAEFFGEN, to whom GROSS showed the diamonds, did not consider them anything extraordinary. He estimated their weights to be not more than one carat each. On orders from PAEFFGEN the diamonds were turned over to the cashier (VI-A). In PAEFFGEN's opinion the whole transaction was a veiled form of bribery. SCHELLENBERG also considered it as such but saw no objections to accepting the gift. V - 11 originally may have planned to take the diamonds along on his contemplated mission, in lieu of money. SCHELLENBERG believes that SS Stubaf SCHEIDLER should be in a position to shed some light on these transactions.

The whole matter had a rather unpleasant sequel for PAEFFGEN. He believed that V - 11 told KALTENBRUNNER, with whom he was engaged in some sort of business deal, about the diamonds. KALTENBRUNNER immediately ordered an investigation by Amt IV, and accused PAEFFGEN of black market operations in diamonds. Fortunately PAEFFGEN was fully covered by both SCHELLENBERG and the economic Referent of Amt IV, who had witnessed the transaction.

PAEFFGEN denies that any diamonds were retained by VI-D. He is certain that SCHROELL and HANSEN did not take diamonds along. He considers it possible that GROSS may have planned to send diamonds along on the abortive JOLIE II enterprise (ZUELSDOERF, SCHNEEMANN).

Personality Description

DUNKER alias HUET (fnu) Agent V - 11

born 1910 1.88 m slender black hair combed straight back and parted fair complexion brown eyes wears glasses occasionally

Misc: Merchant. Journalistic experience. Speaks German fluently with a pronounced Dutch accent.. Also believed to speak English and French. Last reported in Bavaria.

Dr Kurt VOLZ (alias BROWN), ehrenamtlicher Mitarbeiter, was formerly a university professor in the United States and supposedly the author of a book, How to Get Rich in America. He was contacted several times by DAUFELDT and sent in a number of unimportant reports about America and Great Britain through diplomatic channels in Switzerland, for which he received only his expenses. VOLZ formerly lived, and probably still does, at DAVOS, Switzerland.

g. Route of Retreat

At the beginning of October 1944 VI-D moved its offices from Berkaer Strasse, BERLIN, to Camp WALDBURG, FUERSTENWALDE. At the end of January 1945 VI-D quit WALDBURG and, after a short stay in Camp BELINDE (nr ZOSSEN), moved on to SEEDORF, cover name for Burg LAUENSTEIN (nr PROPSTZELLA), Thuringia, the alternate headquarters of Amt VI. For the time being, a skeleton staff including PAEFFGEN stayed behind in BERLIN.

At the end of March 1945, with American forces approaching, VI-D transferred to Bad HEILBRUNN (nr Bad TOLZ), Bavaria, after having discharged most of its personnel. VI-D, with a personnel strength of nine, including two secretaries, stayed in Bad HEILBRUNN until 29 Apr 45. Owing to a lack of communications all operations ceased. On 30 April VI-D moved for the last time, to FRITZENS (nr INNSBRUCK). Here PAEFFGEN discharged the rest of his group except BUSSINGER.

On 4 May PAEFFGEN attended an Amt VI meeting at Bad ALT AUSSEE. It was planned that he, O/Stubaf STEIMLE, the Gruppenleiter of VI-B and Mil Amt B, and BUSSINGER should go to VORARLBERG, but the speedy advance of US forces into the Inn valley made this impossible. BUSSINGER failed to return from a trip to INNSBRUCK on 5 May and was presumed killed. On 5 May PAEFFGEN and several other members of Amt VI went to LOFER, where SS Standf Dr SANDBERGER declared Amt VI officially dissolved.

VI-D: Document Files and Card Indices

The major part of VI-D documents was burned in Camp WALDBURG at the end of January 1945, when the Russian threat became acute. Material which the chief consultants declared indispensable for the continuation of their work was forwarded to SEEDORF. Only a few documents were taken along to BAD HEILBRUNN; the rest were burned in SEEDORF. Prior to leaving BAD HEILBRUNN, all remaining documents were burned. PAEFFGEN states that to the best of his knowledge no documents were preserved and no document caches left behind.

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4. CONCLUSIONS

According to his superiors, PAEFFGEN has no qualifications whatever for intelligence work. He never succeeded in acquiring the most elementary personal prerequisites for such work. PAEFFGEN is characterized by SCHELLENBERG as a personally decent man who did not abuse his position for purposes of enriching himself. However, his exaggerated notion of his own importance was unwarranted, considering the meager accomplishments of VI-D. In politics PAEFFGEN was an uncompromising Nazi.

PAEFFGEN was cooperative but rather reticent in volunteering information. His information is considered reliable.

5. COMMENTS AND RECOMMENDATIONS

SCHELLENBERG chose PAEFFGEN for the job of Gruppen Leiter VI-D primarily because PAEFFGEN was personally beholden to him and unlikely to join the anti-SCHELLENBERG faction of the RSHA. In SCHELLENBERG's mind, this consideration outweighed PAEFFGEN's shortcomings in intelligence work.

PAEFFGEN, who during his interrogation was under a strong nervous and emotional strain, failed in many instances to recall important details. He also showed a marked inability to fit the espionage operations for which his group was responsible into the pattern of Germany's military and political history.

PAEFFGEN's interrogation is unlikely to add a great deal to our knowledge of the history and operations of VI-D, although his manifest personal shortcomings may help to explain why this group failed in the attainment of its main objective, organizing an espionage system in the United States and the United Kingdom.

The interrogator is of the opinion that PAEFFGEN has been exhausted of all valuable intelligence information.

For the Commanding Officer:

Leroy Vogel
LEROY VOGEL
Captain, Inf.
CI Section

29 Dec 45
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29 Dec 45HEADQUARTERS
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APO 757A N N E X IReorganization of Amt VI

PRISONER: O/Stubaf PAEFFGEN, Theodor Leiter VI-D RSHA

PAEFFGEN confirms the fact that, on orders from KALTENBRUNNER, Amt VI was reorganized with WANECK in charge of the political and SKORZENY in charge of the military sections.

PAEFFGEN attended a meeting at Villa Kerry, ALT AUSSEE, on 4 May 45. In the course of an explanation of the reorganization Hans WANECK remarked that HIMMLER and his adviser, SCHELLENBERG, would have to answer to the Gestapo for making an unauthorized offer of unconditional surrender to the Western Allies. WANECK said that HIMMLER and SCHELLENBERG had been advised of the reorganization of Amt VI and read a wire KALTENBRUNNER had sent to HIMMLER concerning this matter. In PAEFFGEN's opinion, the text of the message did not bear out the assertion that HIMMLER had been fully appraised of the reorganization.

WANECK approved of PAEFFGEN and STEIMLE's plan to go to Lake Constance, where they would continue to operate, mainly trying to gather information from Switzerland.

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A N N E X II

Post-War Plans

PRISONER: O/Stubaf PAEFFGEN, Theodor

Leiter VI-D RSHA

PAEFFGEN disclaims knowledge of plans or definite arrangements to continue intelligence operations after a German defeat. He reiterates what other functionaries of Amt VI have already stated with striking uniformity of content and wording, viz, that it was impossible to broach the subject of impending defeat and that any such mention would have been tantamount to treason. PAEFFGEN adds that no one had a very clear conception of what Germany would look like after total defeat. When the certainty of defeat became evident, it was much too late to take any concerted action - particularly since the communication system had broken down.

At a Gruppen Leiter meeting in BERLIN, February 1945, SCHELLENBERG cautiously declared that it might be worthwhile to give some thought to how Amt VI could continue operations after a German defeat. SCHELLENBERG added that he himself did not know just how this could be done. Neither PAEFFGEN nor any of the other Gruppen Leiter ever made any suggestions. PAEFFGEN believes that SCHELLENBERG conceivably may have contemplated working for the Allies.

Post-war plans, PAEFFGEN emphasizes, should not be considered in the same category with the organization of I-nets. After the first German reverses in Russia in 1943, SCHELLENBERG ordered the establishment of R-nets in territories the German armies might be obliged to evacuate (see special report on the SD in Hungary, source: H/Stuf URBAN). All measures taken along those lines were made on the assumption that Germany would be able to hold Fortress Europe.

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APO 757A N N E X IIISCHELLENBERG's Special Sources of Information

PRISONER: O/Stubaf PAEFFGEN, Theodor

Leiter VI-D RSHA

SCHELLENBERG's special sources of information (Sonder Linnien), which were developed by the Amts Chef himself and were channeled directly to him, have been dealt with in Third US Army Interrogation Center Special IR No 1, dtd 14 Jul 45. Under questioning, SCHELLENBERG has revealed the identities of his special sources.

SCHELLENBERG's contention that his contact with Obst MASSON, chief of Swiss Military Intelligence, was on a purely political basis, is questionable, according to PAEFFGEN. PAEFFGEN had the definite impression that SCHELLENBERG obtained information from MASSON. This, at any rate, was the impression SCHELLENBERG left with his collaborators, although PAEFFGEN is unable to supply any specific instances of information given by MASSON.

Prince Max Egon HOHENLOHE-LANGENBURG (?) (married to a Spanish duchess living near MADRID), was one of SCHELLENBERG's special informants. PAEFFGEN met HOHENLOHE in 1943. At that time it was planned that Staats Rat LINDEMANN, president of the German Lloyd at BREMEN, be put in touch with Allan DULLES Jr, President ROOSEVELT's special representative in BERNE, according to PAEFFGEN. HOHENLOHE was to act as a go-between because he knew the US Ambassador to Switzerland, HARRISON. HOHENLOHE spoke with LINDEMANN, who was willing to undertake the mission provided HIMMLER was in accord. SCHELLENBERG then put the matter up to HIMMLER, who declined to act over von RIBBENTROP's head. HOHENLOHE reported to SCHELLENBERG from MADRID, where he represented SKODA and BRNO, munitions firms. His reports were few and far between. PAEFFGEN never read them but learned from SCHELLENBERG that HOHENLOHE was of the school of opinion which advocated a negotiated peace with the Western Allies at the price of heavy German concessions. HOHENLOHE, according to PAEFFGEN, was an honorary collaborator of Amt VI and received no remuneration of any kind.

Another special informant of SCHELLENBERG's was SPITZY, HOHENLOHE's private secretary in MADRID, one-time aide to von RIBBENTROP. His reports on the political situation went directly to SCHELLENBERG. They were in the form of a political analysis than reproductions of factual information. SPITZY compared notes with unusually well-informed personalities, the identity of whom is unknown to PAEFFGEN. PAEFFGEN read all of SPITZY's reports. Their theme was peace in the West and moderation at home in order to prepare the ground for a peaceful solution. His opinions, according to PAEFFGEN, were shared to a very large extent by Amt VI and may have influenced the official line of the Egmont reports. In one instance, SPITZY reported that the Argentine military attache in MADRID, VELEZ, asked his assistance in the procurement of arms and arms patents from Germany. SPITZY wanted SCHELLENBERG to help him get the necessary export licenses, but Amt VI was unable to do so.

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APO 757A N N E X IVAmt VI Peace Feelers

PRISONER: O/Stubaf PAEFFGEN, Theodor

Leiter VI-D RSHA

PAEFFGEN claims to have no knowledge of peace feelers made through Dr WEISSAUER to MALLETT, the British Ambassador in STOCKHOLM. However, in Winter 1943, PAEFFGEN was approached by GROENWALL, a Swede working with the German Ernahrungs Ministerium in connection with a process that he had discovered for preserving milk and bread. GROENWALL told PAEFFGEN that he knew of some Britons in Sweden who wanted to bring about a meeting between Germany and the Western Allies. PAEFFGEN could not authorize any negotiations but on a business trip to Sweden in Winter 1943 GROENWALL contacted his friends, and upon his return reported to PAEFFGEN that the British were interested in knowing Germany's terms. GROENWALL would not reveal the identity of his British contacts and for this reason nothing further could be done, because the overtures could not be treated as coming from an official or recognized source.

If the talks had been arranged, it was believed that ex-King Edward VIII might have been the British representative. This may have been the incident referred to in the SCHUEDDEKOPF report (cf Ref PF 602,005/WRC 3a CI War Room interim report, no date). The Swedish industrialist referred to in the report is believed by PAEFFGEN to be GROENWALL. PAEFFGEN mentions two other industrialists, MOELLER and BRANDIN, who had interests in Germany and who were used by SCHELLENBERG as contact men with Swedish industrialist groups.

MOELLER and BRANDIN made SCHELLENBERG's acquaintance when, at their request, he released five Swedish nationals who had been convicted of carrying on industrial espionage against Germany in 1940. The five had originally been given death sentences, which were later changed to life imprisonment. MOELLER and BRANDIN were SCHELLENBERG's intermediaries in his talks with Jakob WALLENBERG, who with his brother Marcus owned the largest bank in Sweden. As a result of the talks, in September 1944, SCHELLENBERG was able to renew trade agreements with Sweden even though the Swedish government was reluctant to do so because of Germany's grave military situation.

Two last-minute attempts to influence British official opinion in favor of a negotiated separate peace were made by VI-D. These attempts are connected with Maj DODGE and Lt SETH, both British officers and prisoners of war in Germany.

Maj DODGE

In October 1944 PAEFFGEN learned through Dr THOST that among five Allied officers caught in an abortive attempt to escape from a PWE there was a certain Maj DODGE, who claimed to play an important role in British politics. DODGE was of American extraction and had acquired British citizenship after enlisting in

the British Army in 1915. In civilian life he had been manager of a bank. He was captured at DUNKIRK in 1940. PAEFFGEN talked to DODGE at Stalag SACHSENHAUSEN. DODGE told him that he knew CHURCHILL well and also had acquaintances among British cabinet ministers. After his return to England he planned to run for Parliament on the Conservative ticket, and he had CHURCHILL's promise to endorse his candidacy, he claimed.

DODGE also claimed to be an avowed foe of Bolshevism because of experiences with the Cheka, which had imprisoned him at TIFLIS in 1921. He was of the opinion that the USSR was a grave menace to Europe and that therefore immediate cessation of hostilities between Germany and the Western Allies was imperative. Without wanting to condone National Socialism, DODGE considered it possible to make some sort of compromise. He made no pretense of knowing what was in CHURCHILL's mind, except that CHURCHILL had not changed his opinions about Bolshevism. He offered, if granted his liberty, to try to persuade CHURCHILL and other influential politicians to consider the signing of a separate peace with Germany. PAEFFGEN was impressed by DODGE's sincerity and decided to secure his release. Both KALTENBRUNNER and RIBBENTROP considered DODGE's case and released him on 1 Feb 45. DODGE also had a talk with Geheim Rat HESSE of the Foreign Office, who disclaimed imperialistic ambitions on the part of Germany. In the meantime a blanket prohibition was allegedly imposed by HITLER upon the release of Allied PWs. After considerable delay, PAEFFGEN, in April 1945, had DODGE escorted to the Swiss border without waiting for specific orders from above.

Lieutenant SETH

At the end of 1944 Count DOENHOFF, ehrenamtlicher Mitarbeiter in Amt VI, told PAEFFGEN that he had interrogated a British PW, Lt SETH, who claimed to be opposed to the Russian system. In SETH's opinion, England and Germany should have joined forces against the "Bolshevist menace." SETH had taught English in Latvia before the war. After the Germans occupied Latvia he was parachuted into Latvia for British Secret Service work, but shortly afterwards was captured by the Germans. PAEFFGEN talked to SETH in BERLIN in March 1945. SETH offered, if given his freedom, to sound out British politicians regarding prospects of a negotiated peace and to report by W/T on the results of his mission.

PAEFFGEN got the impression that SETH was acting in good faith. He realized that SETH would report to the British Secret Service about his German experiences, but believed that at this stage the advantages of having SETH work for a peaceful settlement would outweigh the disadvantages of SETH's passing information on to the enemy. A secondary consideration was that even if SETH should fail to accomplish his mission, the connection with SETH might be helpful in getting a line on the British Secret Service. Shortly thereafter SETH was escorted to the Swiss border.

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APO 757A N N E X VAllied Intelligence and Counter-Intelligence

PRISONER: O/Stubaf PAEFFGEN, Theodor

Leiter VI-D RSHA.

Although the ultimate responsibility for intelligence missions to the United States and to the United Kingdom rested upon PAEFFGEN, he states that he left his agents to their own devices in evading or coping with the Allied security systems. He adds that the material available in Amt VI about the organization, methods, and personalities of the British Secret Service was very poor. There was no exchange of information with Amt IV or the counter-intelligence branch of military intelligence (Abt III Amt Abwehr, later VI-Z RSHA). The standing order that all other units of the GIS were to pass on any information about personalities in the British Intelligence to VI-D was never carried out.

VI-D/2 kept a card index of all personalities positively identified as British Secret Service agents. O/Stuf NIKLAUS was in charge. PAEFFGEN does not recall any of the names in the card index.

PAEFFGEN believes that Amt IV collected a considerable amount of information about the British Intelligence Service. He bases this belief upon the prevalent opinion that the Gestapo was highly successful in counteracting Allied espionage in France, Belgium, and Holland. PAEFFGEN does not know whether this material was processed. He never saw any of it.

PAEFFGEN commissioned Dr SCHUEDDEKOPF to gather information on the organization and methods of the British Secret Service. In 1944 Dr THOST contributed an article on the British Secret Service to the periodical, Die Deutsche Polizei. This article was based on the material available to VI-D. Through an error it was attributed to Dr SCHUEDDEKOPF.

VI-Wi (Dr ZEIDLER) put out photostatic copies of a book written by a Frenchman who had worked for the British Secret Service. According to PAEFFGEN it contained very interesting material.

PAEFFGEN claims not to have read the reports on the interrogation of STEVENS and BEST. SCHELLENBERG, who took a prominent part in the kidnapping and subsequent interrogation of STEVENS and BEST, told PAEFFGEN:

(1) BEST, in order to regain his freedom, had not held back any information, and had offered SCHELLENBERG his services.

(2) STEVENS had been less communicative but had also given information.

(3) BEST had disclosed that the British Secret Service at its lowest level operated in groups of three with only the group leader knowing the representative of the next higher echelon.

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(4) STEVENS was the chief of the British Secret Service in Holland. He may have been the man in charge of operations in Western Europe.

(5) STEVENS maintained direct W/T communication with the British Foreign Office.

PAEFFGEN believes that no systematic study of American security methods was ever undertaken by any Amt VI agency. Referat United States scraped together bits of information gathered from German repatriates. No reliable information on such elementary questions as what sort of identification papers should be carried by agents was on file anywhere. There was some information available on safeguards protecting the East Coast against illegal entry. The performance of the OSS in its preparation for the African landings was considered by PAEFFGEN an excellent example of how a political intelligence service should operate.

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