

EXEMPTIONS Section 3(b)

- (2)(A) Privacy
- (2)(B) Methods/Sources
- (2)(G) Foreign Relations

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CONFIDENTIAL/SECURITY INFORMATION

Soviet Intelligence Service said to the Using Formen ABWEHR (Military Security), SS (Nazi Elite Guard) Sicherheitsdienst (SS Security Service) and Gestapo.

Declassified and Approved by the Central Intelligence Agency
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Hungarian refugee, who was a prominent editor and journalist in Hungary. Although he has not visited Hungary in recent years, he has sub-sources in that country and Yugoslavia. Neither their reliability nor his can be evaluated due to lack of substantiating material.

1. After the war, many administrative funds of the former German Service were left for the greatest part in the hands of individual heads of services, and in some cases the funds remained in centers outside of Germany. The same is true of codes used by the intelligence agencies and their networks, which have been revived anew by the Soviet Service.

2. In the Balkans, the administrative funds of the German Service have remained hidden and left for safekeeping as follows:

(a) Administrative funds used in Yugoslavia are now in the hands of former SS Captain Mandja, who is in Salzburg, Austria.

(b) Administrative funds from Rumania are now in the hands of former SS Major Auner, who is also in Salzburg.

(c) Administrative funds of the Special Section, Class VI-E, are now in the hands of former SS Maj. Dr. Wilhelm Hoettl, who published the book entitled "The Secret Front" under the pseudonym of Walter Hagen, and who is now in Altsee.

(d) Administrative funds from the office of former chief Kaltenbrunner are now in the hands of col. Otto SKORZENY, who is working in Spain and countries belonging to the Near East Arab League.

(e) Administrative funds from Albania are now in the hands of former SS Brigadier General Vitzium, whose whereabouts are unknown.

3. Doctor Grob, Chief of the "Nahost-Abteilung" (Near East Department), formerly the Wilhelmstrasse /Department/, made contact with the Soviet Service during the war. After the war he connected his entire network to the Soviet Service through Soviet Colonel Rasulyev, a Near East expert. The greatest part of the net is operating in the Balkans and in the countries belonging to the Near East Arab League.

4. The Economic Service has been attached / to the Soviet Service /through Doctor Claudius, who since 1948 has been one of the leaders of his intelligence center in Bucharest, where the Cominform Economic Bureau is also located.

5. The Nahost-Abteilung is directed toward disrupting the Near East Command in relation to the Atlantic Pact, and organizing local wars in the Near East and Balkans through extremist nationalist movements, and by illegally sending arms and technical personnel to these areas for this purpose. A Special school has been established in Feodosiya in the Crimea. Doctor Grob is a teacher in the school. To coordinate this work, Doctor Grob met at the end of 1951 with Soviet Colonel Rasulyev and Mufti Amin al Husayni from Jerusalem. The Mufti has a Syrian passport under the name of Ma'ruf Dawalibi.

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6. A second line of this network is connected with Liselotte Muller from Dresden who is married to former SS Maj. Fawzi al Qaudqj, of Palestinian descent. The latter is employed by the Soviet Service for /work/in/ Syria, Palestine and Beirut, as well as with centers of former Nazi intelligence and political service sections in Argentina.

7. A Third line is connected with Soviet Colonel, Leontiyev in Rumania, where Doctor Claudius and former German Intelligence experts, Stelzer and Rantzaa, are located.

8. After the war, the following two transportation groups to transport personnel, material, money and the like were established.

9. (a) The Adessa group has centers in Rome and Madrid. Its organizer was Clara Stauffer, former secretary to von Stehrer, former German ambassador in Madrid and personal friend of King Farouk, who works in Egypt and the Near East.

(b) The Inzap group has its center in Munich. It was organized earlier by SS Major Pabbara to transport former Moslem members of SS organizations from Germany and Austria to Syria, Lebanon, and the Near East. Transportation lines were by air from Munich and Italy to the East.

9. The Odessa group transported Dr. Ante Pavelic from Italy under the name of Aranyos, Pal, and passport 74,369 issued by the Red Cross in Rome on 5 July 1948. The groups also transported personnel to Syria, Egypt, Pakistan and other Near East Countries.

10. The sale and transportation of arms was organized by Franz Roetsel, who travels under the name of Habib Said.

11. One of the group's leading agents is former SS 1st Lt. Arthur Scheidler who lives somewhere in Germany. His wife, Iris Scheidler, is also an agent who lives in Altsee.

12. Von Hammel, personal adjutant to Martin Borman, who was recently arrested in Austria, also belonged to this group.

13. Five Hundred gold pieces were left for private safe-keeping in Greece. Connections with the Communist movement were established in 1944 through a group of Communist who were freed from the Dachau Concentration Camp.

14. Arms being sold in the Near East bear the name of German firm, but are manufactured in Spain under a license granted during the war.

15. In this manner, the Soviet Service has succeeded in activating a complete network in the Balkans and Near East, Based on the former Abwehr, SS Sicherheitsdienst, the Gestapo, and the so-called "Netz-Kasse" /network Fund Center, and is now being supplemented by Soviet Administrative funds.