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DISPATCH NO. OSMA-476

SECRET
CLASSIFICATION

TO : Chief, WE

DATE: 13 May 1953

FROM : Chief of Mission, []

INFO: []
Frankfurt

SUBJECT: GENERAL-

SPECIFIC: Activities of Otto SKORZENY

MICROFILMED
MAR 20 1963
DOC. MICRO. SER.

1. Forwarded herewith is a copy of a memorandum prepared for the office of the Military Attaché. It is no more than a brief character sketch of the subject, and no attempt has been made herein to specifically elaborate upon any of the points raised in the memorandum.

2. The office of the Military Attaché had been specifically requested by Washington to answer the following two questions, to which were given the following answers:

a. What armament firms does SKORZENY represent?

Answer: According to Colonel Charles A. Askins of the office of the Military Attaché: Placencia de las Armas, in Placencia, Plásticas Oramil in San Sebastián, and probably Sociedad Española de Construcción Naval Reñosa.

b. With what fascist or neo-fascist groups is SKORZENY associated?

Answer: To the best of the [] station's knowledge, subject is not actively associated with any such group at this time.

Enclosures:
1. Memo, 2 pp, tripl

13 May 1953

Distribution:

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FORM NO. 31-28
APR 1947

NAZI WAR CRIMES DISCLOSURE ACT

EXEMPTIONS Section 3(b)

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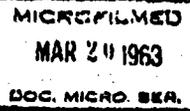
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Military Attaché

CAS

Activities of Otto SKORZENY



May 13, 1953

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1. CAS Madrid has watched and reported on the activities of Otto SKORZENY aka Rolf STEINBAUER since his presence in Spain first became known. Through two reliable contacts CAS has been able to keep a reasonably close watch on the activities of subject. The conclusion reached from these observations is that subject is an adventurer who is willing to join almost any cause provided it shows inherent possibilities of increasing his fame and fattening his pocketbook.

2. Little or no purpose will be served in outlining the various ventures participated in by SKORZENY that have come to our attention. Half of them have failed and practically all the rest have been non-profitable. During most of the year 1951 subject was active in attempts to interest the U.S. in various of his espionage schemes. The principal line followed by SKORZENY was that he had access to Russian reports regarding West-German personalities and activities. This was not the case. SKORZENY was either knowingly participating with members of a "fabricating group" or was himself duped. At any rate, the larger percentage of the material available to him was old and overt, and generally of little value.

3. SKORZENY is, however, not the type of man to be satisfied with having only one iron in the fire. While he proposed the sale of intelligence material he was assiduously cultivating all approachable high-level Army officers and had managed to create a friendly rapport with such high-ranking men as Generals VIGON and HIMOZ GRANDES. At the same time, being an engineer by profession and with helpful boosts by his wife or mistress, SKORZENY entered with all his energy into any business ventures that came to his attention. The years 1951 and 1952, however, were not financially remunerative for subject was not adverse to accepting a small payment for the poor intelligence he was peddling or a free bottle of Scotch. A full carton of American cigarettes would cause him to jump for joy. That was in 1951 and 1952. It appears now, however, that things are looking up and that subject is on the track of better and more rewarding financial deals. The exact nature of his commercial activities is not known. It is believed that he realized a rather substantial payment for his part in furnishing certain equipment to RENFE. What other commissions he might have realized since 1952 and the beginning of 1953 is not known. During 1953, presumably through the influence of Hjalmar SCHACHT who is related to Ilsa FINKENSTEIN, now SKORZENY's mistress or wife, subject has been

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travelling extensively both in western Europe and in Egypt on "business deals." His activities in Egypt have been reported to be concerned with the sale of arms to that country and a recent unconfirmed report states that he has been charged by Nagaib, ruler of Egypt, with the setting up of an air academy in Egypt. It is doubted that SKORZENY is truly engaged in setting up such an academy but it is a lead for further investigation for subject is quite capable of attempting such an activity.

4. It will be recalled that SKORZENY's first love and primary interest was to form an élite corps of Germans in Spain. This corps was to be the cadre of a new German army to be used against the Russians once war broke out. Although this scheme seems to be in the back of subject's thoughts and activities, at the present time, it is presumed that he has lost interest in attempting the formation of that group. It is not unlikely, however, that he is presently engaged in attempting to sell this idea to the Egyptians. Anything that SKORZENY might do against the British will be very close to his heart and it is for that reason and financial considerations that he has shown so much interest in the present Egyptian Government. It is CAS' considered opinion that although SKORZENY is an adventurer whose schemes are more often doomed to failure he is, nevertheless, an individual worthy of such attention. He is extremely active, possessed of tremendous vitality, and one willing to try almost anything. Whatever ambition and drive he does not possess is possessed by Ilse FINKENSTEIN. She is apparently a clever and intelligent woman who will not stop until she has reached that point of financial respectability and social prominence which she believes to be her due. The team, then, of Otto and Ilse SKORZENY, although not exactly formidable, is one capable of such mischief,

5. Comment: This is a general review of material available in CAS files. If more specific data is required it can be made available.

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*Encl 1 to
(7/11/53)*

BY HAND
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