

The Mail from Budapest

APPROVED FOR RELEASE
CIA HISTORICAL REVIEW PROGRAM
22 SEPT 93

This story of pre-war espionage and counterespionage has been summarized from records originating in Czechoslovakia and acquired by American intelligence after World War II. It has all the qualities of a classic except one: it is nearly unknown. It is our purpose here to pull it out, with its still useful lessons, from the shadows of the past.

In 1936 the international situation of Czechoslovakia was worsening steadily. Hostile neighbors stood upon her borders. Three million Sudeten Germans, helped by Hitler, were preparing for armed revolt. Austria was weak, Poland cool toward the CSR, and Hungary antagonistic. Czechoslovak counterintelligence had its hands full.

In the spring of that year Colonel Ujzaszy had been the Hungarian Military Attaché in Prague for two years. The routine surveillance by Czech counterintelligence of all military attaches of hostile countries had until then revealed nothing startling about the colonel. A bachelor, he lived in a villa in Vorechovka, an exclusive residential section of Prague. His hostess and mistress was a young Hungarian beauty. His car was driven by a Hungarian chauffeur. Observation reports pictured him as an easy-going *bon vivant*. His ambition and devotion to duty were not of the flaming variety; their match-flickers went out at the first puff of pleasure. You might have called him a wine-woman-and-song man but that his record did not indicate a taste for music.

His only staff employee was a non-commissioned officer named Kovacs,

who shared his superior's tastes: he was a regular visitor at night clubs and various boudoirs. The Czechs now began to work on this man. An intelligence officer struck up an acquaintance with him in a night club and began the slow work of cultivation. During the first two months it was learned only that Kovacs had a wife and two children at home and that he spent money too freely. One evening, however, when the darkening night was as soft with spring as Kovacs was with drink, his Czech friend tried to draw him out about his daily work.

"Work?" repeated Kovacs, looking as though he had found a fly in his glass. "There's almost nothing to do, except buy some stamps for the colonel every other Friday. Don't know what he wants with Czech stamps. He's probably writing love letters."

The Post's Appointed Rounds

Czech intelligence grew curious about these stamps. It knew that the diplomatic courier from Budapest arrived in Prague every other Friday, a fact which might well be more than coincidental. It decided to test the hypothesis that letters brought by the courier were mailed by the Hungarian attaché to addresses inside Czechoslovakia, possibly to agents of Hungarian intelligence.

The obvious thing to do was to intercept any such letters, but here the Czech service ran into a legal wall. The secrecy of private correspondence in time of peace was guaranteed by law in the Czechoslovak Republic. It was necessary to obtain the consent and cooperation of the highest postal authorities. The fact that the ostensible sender was an accredited diplomat did not make the problem easier. Reluctantly the Czech service decided to take into its confidence the Director General of the Central Office of Post and Telegraphs, the equivalent of the U.S. Postmaster General.

This gentleman listened coldly at first. But when a senior intelligence officer unfolded the story of manifest danger to the country, he agreed in the end that national security would have to take precedence over national law. He insisted that the first interception be conducted with extreme care, because this illegal act, necessary to determine whether the letters were innocent or not, would be the basis for all that might

follow. He also laid down the following stipulations: (1) the letters were to be picked up only from the box or boxes into which they were dropped; (2) the interception had to take place immediately after the letters were posted; (3) no postal employee would be involved in such a flagrant violation of postal regulations. The postal director agreed to provide a postman's uniform and a master key which fitted all mail boxes in the country, and he did not demur when he was told that the results of the operation, if successful, could not be divulged to him.

Meanwhile the chief of Czech counterintelligence was considering the many ways in which Colonel Ujzaszy could post his mail. He could drop them into the box nearest his embassy. He could scatter them in boxes all over Prague. He could mail them in the countryside, from various remote areas. He might have an accomplice - his mistress, for example - post part or all of the letters. And they could be mailed at any time, on any date. Yet it was essential, in order to prevent suspicion on the part of the addressees, to recover, process, and remail them on the same day and from the same mailbox. The best of the Czech experts would have to be available for opening, photographing, testing for secret writing, and re-sealing.

To cover all contingencies the following orders were issued:

(1) The Hungarian courier, upon his arrival at the Central (Wilson) Railroad Station on the following Friday, was to be placed under surveillance. The Czechs already knew that he invariably travelled from station to embassy in a diplomatic car, but they were taking no chances. He would be followed to the embassy. Surveillance would continue if he deviated from the established pattern.

(2) Beginning that same afternoon, a special squad of handpicked surveillants, with two cars at their disposal, was to watch Colonel Ujzaszy's every move. Here too the Czechs showed professional caution. The train which the courier had taken heretofore would not arrive until just before Friday midnight, but there was always the chance that he would appear early this time. There was also little chance that the letters would be mailed until the next day: in Czechoslovakia, as in the rest of continental Europe, Saturday was a working day, and Ujzaszy would not need to beat the weekend. Just the same . . .

(3) Lighter surveillance was to be maintained for the mistress, the chauffeur, and even for the non-com, Kovacs. Of course it was

improbable that Kovacs, in blurting out the story of the stamps, would have concealed the related chore of mailing the letters. But the Czechs were aware that it is usually the improbable that wrecks well-planned operations.

(4) The squad watching Ujzaszy was to keep in close touch with the "postman," who was to approach the box, if possible, even before the letters were mailed, in order to estimate the number of envelopes to be picked up. Members of the surveillance squad would, of course, take all precautions against drawing the attention of the Hungarian attaché.

The courier arrived the next Friday, on schedule. The official automobile picked him up and delivered him at the embassy, on schedule. He stayed there overnight, as usual. Colonel Ujzaszy, smartly turned out, attended a social function that night, as usual. The following morning, keeping to his normal pattern, he showed up about ten o'clock for work at the embassy. And just after eleven he emerged, carrying in his left hand a packet of letters estimated by the watchers as numbering seven to ten. With firm military bearing, looking straight ahead, he crossed the street and dropped his letters in the nearest box. His duty done, he wheeled about and returned to the embassy.

The postman, on the other hand, slouched a little under the weight of his bag, because it was already eleven o'clock. He opened the box with his key, picked up the top twelve letters, and trudged off.

At headquarters it was quickly established that four of the twelve letters were the innocent correspondence of local citizens. But each of the remaining eight oysters, when opened, held its pearl; each was addressed to a Hungarian agent on Czech territory. Even Colonel Ujzaszy, the Czechs reasoned, would not be so incredibly careless with agent correspondence. It followed, then, that he did not know the contents, that he received the letters sealed and posted them without opening. It was also evident that Budapest had provided him with no instructions in the art of mailing letters, or else he had ignored complicated orders concerning what seemed, after all, a perfectly simple, straightforward matter.

The letters were checked for secret writing, photographed, and resealed. The mailman again serviced the box; and at the next appointed time its contents, including the twelve letters so briefly missing, went to the post office.

Surveillance of Ujzaszy and Co. was continued for three more days. No more letters were mailed.

The photographs of the eight letters were examined closely. It was immediately apparent that they were part of a correspondence that had continued for a long time. The addressees were scattered throughout Bohemia, Moravia, and Slovakia.

The subject-matter included acknowledgments of reports received, new instructions for communications channels from an agent's base, firm reminders of unfulfilled assignments, and, ironically, security instructions and safety warnings for the agents. One letter contained a considerable sum of money, of which more later.

Now how to be sure that the Budapest goose kept those golden eggs rolling along? The Hungarian headquarters might revamp its channels to and from its agents in the CSR, by-passing Colonel Ujzaszy. Any such change, fortunately, would become apparent within two weeks. Barring contingencies, however, the continuity and duration of this source would depend upon the discretion of Czech tactics in lifting the letters and exploiting their contents. It was therefore obvious that no agent of the Hungarians could be arrested except on solid evidence unrelated to the Budapest correspondence.

Prudence and Impatience at the Snare

The highest and most difficult art in counterintelligence is knowing how to wait. The Czechs service was good at it. Orders went out that all persons mentioned in the intercepted letters were to be placed under surveillance. The search was not to be confined to indications of espionage; just as important was the uncovering of other illegal activities which would furnish an independent basis for arrest. The Czechs realized that the most important agents probably would not maintain communications through the military attaché in Prague, but would have direct channels to Budapest. It was therefore necessary to follow the eight recipients with care and patience in an effort to learn the identities of bigger fish mentioned in the letters by cover names, or not at all.

This prudent plan was nearly ruined at the outset. The Chief of the

General Staff wanted to be informed promptly of the results of the operation, and on the evening of the same Saturday summoned an elderly, senior intelligence official to report. The latter produced the photographic copies of the letters. After the first shock, the general beamed. "Now you can arrest every last one of them!" he exulted. Told, however, of the plan to render the spies harmless without compromising the source of the information, he allowed himself to be persuaded. Then he began to flip through the photographs. Suddenly he stiffened. He held out the letter which had contained a sizeable sum in cash, a letter addressed to one Josef Skladal in Prague.

"Is this Staff Captain Skladal?" he demanded.

"Yes, sir." The intelligence officer had already done his homework.

"But I know him personally," said the General.

The intelligence officer knew this fact too. Skladal was assigned to the staff of the First Army. He worked on mobilization plans. He had never been under suspicion, and his superiors described him as an efficient, devoted, and promising officer.

"He must be arrested immediately!" ordered the General. "I shall not tolerate an enemy spy in so delicate an assignment. We could never recover from the damage that he could do. I want him locked up in one hour's time."

"But then, sir, we should lose our chance to catch the others, some of them probably more important than Skladal."

"Arrest him."

"Sir, could he not be transferred to a less important assignment, a routine job, so that we can prepare the action on other grounds?"

"Arrest him."

"Yes, sir. But if we just--"

"Arrest him now! And bear this in mind in the future. There is always a category of suspects that must be arrested right away. I wish to be informed of every such case immediately. That is all."

Fortunately, the incriminating letter would not reach Skladal before

Monday. Feverish efforts to find some legitimate basis for a house-search - careful examination of all possible files, questions asked of Skladal's friends by other acquaintances over the week-end, a twenty-four hour surveillance - were all fruitless. But there was no alternative. The major who entered Skladal's apartment shortly after eight on Monday morning produced a search warrant and prayerfully began his quest. Although he immediately recognized the letter on the desk as that which had been in his hands on Saturday, he paid it no attention. His search was aimed at other evidence, and it was successful. Three other letters from Budapest were found, as well as a large sum in Hungarian pengoes and Italian lira for which Skladal could give no satisfactory explanation.

The traitorous captain hesitated for a short while after his arrest, but soon made a full confession. He had betrayed to the Hungarians everything he could put his hands on, including several important communications concerning Czech mobilization plans. Painfully he explained that his wife's beauty was matched only by her extravagance. He was told that suspicion had indeed arisen about him because he and his wife had lived beyond their means. This precaution, however, was unnecessary: Captain Skladal never came to trial. Some days after his arrest he hanged himself in his cell.

There remained the possibility that Budapest might change its procedures after Skladal's arrest and suicide not because it suspected that the attaché channel had been compromised but just as a matter of general principle. It was therefore with great relief that inconspicuous surveillants saw the dapper Colonel Ujszaszy emerge from the Hungarian Embassy, two weeks after his last appearance, promptly at eleven a.m. and march across the street, eight letters in his left hand. In fact, the entire incredible performance remained unchanged for two years. Fifty-three times the Czechs picked up the post every second Saturday from the same mailbox. Once the Hungarian colonel was ten minutes late for his entrance on scene with the letters, frightening the Czechs quite badly with this radical departure. But the aberration was not repeated.

The Catch

During those two years, summer of 1936 to summer of 1938, the Czechs arrested 253 Hungarian agents without tipping their hand. All categories were picked up: sub-sources, sources, couriers, cut-outs, bird-dogs, letter-drops, W/T operators, and the rest. Some were important and others were comparatively insignificant, but all were dangerous. Yet some were allowed to remain free, under close observation; these were agents whose main task it was to report on the course of Czechoslovak mobilization and the movement of troops. They were all arrested later in 1938, the day before mobilization was proclaimed. The accumulation of letters had provided a wealth of detail about these spies. Czech intelligence knew their names and addresses, their targets and assignments, their communications inside and outside the CSR, the extent to which Budapest was pleased or dissatisfied with their work. The base for which each worked was known: Miskolcz, Komarom, Budapest, Jaeger, and outpost Vienna. For many even the amount of pay was determined.

The Hungarians had introduced secret ink for the protection of their major assets. But this ink, always the same, could be brought out readily by an ordinary developer or by ultra-violet. Every agent was provided with this same ink and with its developer. The process was so unsophisticated that the Czechs would have worried about provocation or a saturation operation had not the information derived from surveillance and arrests set their minds at ease. And the secret ink and developer, in turn, greatly facilitated arrest, for the search of the agent's quarters never failed to unearth both, and the effect of the discovery was usually so shattering that confession followed quickly.

Nine secret Hungarian transmitters were pinpointed on Czech soil. Armed with information from arrests and surveillance, the Czechs moved in on the six of these which were used for peacetime reporting. They seized the codes and operating instructions for each set, doubled each W/T operator, and kept the Hungarian cryptographers busy decoding well-planned deception material. The remaining three sets, which had orders to maintain silence until mobilization, were not picked up until the political tension reached its peak.

Of the two hundred and fifty-three agents some were especially dangerous for Czechoslovakia:

Lt. Colonel Opocensky was a general staff officer of exceptional ability. After fulfilling a very important assignment in the First Section of the

General Staff, the section dealing with organizational matters, he became Chief of Staff of the Fifth Infantry Division in Ceske Budejovice. He was a personal friend of the chief of Czechoslovak military intelligence. He had served in the Serbian Army in World War I and had been known ever since as a brave soldier and profound patriot. The Czech General Staff, rocked by his arrest, remembered uneasily the case of Colonel Alfred Redl, the treasonable Austrian counterintelligence chief who committed suicide after his exposure shortly before World War I.

Lt. Col. Opocensky had not been compromised by Col. Ujzaszy's letters. Budapest had communicated with him directly, by courier. The courier, a stranger, was spotted in conversation with Opocensky, and after a quick preliminary check was picked up for questioning. Though he said nothing about Opocensky, he did confess that he worked for the Hungarian service. Czechoslovak counterintelligence then planned a full surveillance of the lieutenant colonel, but again the Chief of the General Staff intervened with an order for immediate arrest. Opocensky explained his single contact with the courier plausibly, but while the interrogation was going on Czech counterintelligence beavers were at the old job of mining the files. Among the books they examined was one kept by the duty officer, in which anyone who entered the General Staff building during off-duty hours had to sign his name, the time of entry, and the time of departure. The interrogator himself knew that in 1936 Opocensky had visited his office one Saturday evening and spent more than an hour there. There was no corresponding entry in the register. Skillful exploitation of this slender lead finally elicited from Opocensky the admission that he had been an agent of the Hungarians for more than two years. Soon thereafter, and before the interrogation was concluded, he died of a heart attack. The cause of his treason was established, however, before his death: he had been deeply in debt.¹

Lt. Colonel Josef Kukla had worked for the Hungarian service for five years before his arrest. He had been recruited while stationed in a Slovak garrison in Banska Bystrica. The damage which he did to his country was far less than that done by Opocensky, because Kukla's highest post, deputy commander of the First Cavalry Regiment in Terezin, had not enabled him to become privy to major secrets. In consequence his correspondence from Budapest had passed through Colonel Ujzaszy. As in the other cases, Czech intelligence carefully prepared independent evidence through surveillance before moving in to arrest him, but it turned out that these collateral facts were not needed: Kukla confessed promptly and fully. In return the Czech service told him

how to preserve his pension for his wife and three children. He followed the advice and committed suicide before his trial.

Antonin Medricky, who lived in Sternberg, Moravia, was a wealthy man, much respected in his home town for both his charity and his cash. He too was uncovered through the Ujzaszy intercept program. But Czech counterintelligence, having prepared the case carefully, ran into an unexpected barricade: police cooperation was essential because Medricky was a civilian, and the local police stoutly refused to believe that so upstanding a citizen could be a spy. When this difficulty was finally surmounted and Medricky was tried, he was sentenced to twenty-five years in prison. Not long thereafter, however, when the Germans occupied Czechoslovakia, Medricky the Magnificent was freed and undoubtedly served his liberators well.

Other cases can be capsuled by the dozens: the drunkard Burda, for example, who was useful to the Hungarians because he served as a non-commissioned officer in a borderguard battalion. Or the former Austrian, Captain Stoces, who held one of the three radio transmitters that were supposed to go on the air when war started. Both were hanged. But today's reader of these files is likely to find the repetitive tales of treason less interesting than the precision with which the Czechs exploited the patterned regularity of procedure adopted by Hungarian naivete. Then abruptly, in the regular simplicity of these patterns, a jagged gash was torn.

Epilogue

In the late summer of 1938 the beautiful young mistress of Colonel Ujzaszy was found dead in his villa - murdered. The colonel, confronted with this delicate situation, made a straightforward decision: he consulted the chief of Czech counterintelligence. The latter managed to call off the police, a simple matter because those involved were Hungarians and because Ujzaszy was on the diplomatic list. This episode gave the Czechs a hold on a hostile attaché which should have afforded them monumental opportunities. But how could Ujzaszy possibly serve them better than at present? Forcing him to serve as a witting accomplice would have been a sure way to destroy the valuable

operation in being.

While the Czechs were wracking their brains over this problem, Ujszaszy and Kovacs were recalled from Prague. Kovacs was recruited by the Czechs before he left. Ujszaszy, for his arduous and subtle labors, was suitably rewarded by a grateful government. He was made the G-2, Chief of the Second Section of the Hungarian General Staff.

The colonel's successor in Prague was a Major Somogyi, and the Czech counterintelligence operatives discovered soon after his arrival, to their grumbling dismay, that they would have to start earning their salaries. Major Somogyi left the embassy at unexpected times, drove his own car, and dropped the letters one by one in widely spaced and constantly changing mail boxes, some of them far outside the city. He also checked for signs of surveillance. His conduct was so circumspect that the rueful Czechs concluded that, unlike Ujszaszy, he had never been trained by the Hungarian intelligence service. The intercept operation became so complicated that efficiency dropped sharply, and the number of letters recovered grew smaller and smaller.

The dwindling operation was soon overtaken by history. The situation of Czechoslovakia turned from critical to tragic. Hitler screamed his demands for the incorporation of the Sudetenland into the Third Reich. Chamberlain went to Munich in Operation Umbrella. The Germans moved in. Life went on under the shadow of the Gestapo; and when the Communist secret police, after a brief interregnum, replaced the Gestapo in 1948, they put their trainees to studying the story of the Mail from Budapest, that they might derive instruction from the blunders of the one side and the skills of the other.

1 A year after Opocensky's death a member of a surveillance squad rushed into headquarters, white-faced, to report that he had seen Opocensky calmly strolling down a Prague street at high noon. The squad captain eyed him coldly, unable to decide whether the report was born of dementia praecox or demon rum. But a quick check of the files showed that Opocensky had had an identical twin.

Posted: May 08, 2007 07:15 AM