

meantime, CIC was sitting on critical information of two Soviet penetrations into the Gehlen Organization -- the Felfe operation, which CIC was monitoring, and the Albert operation in which CIC and the KGB. both probably unwittingly, were sharing an agent.

Thus, in 1953 and 1954, just as in 1946 and 1947, I found myself personally with a good reason to be interested in what was being reported in CIC reports that I would see for the first time more than thirty years later, courtesy of the Freedom of Information Act and a tenacious investigative biographer. In 1947 and 1948, CIC and TIB, then a still obscure operation run out of Oberuersel were both in touch with this circle of SD members. The Barbie Odyssey, reported separately in this book, describes this earlier period. At that time, CIC was already monitoring and competing with the efforts of TIB, later the Gehlen Organization, for the services of former SD and Gestapo members. But by the later era, in which I have set the Felfe Odyssey, my interest was direct and, as it turned out, of greater consequence. I was by then in Pullach as CIA's man on the scene with the Gehlen operation. I had a most definite "need-to-know" about what was transpiring in the SD and Gestapo circle through which both the KGB and CIC were into the Gehlen Organization. Both were relying on Heinz Felfe as a source of information on the Gehlen Organization. Felfe was reporting, as a witting and firmly recruited agent, directly to the KGB. As far as I know, Felfe was not aware that information he shared with Benzinger, and through him with Ludwig Albert and perhaps others, was also reaching the KGB and CIC. It is probable that both CIC and the KGB had other sources within the circle of former SD, Gestapo and Abwehr members who are either members or connections of Gehlen's principal counterintelligence field office in Karlsruhe -- "General Vertretung Leidl" or simply GV L. It was headed by a wartime Feldwebel who had served with the Abwehr in France.

In the analysis done by Gehlen's security staff after the series of arrests, trials and propaganda events in East Germany in 1953, Gehlen was focusing on the security of GV L and its connections with former SD and Gestapo members. This led him to announce a "reorganization" of GV L in n _____. He also acted to terminate several former SD members in field organizations turned up by his own internal investigation. These were only part Gehlen's belated effort, starting in 1953, to tighten security within his operating organization. But I know of evidence that Felfe was identified by name as a serious security suspect at that time. CIA analysts in Munich still in close liaison with what was by then the BND, first concluded in 1957 that Felfe was one of two suspected penetration of the III F staff in Pullach. Gehlen was informed of this analysis in 1957 and was given a detailed briefing by CIA liaison at that time. But CIA did not have hard information that could make Felfe

more than one of several suspects. Gehlen chose not to act. By 1957 the CIC report of 24 June 1954 had been sitting in someone's filing cabinet for three years. Felfe remained in place.

Gehlen was perhaps diverted from his own search for a mole by an incident which occurred in 1955 which provided at least a partial explanation for the disastrous leaks of operational information to East Germany in 1953. The incident was the suicide of an important connection of Gehlen's GV L headquartered in Karlsruhe.

A CIC report, in which the date is blacked out -- but probably in the period 1954-1955, describes the text of a cable from Hqs 66th CIC to Region IV concerning a raid by the German " Security Group" described as "Operation Weimar" in which four individuals, one of them a Ludwig Albert, are taken into custody. by the German Security Group. 66th CIC appears to suspect the raid may be in connection with Sfs (East German) contacts and advises Region III that Ludwig Albert "is well known to Tech Spec and CS Team your Region. Above for your info and appropriate action concerning security other individuals operationally involved." This suggests a well established CIC relationship with Albert at some point prior an event that caused us to focus sharply on his role.

One day in 1955, Ludwig Albert, a member of the Gehlen Organization committed suicide. Ludwig is described in numerous released CIC reports as a wartime member of the Gestapo, born in 1900, living in 1955 in Neu-Isenburg near Frankfurt. His suicide immediately brought the police and security officers from the Gehlen Organization and CIA into the case. Albert had been a field agent in Hesse for GV L. The files and papers of the dead Albert revealed that he had been a triple agent, working for Gehlen, for CIC and for the KGB. In retrospect, I conclude that Albert was probably a well established CIC informant and a Campus source, extracting information out of the Gehlen Organization via Benzinger and probably others with whom he was in contact.. Benzinger himself would probably have had the kind of access to the central files in Pullach that appear in released CIC reports. Benzinger also may well have been a Campus source. The KGB was receiving reports from Albert that covered some of the same information it was getting directly from Felfe. For the KGB Felfe was a far better placed agent than was Albert. Albert, however, could report to the KGB on what he learned from his CIC case officer. The Army files released when Reese requested information on Benzinger were extensive and indicated early US Army interest and contact dating back to 1945. CIC had reported frequently on Benzinger and obviously did have a Gehlen source that would extract sensitive data out of Gehlen's central files. Benzinger is logical candidate for a Campus role and shared with CIC a

very active set of connections into SD, Gestapo and Abwehr connections. Benzinger was well established in the Gehlen Organization by the time of my arrival in 1948. He was described and presented as one of seven or eight leaders of principal field organizations.

(One of Benzinger's active contacts well known to us was a man named Willi Krichbaum. Krichbaum had been a wartime Gestapo official in France, was referred to as "Colonel Willi Krichbaum" by his acquaintances when he appeared as a witness who gave testimony at the main Nuremberg trial where he was extensively interrogated by CIC and the staff of the Tribunal. At the end of his period at the Nuremberg trial he was delivered by a CIC officer, In later years, this CIC officer acknowledged that while Colonel Krichbaum was held at Nuremberg, he had maintained a liaison with Krichbaum's somewhat younger wife -- an arrangement amicably terminated when Krichbaum was returned to his residence in Bad Reichenhall. Krichbaum, alias Krug, He was reportedly living there when we learned of his connection with Benzinger of GV L. Some years later, I was told that it was Krichbaum who took the initiative to recommend the employment of Heinz Felfe by GV L in 1951.

Was CIC aware that Albert was a KGB agent? Was the KGB aware that Albert was a CIC agent? Both, of course, knew that Albert was a Gehlen employee working for Benzinger. The interests of the KGB and the CIC presumably were different: The KGB wanted to know all about the agents, sources and mechanics of Gehlen's operations in East Germany and how they might use their assets to torpedo Gehlen before he becomes head of the BND. In East Germany the KGB, through their surrogate Ernst Wollweber, the new head of the East German service, would arrest many, bring some to trial and would stage propaganda plays with a select few. Some would be executed. Others would be saved to be traded for spies of the East arrested in West Germany. All of this interested CIC. But the priority of CIC -- or at least those in CIC responsible for these operations -- was different. Their purpose in recruiting Albert. Felfe and others in West Germany, was to determine if there are communist influences in the new West German Government, including its presumptive central intelligence service, the Gehlen Organization. Protecting the security of the Gehlen Organization, and ultimately that of the Bonn government, and limiting the damage from discovered Soviet agents appears not to have been a priority.

It seems quite clear that Gehlen became convinced, starting in 1953, that his organization was penetrated by the KGB and their East German surrogates. He could not have been unaware of a CIC interest, right from the end of the war, in the Gehlen group assembled at Oberuersel. For a brief period, when Gehlen was absent in the United States, CIC played some

role in the early operational activity of Herman Baun. But it was not until July 1955 that Gehlen personally confronted me with the charge that CIC was conducting a major operation to penetrate his organization; it was being directed, he said, by "Colonel Thomas" and one "Mr. Stevens." This demarche presumably preceded the investigation of the Albert suicide since, in this demarche, Gehlen made no reference to the conclusion of his own investigators of the incident, that Albert had been recruited by both CIC and the KGB -- a fact of which CIA was also privy. None of this related, as far as we knew, to the existence of Felfe as a separate KGB penetration of the III F center in Pullach. And neither we nor Gehlen were aware, at the time of the Albert suicide, that CIC had concluded, at least a year earlier in June 1954, that Felfe was a principal source of the KGB in the Gehlen Organization.

Did I do any better in gaining access to CIC reports in 1953 and 1954 than I did in 1946 and 1947? The information that has seeped into the public arena in the past 38 years suggests that I did not. I have no recollection of CIC's accurate fixing of Felfe as a Soviet agent in June 1954. CIC reporting seems not to have come to our attention in Pullach or in CIA in Washington and Germany. By late 1953 and on into 1954, we were analyzing, with Gehlen's staff, the arrests and show trials in East Germany and were highly sensitized to and focused on the problem of a probable mole in the central CI/CE office of the Gehlen Organization. But we had not taken a fix on Felfe. This was certainly true through late 1956 when he was accepted in Washington as one of a visiting group of six CI/CE specialists from the new BND in Bonn. Just seeing CIC's single report on Felfe dated 24 June 1954 would have sounded the alarm. If the picture I have constructed in 1992 of the events in Germany in the late 1940s and early 1950s is reasonably accurate, it represents a significant failure first within the Gehlen Organization for failure in its security and second within the US intelligence community in Germany, and perhaps in Washington.

At the end of the war, CIC had a major explicit responsibility for ensuring that the major offenders cited in Automatic Arrest Categories, above all the former members of the SD and the Gestapo, did not threaten the security and broad objectives of the US occupation of a defeated Germany. By 1953 and 1954 the transition of Germany from enemy to ally was well underway. In July 1953 the United States Senate had passed a unanimous resolution supporting the rearming of Germany and its acceptance in the Western defense of Europe. American policy on Germany had changed dramatically from days when I had served as a staff officer in the headquarters of the US Third Army occupying Germany. CIC's responsibility in Germany was by 1953 and 1954 was shared with expanding German security services. I assume

that CIC reports in 1946-1948 covering Merk, Barbie, Augsburg and a dozen other SD members freely networking in southern Germany were reported by Region III to the 970th CIC Detachment and by it to USFET. Years later, with the French authorities in Lyon France launching a belated war crimes trial of Barbie, the Pentagon had difficulty explaining CIC's use in 1947 and 1948 of Klaus Barbie as an agent reporting on French, German and Soviet activities in the US Zone of Germany .

I am less clear about the distribution of Region IV 66th CIC reports in 1953 and 1954. By then CIC appears to have had a special operation called Campus and did not give normal distribution to its reports. Considerable mystery still today surrounds the Campus operation. Mary Ellen Reese offers her conclusion that Campus was directed against key offices of the emerging German Government for the purpose of uncovering communist influences. Reese, in addition to released CIC reports referred to Campus, interviewed a number of former CIC officials. She concluded that Campus was run by well known CIC Agent Thomas Wesley Dale and a small elite group of CIC agents who remained in Germany for some years. It was probably Campus, managed by Thomas Wesley Dale that caused Gehlen to approach me in July with his complaint on "Colonel Thomas."

Giving a code word such as Campus to a narrowly focused and especially sensitive operation would be a normal practice in any large intelligence organization.. So too would have been limited distribution of its reports.. But Reese goes further in her analysis, indicating that this operation was not approved by higher headquarters and that some of its production is not forwarded through normal channels at all.

It is my reasonably firm assumption that Albert was a penetration operation run by Tom Dale. A "Mr. Stevens" of CIC in Munich was, nine years earlier, along with "Mr. Taylor" named as the CIC officers directing the Kurt Werk group in Kempten and Memmingen,, which included Barbie, Dr. Augsburg and other former SD members. I had only a passing, casual acquaintanceship with Dale in Germany in the early 1950s -- sufficient to recognize him on a later occasion. I recall no contact with anyone I could identify as "Mr. Stevens."

But now the story becomes still more complicated. By 1992 as this book is written, we know that Heinz Felfe in 1953 and 1954 was in fact an agent of the KGB, recruited in about 1951 by a KGB "Colonel Max" on a Felfe visit to Karlshorst. All of this is a matter of record in the 1963 trial of Felfe and his cohorts Clemens and Tiebel in a German court in Karlsruhe. It was also in 1951, while Felfe's operational connection with the KGB is solidifying, that a former Gestapo Colonel Willi Krichbaum alias Krug, living in Bad

Reichenhall on the Austria border near Salzburg, recommended to Gehlen's Benzinger in Karlsruhe that he employ one Heinz Felfe. Within a year, Benzinger, after a brief period of perhaps a year, gave up his talented colleague, Heinz Felfe, to his superiors in the III F office in Pullach.

The 1946-1948 reports on Werk, Barbie, Augsburg and a dozen other former SD members were disseminated, I assume, to at least the G-2 of USFET. As I have reported elsewhere in this book, the Army headquarters in Heidelberg and the Theater headquarters in Frankfurt were in conflict over control of the 970th CIC what at that time was clearly with USFET in Frankfurt. CIA was not a factor at all. The Strategic Service Unit, the bridge in those years between OSS Germany and the CIA station I joined in 1948, was small and would probably have had little interest in these CIC operations in those years. Whatever conclusion CIC and the G-2 of USFET came to from observing former SD. Gestapo, Abwehr and Fremde Heere Ost careening about in the US Zone did not much concern us in Heidelberg. We were concerned with the huge refugee population, the masses of people moving out of Eastern Europe, the security and well-being of displaced persons and the general level of security and stability in the US Zone. I know from my experience in Austria in 1947 and early 1948 that an organization referred to as TIB or "Rusty" was actively running agent operations in and through Austria. We regularly picked up TIB agents and got very unsatisfactory responses in reporting incidents to Germany. It is clear, in retrospect, that the Gehlen Organization was active in southern Germany and Austria in 1947 and 1948. The Gehlen Organization moved from Oberuersel near Frankfurt to Munich in December 1947. It is my assumption that the "German intelligence working for Americans" that appeared and disappeared in the Klaus Barbie Odyssey were indeed early vintage Gehlen organization. Fortunately for Gehlen, Barbie demonstrated a clear preference to go to work for CIC at the end of his job-hunting travels in early 1947.

In 1948 Felfe and Tiebel, both of whom would be convicted as Soviet spies just fifteen years later, are still working harmlessly for Messrs. _____ of the British intelligence which, in 1948, is running out of money. Neither has yet been in touch with Colonel Max of the KGB in Karlshorst.

I do not recall what arrangements CIA in Germany had for gaining access, in 1953 and 1954, to CIC reporting -- particularly when it concerned a suspected penetration by the KGB of a major CIA operation such as the Gehlen Organization. CIA had a liaison officer at the 66th CIC headquarters and CIC had a liaison man located in Office of the Coordinating Advisor, the CIA element in HICOG, the office of the High Commissioner in Germany. In the released CIC reports are several which indicate that the CIC man in

HICOG did see some CIC documents marked CAMPUS. I have no recollection at all that the CIC reporting on Heinz Felfe in the three years from 1953 to 1956 was ever brought to my attention. Our detailed study of the security of the Gehlen Organization in precisely this period, relied almost entirely on operational and information developed within the Gehlen Organization, on defectors handled by CIA and from CIA operations. In fact, the key reports which finally led to Felfe's arrest were a product of CIA operations from sources outside of Germany.

A Polish intelligence officer reporting from inside Poland provided the most significant information. A Soviet General named Gibanov told Golienewski in early 1947 that two of six BND officers visiting CIA headquarters in Washington in the early autumn of 1956 were KGB agents. Felfe was one of these six. Golienewski, by late 1960 convinced that he had come under Soviet suspicion, was evacuated to the United States. Analysis later established that the Soviets did begin to feed disinformation through him. It is quite possible, some CIA analysts who have studied the case label it probable, that in the end the Soviets wrote Felfe off and used Golienewski to provide CIA with information that led clearly to Felfe. Where KGB use of Felfe and Albert intelligence on East German operations had failed to stop the legalization of the Gehlen Organization within a new BND, breaking the Felfe case did immense damage to the BND, to Gehlen personally and to the intelligence relations of the new German service with some of the Western services. By the time that Felfe was identified as a probably KGB agent in the BND headquarters, I had completed my mission in Germany and returned to Washington. In the three years 1957 through 1959 I was, as Chief of the Eastern European Division, directly concerned with the unresolved case against Felfe. When the Golienewski case developed, Jim Angleton, Chief of the Agency's Counterintelligence Staff, was inclined to immediately treat it as a disinformation operation. Had I agreed, he would have taken control of the case. From studying the several initial reports from BEVISION, which Mary Ellen established was the CIA cryp[tonym for this agent, I and several of my staff decided that the initial evidence indicated that he was genuine. The case remained under control of the Eastern European Division although Angleton remained a very active participant in its management. By the time that Golienewski came out in the Christmas holidays of 1960, I was in the process of reassignment to the Near East and South Asia Division and did not participate in the final resolution of the case that Mary Ellen Reese has described in some detail.

In June 1954 my CIA associates and I assigned in Pullach were convinced of a penetration by the Soviets or East Germans -- in this case it made no difference and that it was probably in the Gehlen counterintelligence staff. In

June 1954 the 66th CIC had concluded that Heinz Felfe, by name and know position in Pullach, "had to be" the source of seventy percent of the information surfaced in East Germany. By June 1954 the KGB in Karlshorst had successfully placed Heinz Felfe in the III F staff in Pullach and had a functioning communication system involving Tiebel and Clemens producing what Felfe later admitted was a voluminous flow of information. The KGB possibly had a second man in the Pullach headquarters who, like Felfe, would be one of the six BND visitors to Washington in late 1956. The KGB also had agent, Ludwig Albert, who was a member of the Gehlen Organization living near Frankfurt and reporting to Bemzinger, the head of GV L in Karlsruhe. I do not know whether the KGB in Karlshorst was, in June 1954, aware that CIC Region IV had concluded that Felfe was a Soviet or East German agent and the principal source of information on a number of Gehlen operations exposed in 1953 by the East Germans. I also do not know whether the KGB was aware that their agent, Ludwig Albert, was simultaneously an agent for a CIC operation called CAMPUS.

Finally, I do not know what Gehlen knew of all this and when he knew it. We know he was shaken by arrests, trials and propaganda in East Germany and began 1953 to give more attention to security problems. We also know that following the investigation of the Ludwig Albert suicide in 1955 he became aware that Albert had been an agent for CIC and for the KGB. Gehlen may have concluded that Albert explained, at least in part, some of the leaks to East Germany. The discovery that Albert had been reporting to an Eastern service may have been seen by Gerlane hyKGB the SovietKarGehlen probably? But for whatever reasons, each of the three with overlapping but incomplete knowledge -- CIC, Gehlen and CIA -- chose to play it close to the chest and made no real effort to resolve the issue through cooperation. I have assumed that Gehlen, in doing so, was hoping to delay the explosion that was certainly to come until after legalization of his Organization. CIC's handling of the matter remains, to me, a mystery. By the time that CIA and Gehlen put all of their cards on the table, it was too late -- too late for damage control. If CIC had shared its information with us, the Felfe case would probably have been resolved within months.

Reese, in her book, has provided a reasonably accurate version of an episode which fitted the pattern of poor communications within the US intelligence community on the issue of the security of the Gehlen Organization. She attributes, inaccurately I believe, General Trudeau's understanding of communist activity in West Germany and "especially about Soviet infiltration into the Gehlen Organization" to his service as Commanding General of the 1st Constabulary Brigade in Germany a few years earlier. I doubt that General Trudeau's tour with the US Constabulary

enlightened him on the security of the Gehlen Organization. It is much more likely that the information on this subject that reached his desk in Washington had been developed by CIC or Army intelligence teams in Germany and put in his hands as the Pentagon's top intelligence offer. If the capabilities of CIC to assess Felfe's position in the Gehlen Organization were as reflected in the June 23, 1954 report from the 66th CIC, General Trudeau, as the Director of DIA, had a clear responsibility to take his case directly and officially to the Director of CIA. Instead, he went about creating circumstances where, acting unilaterally and discreetly if not secretly, he undertook to brief Adenauer, using a handful of 3 by 5 cards, on which were written the names and situations of individuals allegedly involved in penetrations of the Gehlen Organization. Adenauer reached out, took and pocketed the cards -- presumably giving the General some assurance that he would read them and take the necessary action. In several interviews, Reese obtained her knowledge of this episode from Trudeau himself.

Back in Bonn, Adenauer did indeed give the cards to Dr. Globke,, the State Secretary in the Bundeskanzleramt. Dr. Globke reported the episode in the Ambassador's garden in Washington to Laughlin Campbell, the CIA officer on the High Commissioners staff in Bonn, and asked him to provide an assessment of the considerable detailed information on the cards. There is no evidence that Dr. Globke reported the incident to Gehlen. He may have. CIA Bonn put the entire text of the material on the cards into a cable to Washington for information and to the CIA office in Pullach for comment. I read the Bonn cable with interest and asked my staff for a full tracing of names, places and events in the cable. My recollection is that I had a response to this within 24 hours and that I was surprised at how extensive our information appeared to be. I personally drafted a cable to Washington drawing on the several pages of information dredged up out of our files. I do not recall receiving a response from Washington. Over the years I was able to put together the following version of what transpired in Washington. Allen Dulles later told me that after reading my cable he had in fact taken it with him and called on the Deputy Secretary of Defense Robert Anderson who immediately read the cable. Dulles may have left him a copy. Years later, Robert Anderson, whom I knew quite well, confirmed to me that he had indeed had the visit from Allen Dulles, had read the cable and concluded that the Trudeau action was a regrettable but inexcusable action. I do not recall that the contents of the cable, available to Bonn, the CIA station in Karlsruhe, CIA Washington and our Pullach office was of sufficient importance to precipitate an exchange on the security of the Gehlen Organization.

I have no recall of the names and other facts which were on the cards taken by Adenauer. The cards, I believe, were

mailed to Washington by Bonn for purpose of the record. I never saw them. Reese felt that "Campus fingerprints were all over the cards" and the information in part was that which had led Region IV 66th CIC to conclude by 23 June 1954 that Felte and his SD associates were a principal penetration of the Gehlen Organization. Forty years later I can only infer that the data on the Trudeau cards did not fit nicely into the detailed analysis which Ed Petty had produced prior to the Trudeau card episode. Petty, who did the immediate analysis of the material from the cards, did not then and does not today, forty years later, relate the Trudeau cards to the Felte case. A few hours of research in either the files of CIA or those of the Pentagon would, if anyone were interested, clarify whether the data on the cards related to the Felte case. If General Trudeau had been persuaded, in 1955, that CIC was convinced in 1954 that Felte was a Soviet agent, which he was, General Trudeau's failure to raise the issue officially with the Director of CIA, was more than an awkward indiscretion.

The bitter criticism of Gehlen within Germany and the Western intelligence community over the Felte case was not that Gehlen had harbored one or even a handful of SD members in his service. The criticism was that he had permitted the KGB to achieve and maintain for some years a penetration at a point critical to the most sensitive side of the intelligence business -- the security of agent operations in enemy territory. Given the history of widespread use of former SD members by Western Intelligence in the postwar period, the fact of a few SD members infiltrating the ranks of the Gehlen Organization would not alone have produced much reaction. Witness the saga of Klaus Barbie in 1947 and 1948 and the fact that British Intelligence in Germany and the Kaiser Ministry in Bonn had both employed Heinz Felte before he found his way into Gehlen's specialized CI/CE field unit in Karlsruhe headed by Feldwebel Benzingewr whose wartime role was with the Abwehr in France. It was through Benzingewr's operation that Felte found his way to Pullach to become a kind of personal protege of Gehlen himself. Benmziger in the Gehlen Organization, like Abwehr Captain Kurt Merk working for CIC, provided a more palatable Abwehr coating for the SD sour pill represented by Klaus Barbie and Dr. Emil Augsburg in the earlier 1947 episodes described elsewhere in this book.

I do not totally discount Gehlen's assertion in his book that he did not know that Felte had an SD background. Faced with the diverse challenges that Gehlen faced in maneuvering his Organization through the stormy and rock-bound seas of postwar Germany, Gehlen did not give much detailed attention to managing his operating intelligence arm. His closest associates railed against his lack of close attention to agent operations in Soviet-controlled territory. It would have been quite consistent with Gehlen's makeup to become

interested in a spectacular political report without painstaking examination of the quality of the operation., Gehlen was not a painstaking "spymaster" but he was a sitting target for an operation producing reports certain to get the interest of top political leaders in Bonn. His relationship with Felde reportedly developed around one or more operations in this pattern. Once Gehlen was aware that the event of 1953 suggested a mole in his own staff, he went through the motions of tightening up security and probably ordered the dismissal of several former SD members turned up in field organizations. But he clearly stalled on taking action on Felde.

The most disturbing aspect of the SD circle that operated mainly along an axis running from Karlsruhe to Stuttgart and Munich, is that the American intelligence community had in its hands information that should have precipitated a critical and coordinated examination -- certainly not later than 1954. But the reality is that it attracted too little interest and no real concern until too late. Who should have blown the whistle? Not once during the eight years that CIA was sponsoring the Gehlen Organization did any responsible, reasonably senior official on the US side address the problem of SD and Gestapo penetrations of US intelligence activities. CIC was clearly by 1954 in possession of information to conclude that Felde and his SD group had to be the source of seventy percent of the information on Gehlen operations surfaced by the East Germans in an orchestrated propaganda operation. This series of related CIC reports came to my attention, some thirty years after t they were written. only because of the Freedom of Information Act and the curiosity of an American writer, who had no intelligence background, had never been to Germany and had never met Reinhard Gehlen.

If there is one area of the postwar world in which such coordination should have occurred, it was the occupied Zone of Germany. It is true that Americans, particularly those in Germany, had gradually shifted priorities from looking back at WW II to looking forward to a possible conflict with the Soviet Union. T he sharpness of focus on denazification obviously begun to fade by the early 1950s.

The Felde case eventually unfolded in the German and international press, in acrimonious debate in the German Parliament , the Bundestag, in our own CIA analysis and in painful discussion between CIC and the BND. Not clear to me is whether, after Felde's arrest in 1961 and trial in 1963, the CIC reporting of 1953 and 1954 ever came to light.

Two documents released by the Pentagon throw a curious light on the Pentagon's role and knowledge of the Felde case. In 1963, while the Felde trial is presumably still in process in Germany, senior officers concerned with the matter.

blandly state that Pentagon files contain no information on the Felfe case except that received from ----- in Germany. In a second document, a Pentagon official is advising another party (censored out) that they are prepared to have a discussion of the Felfe case but put the other party on notice to bring their information and experts along since the Pentagon has no information. My best guess is that CIA and the Pentagon are about to jointly assess the Felfe trial with the Pentagon maintaining that it really is uninformed on the whole matter.

How is it possible that a person with Felfe's background could be employed in a highly sensitive position in the Gehlen Organization which, by 1953, was in the process of being gradually integrated into the government of the German Federal Republic -- the final act of which was postponed from 1 April 1954 to 1 April 1955 and finally accomplished on 1 April 1956. Many concluded that the delay by Chancellor Adenauer in proceeding with the integration of most of the Gehlen Organization into an official German Intelligence Service in 1954 was in part Bonn's response to the orchestrated expose' by the East German regime of Gehlen's clandestine agent operations. This was probably a factor. But properly a greater influence on Adenauer in early 1954 were the political problems in Western Europe and within the German Federal Republic itself concerning creation of a new German Bundeswehr, German sovereignty and a role for Germany within NATO.

The SD network that was concentrated geographically in Bavaria and Wurtemberg-Baden was itself penetrated by both the US CIC and Soviet controlled intelligence at the same time that it was successfully placing its members in the central counterintelligence department of the future German Intelligence Service which in turn was deeply involved in a "held in trust" relationship with the Central Intelligence Agency. By 1953 Chancellor Adenauer was committed to sponsor the integration of the Gehlen Organization into a new German centralized intelligence arm that would, in turn, become an integral element of Germany's evolving national security and defense establishment destined to become a major part of NATO. In the game being played out in southern Germany, the stakes were obviously very high. In the midst of all of this, the 66th Counterintelligence Detachment was running a highly secret operation with the codename "Campus." Its stated objective was to identify existing or potential Soviet communist influence in the sensitive elements of the emerging German government, the Federal Republic of Germany.

To put Campus into perspective it is useful to isolate several elements that are widely accepted as factual:

I. On Region III of the 66th CIC reported what appeared to be an analytical conclusion that Heinz Felfe, a

staff member of the Gehlen Organization, was the probable source of 70 percent of the operational information that had been surfaced by the East Germans in the expose' orchestrated by East Germany's security service. Region III had concluded that Heinz Felfe was a source of a Soviet controlled service wholly hostile to the West. Heinz Felfe was the subject of t his and other CIC reports. CIC was obviously targeted on Felfe and knew a great deal about him, His position in the Gehlen Organization and his past role in the SD.

2. Felfe was employed initially by GV "L", a field office of the Gehlen Organization headquartered in Karlsruhe and specializing in counterintelligence activities. Leidl had been a non-commissioned officer in the Abwehr with assignment primarily in the West. He was not part of the Fremde Heere Ost group. His operational milieu appeared to be mainly in Wurtemberg-Baden and Bavaria. Felfe came to the Pullach assignment from Leidl's group.

3. In Pullach the American staff had heard rumors of a CIC operation called Campus but knew little about it. CIA's office in Bonn probably knew of its existence. CIA liaison at t he 66th CIC headquarters may have been aware of it. I have no recollection that Campus was ever recognized as significant and the object of discussion within the CIA German Station.

4. I first became aware of the significance of Campus when I read relevant CIC reports obtained by Mary Ellen Reese under the Freedom of Information Act. I focused immediately on the CIC r eport that, in the opinion of the writer, Felfe as on was seen as the probable source of 70% of the East German's revealed knowledge of Gehlen operations.

4. Neither CIC nor Army intelligence at any level initiated any official exchange or discussion with CIA, at least none known to me and my Pullach staff, of CIC's focus on Felfe as early as 1953 and 1954. Felfe's final exposure and arrest did not happen until 1963 -- a lapse of almost ten years.

5, The case of Albert, a Gehlen Organization field officer in Stuttgart appears to be a definite part of the three-way connection among Soviet intelligence (Albert was their agent), the Gehlen Organization (Albert was a member) and CIC (which had also recruited Albert and, in unwitting parallel with the Soviets, was using Albert as a source of CIC information on the Gehlen Organization. It is probable that Albert was part of CIC's Campus operation. I recall that when Albert committed suicide, a security investigation by the Gehlen Organization and the CIA staff in Pullach was immediately initiated. The report of investigation, as I recall, was that Albert in fact had files covering his three masters in the intelligence game -- (1) Gehlen staff,

possible Dr. Klausner office but probably run through the Leidl office. (2) A Soviet-controlled service if not the KGB directly, and (3) CIC in Germany.

6. In May 1955, possibly as a result of the Albert suicide, Gehlen's staff in Pullach initiated discussions with us on the operational activity of a "Colonel Thomas" and a "Mr. Stevens" of CIC who had been running a major operation against the Gehlen Organization, mainly against GV "L". At Pullach we concluded that "Colonel Thomas" was Thomas Wesley Dale, a well established senior operator in CIC. I have no recollection of the outcome of this exchange between us and the German staff in Pullach. I do not recall that it led to any discussions within the German Station of CIA or with CIC or Army intelligence.

7. I recall that on one occasion, Army military intelligence officers from Berlin were included in a group of Army intelligence visitors being briefed in Pullach on the state of the Gehlen Organization. Several raised questions of possible penetrations. We took the data they offered and reviewed it after their departure.

8. General Trudeau, then head of the Defense Intelligence Agency, accosted Chancellor Adenauer in the garden of the German Ambassador's residence with cards containing names and essential data of alleged penetrations of the Gehlen Organization. General Trudeau has acknowledged that he was quite surprised when Adenauer reached out and simply took the cards, from which Trudeau was talking, stating that he would look into the matter. On returning to Bonn Adenauer gave the cards to State Secretary Globke who passed them on to the CIA representative in Bonn requesting comment. The CIA representative, I believe it was Laughlin Campbell, put the entire text of all cards in a lengthy cable to Washington, the CIA Station Chief in Karlsruhe and to CIA in Pullach. Within a day or two, the CIA counterintelligence staff in Pullach had putted together from our American files quite detailed comment on the contents of the Trudeau. My only recollection today is that I was surprised and pleased at the extent of our knowledge on the individual and circumstances described on the cards. As a result I sat down and personally drafted our comment which was addressed to Washington with information copies at least to CIA Karlsruhe and CIA Bonn. I have no recollection of any response from Karlsruhe or Bonn. Later I had occasion to discuss this with Allen Dulles and, on another occasion with Robert A. Anderson who had at that time been Deputy Secretary of Defense. Allen Dulles told that he had taken a copy of my cable with him in calling on Anderson told me that it was he who had initiated the action to have General Trudeau reassigned.

Mary Ellen Reese has hypothesized that there were "Campus

fingerprints" all over the Trudeau cards which, fully analyzed and investigated might well have led to a common effort to determine if there was good evidence of a penetration of the Gehlen Organization. Since I have not seen the text of the Trudeau cards since the incident now almost four decades in the past.

9. Long before to the formation of the BND on 1 April 1956 and my departure from Pullach, Ed Petty, a CI specialist on my staff, began to brief me regularly on his continuing analysis of the series of compromises the Gehlen Organization was experiencing in East Germany. After a time I had come to share his conclusion that there was a penetration within the Klausner office and that evidence focused his interest on two members -- neither of whom I had, at that time, personally met. One of these was Felfe. The other used the working alias as Reille and, like Felfe, had come into the organization in the early 1950s. All of this was, I am sure, routinely reported to Karlsruhe and Washington. I do not recall that it elicited any response. Nor do I recall that I was particularly surprised, following my return to Washington, to attend an informal garden party at the home of a CIA staffer who was playing host to a group of visitors from the new BND that included Felfe and Reille. I believe this was my only personal encounter with either.

10. Thomas Wesley Dale was a tall and very large man -- in appearance not easily forgotten. Some years after my return to Washington I was surprised to see Tom Dale emerge into the hall from the office of James Angleton, the of the CIA Counterintelligence staff. During my eight years in Pullach Angleton was conspicuous by his absence; as far as I know he never visited Pullach nor initiated an exchange of any kind with me. We did have overlapping interests on Germany. Jim was close to Jay Lovestone, one-time communist and later a staunch anti-communist as a leader in the American labor movement. Jim and Jay Lovestone were very close in the postwar years and both followed events in Germany through Jay Lovestone's eyes. After my return to Washington a fairly close personal contact between us developed and continued until we both had retired. Over the years, Jim and I became the two long-time survivors on the staff of the DDP. Every few weeks we had long lunches together. I was exposed to hours of Angleton's analysis of the state of the world. I agreed with much of it. When Jean Evans and Ed Petty, my two principal CI analysts returned to Washington after years in Pullach, both were taken on by Angleton and buried deep in his secretive analytical staff.

When I saw Tom Dale's imposing figure disappearing down the hall it occurred to me that I had no recollection of any connection between Dale and Angleton either in Germany or after my own return to the United State. I had simply

forgotten all about Tom Dale and the infrequent glimpses into his CIC role that I had experienced in Germany. I was not reminded of the fragmentary information I had seen and heard regarding Campus. I did not go to Angleton and ask him about his current and past ties with Tom Dale. Nor did he or anyone else advise me that Dale was in some way associated with Angleton. Years later, after Mary Ellen Reese had asked me to look at the series of highly sanitized, i.e. censored, 1953 and 1954 CIC reports and had exposed me to her expanding knowledge on Campus and other events in German in the 1950s, it suddenly dawned upon me that I had never pursued the question of Tom Dale's connection with Angleton. So a year or so ago, I asked Ed Petty, long retired and living in Annapolis, about Dale's role in CIA. Petty said that, yes, Tom Dale had been taken on by Angleton when Dale returned from Germany, as an analyst on communism. Ed Petty and Jean Evans, both quite aware of critical gaps in our knowledge the security cases surrounding the Gehlen Organization, went to Dale and asked him, as colleague in CIA and the CI staff, to discuss these matters. Dale turned them down flat. He said that part of the employment agreement between Angleton and Dale was that he would be asked by no one to discuss any aspect of his CIC operations in Germany. Angleton confirmed this. Never once did Angleton or Dale ever reveal to me, while we were all still active in the Agency, that Angleton even knew Dale or advised me of his return from Germany and his employment by CIA.

10. Mary Ellen Reese states in her book on Gehlen that the elite group within CIC which ran the Campus operation had a separate channel for reporting selected materials produced by their operation. Some disseminated reports were stamped for no distribution outside of military channels. Others simply went forward in some other channel. Mrs. Reese speculates, from knowledge acquired in her research and interviews over a five year effort, that Campus and the episode with the Trudeau cards were part of a broader questioning of that period within some elements of the Defense Department about CIA. I got some sense of this in talking with the principals and staff members of one or more of the investigation launched by the President on the advice of the President's Foreign Intelligence Advisory Board. I consider this broader question entirely peripheral to my examination of Germany's transition from enemy to ally over the half century that has just passed.

GBOOK25A (relates to GBOOK25)
MORE ON GEHLEN, THE SD AND GESTAPO

Considering all the evidence available to me, I could not avoid the judgement that the Gehlen's Organization, at the critical point in time when creation of the official German Intelligence Service seemed imminent, was almost destroyed by a too permissive policy on using both former SD and Gestapo officers in the sensitive elements conducting secret agent operations. From the beginning, Gehlen had chosen to ignore the use of former SD and Gestapo members on the fringe of his new service. In time, the influence of the former SD and Gestapo members reached into the most sensitive central staff in Pullach. By being negligent on screening persons for key positions in the headquarters, Gehlen greatly facilitated the penetration of his organization by the Soviet KGB. The influence of the SD serving the KGB, ironically most successful in penetrating Gehlen's own counterintelligence effort, centered in GV L. his field organization in Karlsruhe, and the III F staff in his own headquarters. The penetration of the Gehlen Organization at its most sensitive level was accomplished by a small group of former SD and a few Gestapo officers -- all subject in the years since the war to the automatic arrest and detention policy of the US occupying power and, after 5 March 1946, German authorities. If it was really the firm purpose of the Allies to reduce the influence of the SD and Gestapo in postwar Germany, the effort was less than effective in the area of intelligence and security.

Starting in the early summer of 1946, the new German denazification law was being implemented. All Germans in the US Zone over 18 years of age were required to submit to German authorities a Fragebogen, a long and detailed questionnaire covering in most explicit terms the individual's history in the Third Reich. At least initially there was widespread compliance. A former SD or Gestapo member on the loose in 1947 had either gone underground or was working with American intelligence or as informants for the German police. By 1953 this had changed. A central German government was moving toward sovereignty and membership in the Western Alliance. There is no doubt that, as the authority and influence of the Special Branch offices of OMGUS gradually eroded between 1947 and 1953, the hundreds of Spruchkamern, the German boards of review, became more tolerant and generous in viewing sins of the past -- particularly where membership and not specific allegations of individual war crimes provided the basis for penalties. By the early 1950s the fervor of the early days of OMGUS for carrying out policies rooted in the Yalta agreement had waned. I consider it quite probable that, by the early 1950s, hundreds of former Gestapo and SD members, provided they had not been charged with war crimes, had the problem of automatic arrest and detention behind them. But

SD + GESTAPO INFLUENCE

DENAZIFICATION

This file best with

GB 35

60-SD-GESTAPO

the stigma of an SD or Gestapo background remained; the German identity documents, required in the possession of all Germans over eighteen years of age, by law would have reflected the individual's status under the German Law of 5 March 1946. It is true that what many Germans referred to by their countrymen as "the real Nazis" have been effectively side-tracked from playing any significant role in postwar Germany.

In 1945 and 1946, the years in which Gehlen began to assemble his postwar effort, conditions in all of Germany and, indeed, much of Western Europe, were chaotic; wartime police and intelligence services were being dismantled; all were suffering the intelligence variety of combat fatigue and end-of-war disorientation. Many European cities were physically devastated with populations politically torn by the war. Within Germany itself there existed what often, with good reason, has been called an "intelligence jungle." Reinhard Gehlen and his organization were not the only Germans to managed to continue their profession with no more than a brief pause. The competing security and intelligence arms of each of the four powers were having it both ways with the SD and Gestapo members -- chasing down and interning some and recruiting others as collaborators in intelligence operations. But by the early 1950s NATO members had developed police and security organizations that were increasingly professional, effective and cooperating with each other -- bringing a degree of order to the world of intelligence.

The Gehlen Organization, attempting to achieve some semblance of independence and without genuine legal status within a sovereign government, became increasingly vulnerable to monitoring and surveillance from all sides. Frequently, incidents involving Gehlen operatives in Western Germany and Western Europe were brought to our attention by police and security organizations. Our friendly allied services in Western Europe, including the British and the French, were in the early years have quite different experiences with Gehlen. The French, in conjunction with the Swiss, were his first and closest connection -- well established in the late 1940s. The British were clearly ambivalent -- suspicious, hostile and disparaging on the one hand; but curious, concerned, wanting to get involved and waiting to be invited to the party. Basically, the British tried to compete in both intelligence and military developments in Germany, far more aggressively than the Americans. It was clear to the Germans that the United States would be the superpower in the Western alliance; as the perceived Soviet threat to Western Europe developed, US policy on both intelligence and forming a new German armed forces in a NATO framework became straight-forward and uncomplicated.

BACKGROUND
INTEL IN POSTWAR
EUROPE

SD + GESTAPO in
Gehlen Org

We in CIA never really regarded SD and Gestapo influence in the Gehlen Organization as more than a minor problem. I think that is what it would have turned out to be if the KGB had not successfully used the SD to gain access and if CIC had performed the task for which it was designed and had not withheld critical security information from CIA and ultimately from the Adenauer Government that was doing all possible to find a place among the Western nations. I recall one occasion in the early 1950s when the American staff in Pullach had pulled together accumulated evidence on six different cases involving individuals with SD or Gestapo backgrounds. All appeared to be organizationally on the periphery of the Gehlen Organization. All had been involved in incidents which came to the attention of one or more of the occupation powers; and were duly investigated by German police or the new German security agencies. The LfVs had been created at the State level in 1949 and the BfV at the Federal level in 1950. These German security agencies had been sponsored and monitored by the French, British and American High Commissioners in Bonn where compliance with denazification rules were still being observed. Security vis a vis the KGB and its satellites was not an entirely comfortable item on the agenda of the High Commissioners as long as the Allied Control Council in Berlin was still alive. Dr. Otto John, screened and approved by the Western Allies as the first head of the BfV, defected to the East and returned after two years and was convicted of . He was generally regarded as psychologically unsuited for his role.

The incidents involving Gehlen agents with SD and Gestapo backgrounds became rarer as the years passed; we dealt individually and routinely with each. I think Gehlen was indifferent and probably disinterested in the whole subject of former SD and Gestapo members at the margin of his organization. But he did not, in principle, defend their use. Given his ambitions to gain acceptance in Bonn, he would have been unwise politically to do so. Gehlen also was conscious that careful political scrutiny would accompany the transfer of the rank and file of his Organization to official status. When confronted with the evidence of these incidents, Gehlen consistently stated that he did not knowingly employ former SD and Gestapo. In light of all this, why did Gehlen's representatives why were they making use of former SD and Gestapo members as agents and sources. The answer is that Allied policy was clearly ambivalent with intelligence given authority to take exception to the automatic arrest and detention policy. Former SD and Gestapo members were available, often unemployed, familiar with clandestine operations and desperate for protection.

This attitude of indifference was broader and obviously extended into the intelligence services of all of the

JCS or 1067
AA Exceptions

Allies. JCS 1067 had, in fact, invited precisely what became endemic. After setting forth the whole arrest and detention policy in very tough terms, JCS 1067 ended with a loop hole: "In your discretion, you may make such exceptions as you deem advisable for intelligence or other military reasons." Many will argue that the exceptions became the rule. I have no recollection of any senior official or organization in the American occupation forces raising as a serious issue the discreet use of SD and Gestapo in American-sponsored intelligence operations, including those of the Gehlen Organization and CIC.