

CONFIDENTIAL
LIMDIS

50

NAZI WAR CRIMES DISCLOSURE ACT
2000

DOCUMENT ID: 26911439
INQNO: DOC9D 00058287
DOCNO: TEL 001572 88
PRODUCER: USBERLIN
SOURCE: STATE
DOCTYPE: IN
DOR: 19880524
TOR: 071237
DOCPREC: P
ORIGDATE: 198805240801
MHFNO: 88 9021588
DOCCLASS: C
CAVEATS: LIMDIS

CIA HAS NO OBJECTION TO
DECLASSIFICATION AND/OR
RELEASE OF CIA INFORMATION
IN THIS DOCUMENT

HEADER
PP RUEAIIB
ZNY CCCCC ZOC STATE ZZH
STU4676
PP RUEHC
DE RUFHJA #1572/01 1450810
ZNY CCCCC ZZH
P 240801Z MAY 88
FM USMISSION USBERLIN
TO RUEHC/SECSTATE WASHDC PRIORITY 4466
RUFHOL/AMEMBASSY BONN PRIORITY 5848
RUFHLD/AMEMBASSY LONDON PRIORITY 7832
BT

CONTROLS
C O N F I D E N T I A L USBERLIN 01572

LIMDIS

BONN FOR LEGAL ADVISER AND LEGATT
DEP'T FOR L/LEI: DAVID STEWART; EUR/CE

TEXT
TAGS: PGOV, PREL, BZ
SUBJECT: UPDATE ON CRIMINAL INVESTIGATION OF BDC
- THEFTS

REFS: A) BONN 14126 (NOTAL) B) USBER 1267 C) USBER
1218 D)USBER 1191 E) USBER 1163 E) USBER 1154

1. BEGIN SUMMARY. THIS MESSAGE REVIEWS (A) THE
STATUS OF THE BDC INVESTIGATION, (B) THE EXTENT OF
BDC LOSSES, (C) PROSPECTS FOR EARLY COURT ACTION,
(D) BDC SECURITY UPGRADE AND (E) THE HIRING OF A NEW
AMERICAN BDC DEPUTY DIRECTOR.

2. BERLIN PROSECUTORS, WITH ASSISTANCE FROM THE
FBI, HAVE MADE MAJOR PROGRESS IN BREAKING THE BDC
THEFT CASE. AN AUCTIONEER IN HAMBURG, A BERLIN
DOCUMENT HANDLER, A BERLIN PETTY THIEF, AND A BDC
EMPLOYEE HAVE ALL BEEN ARRESTED IN RECENT WEEKS AND

STATE DEPT. DECLASSIFICATION REVIEW
 Retain class'n
 Declassify
Change/classify to _____
with concurrence of _____
after _____
EO 12958, 25X
IPS/CR/IR by sd Date: 8/31/01

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2001 2007

FOR COORDINATION WITH ed State

LIMDIS
CONFIDENTIAL

**CONFIDENTIAL
LIMDIS**

INTERROGATED. MOST HAVE CONFESSED. PROSECUTORS EXPECT TO CONCLUDE THEIR INVESTIGATION IN THE SUMMER AND BRING THE CASE TO TRIAL IN THE FALL.

3. THE CENTER CONTINUES ITS ONGOING CHECK OF ITS HOLDINGS TO ASCERTAIN THE EXTENT OF ITS LOSSES. SO FAR 2416 DOCUMENTS HAVE BEEN CONFIRMED AS STOLEN, OF WHICH ABOUT 1800 HAVE BEEN RECOVERED. WE BELIEVE THE LOSSES TO BE HIGHER (ONE PRINCIPAL ACCUSED HAS CONFESSED TO SELLING 4 - 5,000), BUT IT WILL BE MONTHS BEFORE WE ARE CERTAIN. SO FAR WE HAVE NOT DISCOVERED SIGNIFICANT LOSSES IN THE NON-MICROFILMED HOLDINGS, BUT ONLY A SMALL FRACTION OF THOSE HOLDINGS HAVE BEEN CHECKED.

4. THE MISSION IS UNDERTAKING A MAJOR SECURITY AND FIRE-PROTECTION PROGRAM AT THE CENTER. WE HAVE (A) ESTABLISHED 24-HOUR US GUARD SERVICE INSIDE THE BDC, (B) ARE INSTALLING CLOSE-CIRCUIT TELEVISION, (C) CREATED A NEW INTERNAL SECURITY SYSTEM FOR BDC EMPLOYEES, (D) PLANNED FOR THE HIRING OF A NEW US DEPUTY DIRECTOR AND (E) APPOINTED A FULL-TIME BDC SECURITY OFFICER.

5. ADDITIONALLY THE FRG HAS AUTHORIZED SEPARATE FUNDS FOR THE CONTINUATION OF THE MICROFILMING. MICROFILMING BIDS SHOULD BE SUBMITTED NEXT MONTH AND WE EXPECT TO BEGIN THE PROJECT THIS SUMMER. NATIONAL ARCHIVES OFFICIAL ROBERT WOLFE ARRIVES JUNE 12 AND MISSION WILL CONSULT WITH HIM ON THE APPOINTMENT OF A NEW US DEPUTY DIRECTOR AND THE GENERAL OPERATIONS OF THE CENTER. END SUMMARY.

- - - - -
STATUS OF INVESTIGATION
- - - - -

6. BERLIN PROSECUTORS CONTINUE THEIR VIGOROUS INVESTIGATION OF THE BDC THEFTS. IN PAST WEEKS THEY HAVE ARRESTED AND INTERROGATED AN ENTIRE NETWORK OF DOCUMENT HANDLERS AND MIDDLEMEN RESPONSIBLE FOR THE SALE AND RESALE OF THOUSANDS OF BDC DOCUMENTS. THEIR FIRST BIG BREAK CAME IN MARCH, WHEN ANDRE HUESKEN, A HAMBURG AUCTIONEER, CONFESSED HIS ROLE WHILE UNDER INVESTIGATIVE DETENTION IN BERLIN. HE IMPLICATED A BERLIN DOCUMENT HANDLER NAMED HERBERT BORMANN. BORMANN WAS IMMEDIATELY ARRESTED AND IDENTIFIED A BERLIN PETTY CRIMINAL, HENRY BERGER, AS HIS SOURCE FOR THE STOLEN DOCUMENTS.

7. BASED ON BORMANN'S CONFESSION THE PROSECUTORS GOT AN ARREST WARRANT FOR BERGER AND HELD HIM A FEW DAYS, BEFORE HE TOO GAVE WHAT THEY BELIEVE TO BE A FULL CONFESSION. BERGER WAS APPARENTLY NOTHING MORE THAN A GO-BETWEEN. HE IS ILLITERATE AND HAD LITTLE NOTION OF THE VALUE OF THE DOCUMENTS IN WHICH HE WAS DEALING. BUT HE IDENTIFIED HIS SOURCE FROM THE BDC,

**CONFIDENTIAL
LIMDIS**

AN EMPLOYEE IN THE REPRODUCTION UNIT NAMED ALFRED DARKO. DARKO, WHO COMES FROM THE IVORY COAST, IS MARRIED TO A BERLINER AND HAD WORKED IN THE BDC FOR 12 YEARS. ACCORDING TO BERGER DARKO BROUGHT LARGE NUMBERS OF BDC DOCUMENTS OUT OF THE CENTER, STORED THEM IN AN APARTMENT HE RENTED, AND SOLD THEM TO BERGER.

C O N F I D E N T I A L SECTION 02 OF 04 USBERLIN 01572

LIMDIS

BONN FOR LEGAL ADVISER AND LEGATT
DEP'T FOR L/LEI: DAVID STEWART; EUR/CE

TAGS: PGOV, PREL, BZ
SUBJECT: UPDATE ON CRIMINAL INVESTIGATION OF BDC

8. DARKO WAS ARRESTED ON FRIDAY, MAY 6. PROSECUTORS AND BDC STAFF HAD HAD DOUBTS ABOUT DARKO FOR SOME MONTHS, HAD KEPT A CLOSE EYE ON HIM, AND HE WAS FIRED AS SOON AS THE DECISION TO ARREST HIM WAS MADE. PROSECUTORS ARE CERTAIN THAT HE WORKED IN CONJUNCTION WITH AT LEAST THE FORMER DEPUTY DIRECTOR OF THE CENTER, WOLFGANG EBERHARD, WHO WAS ARRESTED AND RELEASED ON HIS OWN RECOGNIZANCE LAST JANUARY. MISSION AGREES THAT THE THEFTS, AND IN PARTICULAR THE CHOICE OF DOCUMENTS, WERE FAR TOO SOPHISTICATED TO HAVE BEEN MASTERMINDED BY DARKO, A MAN LARGELY UNINVOLVED WITH THE SUBSTANTIVE WORK OF THE CENTER. ALTHOUGH DARKO HAS MADE SOME INCRIMINATING STATEMENTS DURING HIS DETENTION, HE HAS YET TO CONFESS. THE PROSECUTORS HAVE SUFFICIENT CAUSE TO HOLD HIM IN PRETRIAL CONFINEMENT UNTIL TRIAL AND UNLESS DARKO MAKES A FULL CONFESSION HE IS UNLIKELY TO BE RELEASED. WHETHER DARKO IMPLICATES EBERHARD OR NOT, THE PROSECUTORS INTEND TO INDICT EBERHARD AS WELL. IT IS TOO EARLY TO SAY WHETHER FURTHER BDC EMPLOYEES MIGHT BE INVOLVED.

9. PROSECUTORS ARE ALSO PURSUING LEADS AGAINST VARIOUS DEALERS AND HAVE BEEN VERY GRATEFUL FOR THE ASSISTANCE PROVIDED BY EMBASSY BONN LEGATT AND THE LEADS PRODUCED BY FBI ASSISTANCE IN UTICA AND KANSAS CITY. THERE ARE CURRENTLY 2 HAMBURG AND 3 MUNICH DEALERS WHO WILL PROBABLY BE INDICTED WITH THE BERLIN RING. THERE ARE FAR MORE DEALERS INVOLVED, BUT THE PROSECUTORS MUST GATHER SUFFICIENT EVIDENCE TO SHOW THAT THE DEALERS KNOWINGLY TRAFFICKED IN STOLEN DOCUMENTS.

10. THE HAMBURG DEALER, HUESKEN, HAS ALSO IMPLICATED A BRITISH DEALER NAMED IAN SAYER. SAYER, WHO LIVES IN HOUNSLUW, APPARENTLY BOUGHT APPROXIMATELY 2,000 BDC DOCUMENTS FOR BETWEEN 100,000 AND 120,000 MARKS. MISSION WILL WORK WITH PROSECUTORS IN EXPEDITING BRITISH ANGLE OF BDC

CONFIDENTIAL
LIMDIS

INVESTIGATION AND WILL KEEP EMBASSY LONDON INFORMED.

LATEST ESTIMATES OF THEFTS

11. AT LATEST COUNT, THE BDC HAS CONFIRMED, THROUGH COMPARISONS WITH OUR MICROFILM RECORDS, THAT 2,416 DOCUMENTS WERE STOLEN. THE CHECK REMAINS FRAGMENTARY BECAUSE OF THE ENORMOUS UNDERTAKING INVOLVED IN TRYING TO CONFIRM THE STATUS OF 30 MILLION FILES. THE CENTER HAS CONCENTRATED ON THE SS OFFICER FILES, FROM WHICH 2,001 OF THOSE DOCUMENTS HAVE BEEN CONFIRMED AS MISSING (11 OF THE 62,000 SS OFFICER FILES, INCLUDING ALL THE MAJOR FIGURES, HAVE BEEN CHECKED). WHILE A HANDFUL OF DOCUMENTS HAVE BEEN CONFIRMED AS MISSING FROM EVERY HOLDING AT THE CENTER, WE HAVE MICROFILM OF EVERYTHING EXCEPT THE MASSIVE IMMIGRATION FILES (111 FILES OF THE 2.5 MILLION IN CENTER HOLDINGS CHECKED, 1 DOCUMENT ESTABLISHED AS MISSING) AND THE NON-BIOGRAPHIC FILES (419 FILES OF 500,000 CHECKED, 4 DOCUMENTS ESTABLISHED AS MISSING). IT SHOULD BE BORNE IN MIND THAT WITHOUT MICROFILM OF THESE TWO HOLDINGS THE PROCESS OF CONFIRMING THEFTS IS CHANCY AND DEPENDS ON A PAINSTAKING ANALYSIS OF EACH FILE (SOME CORRESPONDENCE WITHIN THE FILES IS CONSECUTIVELY NUMBERED, SOME MISSING ITEMS CAN BE IDENTIFIED FROM OTHERS PRESENT IN THE FILE, ETC.).

12. IN ADDITION TO THE NUMBERS OF MISSING DOCUMENTS CITED ABOVE, 88 VOLKSGERICHTHOF (VGH) FILES (NOT DOCUMENTS) ARE MISSING AND UNACCOUNTED FOR. IN ORDER TO DETERMINE THIS THE BDC HAD TO GO THROUGH 45,125 INDEX CARDS ON THE INDIVIDUAL DEFENDANTS AND DETERMINE THAT 88 OF THE 18,000 VGH FILES ARE MISSING. WE CANNOT EXCLUDE THE POSSIBILITY THAT SOME OF THE 88 MAY BE MISFILED AND THE CENTER CONTINUES CHECKING. WE HAVE MICROFILM COPIES OF ALL C O N F I D E N T I A L SECTION 03 OF 04 USBERLIN 01572

LIMDIS

BONN FOR LEGAL ADVISER AND LEGATT
DEP'T FOR L/LEI: DAVID STEWART; EUR/CE

TAGS: PGOV, PREL, BZ
SUBJECT: UPDATE ON CRIMINAL INVESTIGATION OF BDC

VGH FILES.

13. INCLUDED IN THE 2,416 CONFIRMED MISSING DOCUMENTS ARE A FEW SENSATIONAL, ALTHOUGH PUBLICLY WELL KNOWN, NAMES. MUCH OF THE **KLAUS BARBIE** SS FILE AND ALL OF BARBIE'S RESETTLEMENT FILES ARE MISSING.

**CONFIDENTIAL
LIMDIS**

THEY ARE ALL ON MICROFILM. MISSING ALSO IS THE ORIGINAL OF THE DENTAL RECORDS OF SS DOCTOR JOSEF MENGELE (WE STILL HAVE A COPY). PROSECUTORS SPECULATE THAT THESE RECORDS WERE AFFECTED BECAUSE THEY CAME INTO CIRCULATION (WERE SOUGHT OUT AND REPRODUCED) AS A RESULT OF LEGITIMATE GOVERNMENT REQUESTS AT A TIME WHEN THE BDC THEFT RING WAS IN FULL SWING (EARLY 1980'S) AND KEY BDC EMPLOYEES WERE INVOLVED.

14. THE 2416 MISSING DOCUMENTS IS NOT A FINAL FIGURE. OF THOSE 2416, WE HAVE RECOVERED ABOUT 1800 DOCUMENTS FROM DOCUMENT SEARCHES IN BERLIN, MUNICH, KARLSRUHE, AND UTICA, NEW YORK. BUT BORMANN (WHO WAS PROBABLY THE PRIME CONDUIT FOR THE DISPERSAL OF STOLEN BDC DOCUMENTS OUT OF BERLIN) CONFESSED TO HAVING BOUGHT 4 TO 5,000 DOCUMENTS. THE CENTER CONTINUES TO WORK THE FEW SENIOR EMPLOYEES CAPABLE OF UNDERTAKING SUCH DOCUMENT REVIEWS EXTREMELY LONG HOURS (WE ARE TAKING CARE TO LIMIT THE INVOLVEMENT OF ANYONE WHO MIGHT HAVE BEEN INVOLVED IN THE THEFTS, ALTHOUGH IT IS IMPOSSIBLE TO BE CERTAIN). THE CENTER CONTINUES TO PROCESS ITS AVERAGE OF 4,000 INQUIRIES A MONTH, IS NOW SHORT-HANDED FROM LOSING A NUMBER OF KEY EMPLOYEES AND THUS IS BEING STRETCHED PRETTY THIN. WE EXPECT THAT IN THE NEXT 6 MONTHS THE CENTER WILL HAVE A RELATIVELY COMPLETE PICTURE OF WHAT WAS STOLEN.

- - - - -
TRIAL PROSPECTS
- - - - -

15. PROSECUTORS CAUTION THAT NOT EVERY DEALER WHO HANDLED STOLEN BDC DOCUMENTS WILL BE INDICTED. SOME HAVE COME FORWARD VOLUNTARILY TO OFFER UP PILFERED DOCUMENTS AND PROCLAIM THEIR COMPLETE INNOCENCE. WHILE ANYONE FAMILIAR WITH NAZI DOCUMENTS SHOULD HAVE HAD A STRONG SUSPICION, AND SOME OF THE DOCUMENTS WERE EVEN SOLD IN THEIR ORIGINAL BDC FOLDERS, THERE IS ENOUGH NON-BDC NAZI DOCUMENTATION IN PRIVATE HANDS TO REQUIRE CLEAR EVIDENCE OF KNOWLEDGE OF THE STOLEN NATURE OF THE DOCUMENTS BEFORE A DEALER IS INDICTED.

16. PROSECUTORS EXPECT TO CLOSE THEIR INVESTIGATION THIS COMING SUMMER AND BRING THE CASE TO TRIAL THIS FALL. AS OF NOW HUESKEN, BORMANN, BERGER, EBERHARD, DARKO AND A NUMBER OF DEALERS FROM MUNICH AND HAMBURG ARE LIKELY TO BE INDICTED. THE LIST COULD EASILY GROW. BDC EMPLOYEES CONVICTED MAY WELL RECEIVE SIGNIFICANT JAIL SENTENCES. DEALERS AND OTHER MIDDLEMEN WHO CONFESS AND COOPERATE, OR AGAINST WHOM THE EVIDENCE OF KNOWLEDGEABLE COMPLICITY IS WEAK, ARE LIKELY, IF CONVICTED, TO BE

CONFIDENTIAL
LIMDIS

GIVEN LARGE FINES.

BDC SECURITY MEASURES

17. MISSION RSO HAS WORKED CLOSELY WITH MISSION ADMINISTRATIVE OFFICER AND, WITH EMBASSY BONN'S SUPPORT, HAS RECEIVED 800,000 DM FROM THE OCCUPATION BUDGET FOR NEW SECURITY PRECAUTIONS AND FIRE PROTECTION RENOVATIONS. CLOSED CIRCUIT TELEVISION IS BEING INSTALLED. A 24-HOUR US GUARD FORCE IS SUPPLEMENTING, INSIDE THE BDC, THE GERMAN GUARD FORCE WHICH OPERATES AROUND THE PERIMETER OF THE COMPLEX.

18. THE CENTER'S GREATEST VULNERABILITY COMES CLEARLY FROM WITHIN. WE ARE INTRODUCING NEW
C O N F I D E N T I A L SECTION 04 OF 04 USBERLIN 01572

LIMDIS

BONN FOR LEGAL ADVISER AND LEGATT
DEP'T FOR L/LEI: DAVID STEWART; EUR/CE

TAGS: PGOV, PREL, BZ
SUBJECT: UPDATE ON CRIMINAL INVESTIGATION OF BDC

MEASURES (INCLUDING COLOR CODED BADGES) TO SEGREGATE THE WORK FORCE, TO THE EXTENT FEASIBLE, SUCH THAT EMPLOYEES IN ONE SECTION DO NOT HAVE ACCESS TO OTHER PARTS OF THE CENTER UNRELATED TO THEIR DUTIES. ALL BRIEFCASES ARE BEING SEARCHED BEFORE THEY ARE TAKEN OUT OF THE CENTER. BDC EMPLOYEES ARE NOW UNDER STRICT INSTRUCTIONS THAT NO VISITORS ARE TO BE LEFT ALONE WITHOUT CALLING IN A REPLACEMENT TO WATCH OVER THEM. IN THE LAST ANALYSIS, THE CENTER'S EMPLOYEES, AND PARTICULARLY THE SENIOR ONES, WILL BE ITS SECURITY STRENGTH OR WEAKNESS. WE ARE DOING ALL WE CAN TO INTRODUCE A SYSTEM, HOWEVER, THAT LEAVES AS LITTLE LEEWAY AS POSSIBLE FOR MALFEASANCE.

NEW US DEPUTY DIRECTOR AND MICROFILMING

19. MISSION IS ALSO ACTIVELY PURSUING THE FILLING OF THE LONG-VACANT AMERICAN DEPUTY DIRECTOR SLOT AT THE BDC. ROBERT WOLFE FROM THE NATIONAL ARCHIVES IS DUE IN BERLIN ON JUNE 12 AND WE ARE LOOKING FORWARD TO HIS ADVICE ON BOTH THE DUTIES OF THE NEW DEPUTY DIRECTOR AND THE MANAGEMENT OF THE CENTER MORE GENERALLY. MISSION HAS ALREADY RECEIVED ONE APPLICATION FROM A US PROFESSOR REFERRED TO US BY MR. WOLFE, AND WE EXPECT TO OPEN THE JOB UP TO A

CONFIDENTIAL
LIMDIS

WIDER GROUP OF APPLICANTS WHEN WE HAVE FIRMLY
ESTABLISHED THE DUTIES OF THE NEW DEPUTY DIRECTOR.

20. MISSION HAS DISCUSSED THE UPCOMING MICROFILMING
CONTRACT WITH THE 4 BERLIN FIRMS CAPABLE OF HANDLING
SUCH A MAJOR PROJECT. WE WILL BE SENDING OUT A
FORMAL BID REQUEST THIS MONTH AND EXPECT THE BIDS TO
BE SUBMITTED AND A CONTRACTOR SELECTED BY JULY 1.
THE COST AND THE TIME ARE CLEARLY DEPENDENT ON THE
NUMBER OF DOCUMENTS AND THEIR CONDITION. THE LATEST
ESTIMATE OF THE 15,000,000 FILES LEFT TO BE
MICROFILMED, IS THAT THEY CONTAIN APPROXIMATELY
60,000,000 DOCUMENTS. THIS IS A VERY ROUGH
ESTIMATE, AND THE TIME AND COST ARE THEREFORE
DIFFICULT TO PINPOINT. WE WILL PROVIDE MORE PRECISE
INFORMATION WHEN IT IS AVAILABLE. GILMORE

ADMIN
END OF MESSAGE

CONFIDENTIAL