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EASA-1860

14. AUG. 1953

10 Aug. 1953

F1 Board LF
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RLG

Chief, EE
Attn: []
Chief of Base, Salzburg
Operational/GROOVI

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GROSSBAHN - Progress Report for the Period 16 June to 15 July 1953

Ref- EASA-1580

A. Synopsis. The following paragraphs reflect progress within the GROSSBAHN operation for the period indicated. Salient developments were:

1. [] briefing and conference regarding GROSSBAHN on 29 June (decisions reached during this meeting are reflected in subsequent text).
2. Preliminary steps with MOB toward securing a U. S. visa for GROSS-BAHN.
3. Debriefings of [] on the Soviets and related personalities in Urfahr.
4. Preparation of [] for his trip to Budapest/Bucharest on 28 July 1953.

B. Specific Action Requested of Headquarters. None.

C. Specific Action Requested of Vienna. See paragraph D.1G., a reply to SOE/1269 is requested (suspended meeting with []) in order that transfer of PP-1 might be planned.

D. Summary.

1. GROSSBAHN.

- a. Budget revision submitted under EAVA-3801 (SOE/1269). No fund increase requested.
- b. Training has not progressed beyond BOC lecture material.
- c. Security remains essentially unchanged.

NAZI WAR CRIMES DISCLOSURE ACT. Vehicle issue has presented no complications.

e. Files have been completely microfilmed.

EXEMPTIONS Section 3(b)

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

RLG, EE/Red cap, EC/A (RLG)

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f. Major problems settled.

2. CC-4 reported for duty 22 June.
3. CC-15. No POC granted as yet.
4. AA operation continued dormant. To be disbanded.
5. AA-1 cut-out idea disapproved by [] and []
6. AA-2 meetings with Soviets suspended. Agent to be transferred to Zone.
7. AA-3 (NW-1) contact established.
8. HI-1 has accomplished no real progress in phasing over to REDCAP support.
9. [] debriefings fruitful. He appears well suited as REDCAP asset in Urfahr.
10. PP-1 transfer held up pending COM and COPS decision on []
11. [] briefings and preparations for Budapest/Bucharest trip nearing completion.

E. General.

1. GROSSBAHN.

a. Budget. A revised budget has been submitted under EAVA- 3801 (SOB/1268). No increase in funds was requested, rather a reduction of \$4.31 per month was recommended in spite of the fact that general increases were suggested for all but a few personnel. This was due to recent attrition in the GROSSBAHN operation—dropping of agents CC-2, CC-5, and XI-1. The monthly budget is now set at the dollar equivalent \$1,604.23. Detailed breakdown is contained in EAVA- 3801(SOB-1268).

b. Training. During the past month, we have continued reviewing with GROSSBAHN in detail the Basic Operations Course lecture material we reported turning over to him in EASA-1530. Due to the heavy agent meeting schedule which GROSSBAHN is now handling personally, difficulty is being experienced in finding sufficient time to devote to formal training. Much of the meeting time with his case officer is devoted to reviewing operations, offering operational guidance, planning the course of present operations and discussing ways and means of developing new operations. Wherever possible, time is taken for academic instruction but this is probably averaging an hour per week—certainly too little time. However, a brighter side to the training problem is that due to the fact that GROSSBAHN is now functioning as a F/A— is out in the field handling his sources—he is actually receiving invaluable on-the-job training. We feel this working training more than compensates for the lack of formalized training.

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c. Security. There were no new security developments during the period. We are satisfied that GROSSBAHN answered the questions we put to him early in June truthfully (see para. 3.a.(2) of EASA-1580) and we have thus abandoned our plans to re-run him on LOFLUTTER. has advised us against running a routine re-test as results are usually valueless and may have a negative effect on the agent. Unless something specific crops up, we do not plan to re-test.

d. Vehicle. The issuance of a vehicle (see para. 3.a.(3) of EASA-1580) removed the last obstacle standing in the way of our insistence that GROSSBAHN assume the role of P/A and handle his own agents. GROSSBAHN's becoming completely mobile has been one of the most rewarding operational innovations in recent months. He is now keeping, personally, six to eight agent meetings per ^{week} month, a schedule which would have been ~~impossible~~ ^{difficult} without the vehicle.

e. Files. While GROSSBAHN's records are now completely on micro-film, a portion of his files still remain in Frankfurt. These will be retrieved before mid-August, as GROSSBAHN is experiencing difficulty in incorporating file traces in his reports.

f. Major Problems. These problems were threefold: U. S. citizenship, Austrian citizenship and a KUBARK contract. We are well on our way to securing a U. S. visa for GROSSBAHN (see EAVA-380 (SOB/1327) and EAVA-3857 (SOB/1453)) through MOB. The need for Austrian citizenship has evaporated since GROSSBAHN's son's birthday has passed without disastrous results and he secured his ID card as the son of a stateless father. We have offered GROSSBAHN a contract which he ultimately refused on the grounds that he has been operating on KUBARK good will for over six years now and feels that he can continue to do so without a formal document. We are planning on GROSSBAHN's departing Austria to reach the U. S. on or about 15 October 1953 for the primary purpose of filing his first papers toward U. S. citizenship. He is to be turned around as quickly as circumstances will permit and is to assume a role of spotter, recruiter and developer of new operations on his return to Austria.

2. CC-4 reported for duty on 22 June. Her performance to date has not been impressive. GROSSBAHN states she is an 8:00 to 5:00 type, has no devotion to duty and seems anything but impressed with the importance of the new field in which she finds herself. We have told GROSSBAHN that chances are it will be difficult to justify his retention of two secretaries in view of his newly planned role after return from the U. S., possibly even difficult to justify one secretary. If anyone is retained, it will be CC-3. We should leave the opportunity open to dismiss CC-4 on rather short notice in the near future. GROSSBAHN has been told to discuss CC-4's poor performance to date with her, stress that he is not at all pleased with her and that she is to consider that she will continue on probation for at least 60 more days. We will discuss CC-4 again with GROSSBAHN in early August and, if she continues uninspired, we will probably recommend that she be dropped.

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3. CC-15. POC has been requested in EASA-1524. Although POC probably will be granted prior to GROSSBAHN's departure for the U. S., no recruitment of CC-15 will take place until GROSSBAHN's return. This will be placed on the agenda of GROSSBAHN's new tasks—to recruit and develop whatever potentials CC-15 might have.

4. AA Operation. This operation has ceased to exist, as a group. AA-2 has been told by the Soviets that he need no longer appear on a regular basis—they will summon him if and when needed. Arrangements are being made among the Bundesheer planners to transfer AA-2 to the Gendarmerie (he is an ex-officer) then quietly arrange his transfer to the Gendarmerie School in Carinthia, safely out of convenient Soviet reach. AA-2 is being given 60 days severance pay and is being dropped as of 31 July. At his last meeting with AA-1 in Vienna on 6 and 7 July, GROSSBAHN broached the idea of his taking over AA-6 and sub-sources AA-61, AA-62 and AA-63 directly. AA-1, surprisingly enough, was enthusiastic about the idea and admitted that AA-6 and sub-sources had been rather disappointing to date and that a fresh viewpoint and control could only bring salutary results. Arrangements have been made for AA-1 to drop contact with this sub-group and for GROSSBAHN to come into direct contact with AA-6. This will be done prior to 15 August. If this group has no potential against the REDCAP target, they will be dropped. AA-1 has been instructed that he is to sever contact with any and all peripheral personalities he has been using in a casual manner and to cease all personal OB reporting. In substance, this means that the AA group has been completely dissolved or removed from the direct control of AA-1. As firm plans are drawn up for the disposition of GROSSBAHN's present assets, we will, in all probability, recommend that VOB take over direct control of AA-1 principally for his potential value against the [] [] [] targets.

5. AA-1 Cut-Out. The ideas which we expressed in para. 3.f. of EASA-1580 (inserting a cut-out between AA-1 and KUBARK) were not concurred in by [] [] and [] [] during briefing of 29 June. Subsequent events have proven the fallacy of these plans and the soundness of this decision. Therefore, plans to secure such a cut-out are abandoned. We have not advised AA-1 of this. Rather, we have encouraged him to continue his spotting efforts, however, stressing that any candidates must measure up to stiff requirements on our part. This leaves us free to disqualify spotted persons for the cut-out position, but at the same time permits us to look over AA-1's candidates and measure them against KUBARK targets and standards.

6. As reported in paragraph 4, foregoing, at AA-2's last meeting with the Soviets on 30 June, they stated that he would no longer be required to call at their offices regularly. They indicated they would probably look him up again in the fall. Arrangements are underway, initiated by AA-1 through his official Austrian channels, to transfer AA-2 to the Gendarmerie and assign him to the Gendarmerie School in Carinthia. We are preparing a final consolidated report on all of AA-2's meetings with the Soviets which will be forwarded shortly. He is being dropped as of 31 July.

7. AA-3. This agent is now described by GROSSBAHN as WW-1 due to his severance from the former group. GROSSBAHN has had three meetings with this agent since the last progress report. He has reported some data on the

[] [] []

Gendarmerie school at Ebelsberg--principally their intelligence endeavors--of marginal interest. We still do not have a clear idea on his possibilities because he, himself, is still unsure of just what he is going to be capable of doing. At present, his personal logistical problems are receiving almost his full attention (moving his family from Vienna, settling in a new apartment, getting oriented in his new job) and we have, by no means, conducted a thorough assessment of this agent for this reason. If we cannot clarify our plans on WW-1 prior to GROSSBAHN's departure, we will recommend that he be kept dormant during GROSSBAHN's absence and that he be fully assessed and developed on GROSSBAHN's return.

8. HH-1. We are making little progress in securing worthwhile results from HH-1. He has been over a month now compiling data on the SPARROWS, a father and daughter team in the Soviet Zone, whom we feel may have some REDCAP potential. Except for the SPARROWS and a few marginal tidbits he has submitted on Linn and Urfahr, HH-1 gives all the earmarks of being a poor investment in terms of both time and money. We are giving him until 31 August to produce (he has been told this) or he will be dropped. While prospects with HH-1 are rather bleak, and the contact has been generally unrewarding, a sizeable redeeming feature in his favor is the fact that we were led to [] (see para. 9) who bears all the earmarks of being a solid REDCAP asset. Nevertheless his retention cannot be based on one performance alone and unless he shows real promise of leading us to equally rewarding operations, it is problematical whether he will be retained beyond August.

9. []. (Formerly [] and/or []). PRQ, Part I, with operational details and request for POC was forwarded under EASA-1621. Progress to date with []'s debriefing was summarized by [] in EASA-1692. This agent is in periodic personal contact with Soviets and is in almost constant contact with persons (principally younger females) who are in touch with Soviets. To date, we have accumulated a fair amount of operational intelligence on the Soviets in Urfahr and surrounding areas, plus some biographical and pictorial data on []'s sub-sources. This agent will be phased to direct case officer handling in the near future. For details, see paragraph F.2.i. under Future Plans.

10. PP-1. The question of PP-1's transfer to Vienna and subsequent phasing over to a ~~full-time~~ REDCAP support role, has been held in abeyance pending COM and COPS decision on planned meeting with []. The major problem involved is one of continuity-- [] should be met by someone close to or the person who will be his future contact in Vienna, so that the operation with him, if undertaken, can be carried on without an artificially induced strain. This would be the case if he were first contacted by an SOB case officer because, if the initial meeting proved successful, it would then be necessary to phase him over to a VCB case officer as his official position and residence are both in Vienna. From what GROSSBAHN tells us, the PP-1 transfer can take place at any time. We are holding it up, however, hoping that the planned meeting with [] will place us in a better position to insure that PP-1 gets the best assignment possible in Vienna to carry on against the REDCAP target.

11. E This agent was given one REDCAP assignment to follow down—a lead to a photographer in Waidhofen/Thaya who allegedly is in direct contact with Soviets—which he carried off with a fair performance, taking into consideration his inexperience and youth. We will gradually give him more assignments of this type as it is felt he is basically sound, can give us fair performance, and can be learning by doing. Although a REDCAP asset, agent will attend the Communist Youth Festival in Bucharest during the first half of August because the opportunity he presented to secure intelligence, plus photos, on a satellite country appeared too potentially valuable to overlook. He was able to secure sound cover for his planned photo activities by obtaining photo commissions from Communist publications in Austria. In addition, his travelling with Adolf LECHNER, leading Communist youth figure in agent's home town and a long time acquaintance, will lend him general overall cover during the entire trip. For further details on this agent, see paragraph F.2.k. under Future Plans.

F. Future Plans.

1. In the light of GROSSBAHN's planned trip to the U. S. and return to Austria in the role of spotter, recruiter and developer of new operations, it is vital that we dispose of—either by direct takeover, suspending or dropping—his present operations prior to his departure. While our planning has not progressed to the point of being able to offer precise details, we do have a rough framework in mind against which we will work in breaking up his operations.

2. The following paragraphs give the details:

a. CC-3. CC-3 will be retained to handle PP-3 contact in GROSSBAHN's absence. In addition, she will hold down the office and allow us a contact with persons who will be kept dormant during this period, should the need arise.

b. CC-4. We can see little justification, in view of our planned future role for GROSSBAHN, for the retention of two secretaries. Unless unforeseen significant developments take place prior to GROSSBAHN's departure, or CC-4 has other possibilities we are not aware of at the moment, she may be dropped.

c. CC-15. We do not plan any further activity with this contact prior to departure date. CC-15 will be one of GROSSBAHN's first developmental targets upon return.

d. AA-1. AA-1 is to be phased over to direct VCB case officer control prior to GROSSBAHN's departure, to be run as a single agent against future possibilities vis-a-vis 7/A Precise details will be worked out with COPS and submitted.

e. AA-2. This agent has been dropped as of the end of July 1953.

f. AA-3. This agent is now described by GROSSBAHN as WW-1 as he has no present connection with the AA group. Inasmuch as we do not, as yet, have a clear view of exactly what WW-1's capabilities are, he should probably be classified as still developmental. As such, we intend instructing GROSSBAHN that he is to place the WW-1 operation on a suspended status during his absence, and to place WW-1 high on the developmental list to be looked into closely on his return.

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g. AA-6, AA-61, AA-62 and AA-63. This sub-group is almost completely unassessed. GROSSBAHN will establish direct contact with AA-6 prior to 15 August. If the group has no REDCAP potential, they will be dropped after a thorough assessment has developed this. If they do have a potential, in all likelihood we will be unable to properly develop this group prior to GROSSBAHN's departure, in which case the AA-6 sub-group would also be placed on the list of assets to be properly developed by GROSSBAHN on his return.

h. HH-1. This agent has been given until 31 August to produce against the REDCAP target. It appears at present that he may be dropped at that time. However, should the SPARROWS or other HH-1 possibilities not apparent at the moment, show real promise, we will hold HH-1 dormant during the period of GROSSBAHN's absence and develop him fully on GROSSBAHN's return. Firm recommendations on the fate of HH-1 will be submitted.

i. []. This agent will be phased to direct REDCAP case officer control as quickly as possible. We will LCFLUTTER him on 28 July, allow for two GROSSBAHN meetings after the LCFLUTTER test for the purpose of smoothing any ruffled feathers that the test might raise and so as not to throw too much at the agent at once, then phase control directly to []

[] At the moment, we see no reason why [] will not be a direct REDCAP asset by 15 August.

j. PP-1. We plan on phasing PP-1 to direct VOB control prior to GROSSBAHN's departure. The local police, CI/CE coverage will be placed in the hands of PP-3, who will be contacted by CC-3, in GROSSBAHN's absence. We plan on seeing CC-3 at least once a week at GROSSBAHN's office (at night) while he is in the U. S. We will thus be able to pass along routine requests to PP-3 (or to any other dormant agents, as a matter of fact) and receive through her routine reports.

k. []. The second of two agents whom we plan to turn over directly to the SOB REDCAP Section. [] is by far the more fruitful and promising looking and thus will receive priority treatment in turnover. [] will be handled by GROSSBAHN as long as possible and will be turned over shortly prior to his departure date.

G. Recommendations. We will shortly furnish our suggestions on the handling of GROSSBAHN while available in the U. S. While the primary task is to get him started on his first citizenship papers and back to Austria as promptly as possible we nevertheless feel that some advantages might accrue as a result of Headquarters getting a first hand look at (and a chance to talk with) GROSSBAHN.

31 July 1953

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N.B. Reference paragraphs D.6., E.4. and E.6., we may have failed to make the matter of AA-2's transfer to the Gendarmerie and subsequent transfer to the British Zone absolutely clear. According to GROSSBAHN, AA-2 has for some time, even prior to his initial Soviet contact on 4 March, desired to get into the Gendarmerie and become an officer in the embryonic Bundesheer. With or without pressure from the Soviets, he would have made the transfer in time—the Soviet slackening of interest in him has given him an incentive to make the move now. It is entirely his idea and we have had nothing to do with influencing his decision. While we are not enthusiastic about the transfer at this time—the Soviets may look on the move with certain suspicion and consequently may revive their interest in him—there is little we can do to prevent it. We cannot insist that he remain in place, available to the Soviets indefinitely, for he finds such a future prospect repugnant and nerve-wracking. As a compromise measure, we see no objection to allowing him to work out his own future as he sees fit and to drop him as of 31 July 1953. There will undoubtedly be a social correspondence between AA-1 and AA-2 after the latter transfers. If the Soviets become interested in AA-2 again, we could expect him to inform AA-1, who, in turn, should inform us.

R.C.M.