

ARTICLE ARTICLE
ON PAGE A-8

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Another Spy Story Is in From the Cold

By Thomas O'Toole
Washington Post Staff Writer

What wartime American intelligence officers call "new and startling" revelations about how the U.S. Office of Strategic Services (OSS) dealt with the Soviet secret police, then called the NKVD, have emerged in a book about the origins of the CIA.

Working with documents from the National Archives and the British Archives, Bradley F. Smith wrote in "The Shadow Warriors" that late in World War II the OSS, one of the CIA's predecessors, bought 1,500 secret Soviet documents and four secret Soviet military and diplomatic codes from the Finns only to have President Roosevelt and Secretary of State Edward R. Stettinius order the OSS to return them to the Soviets. At that time the Soviet Union was an ally of the United States.

According to Stettinius' notes, Smith wrote, Roosevelt told him "to see that the Russians were informed of this matter at once." Smith added, "A State Department presidential order was immediately issued to OSS that the codes and the documents be immediately given to the Soviet government."

By Feb. 15, 1945, Smith wrote, both the codes and the documents had been turned over to Andrei A. Gromyko, then Soviet ambassador and now foreign minister.

To those who have lived through 35 years of Cold War cloak-and-dagger adventure, Smith wrote that "the most surprising feature of this entire affair is probably the U.S. government's decision" to give the codes back to the Soviets, since this guaranteed that the Soviets would change their ciphers at the very time the United States needed to know Soviet intentions.

"In our Ian Fleming world," Smith wrote, "this appears to be an act of great power madness akin to giving an opponent the scientific formula for an important secret weapon."

Smith also wrote that in another case, Wilhelm Hoettl, deputy chief of the Gestapo's foreign intelligence

section, offered the OSS an entire Nazi intelligence and radio network in the Balkans "as trade bait" just before the Nazi surrender.

But before any deal could be made the OSS seized the ring's communications center in Steyring, Austria, and tested the radio setup to see if Hoettl really had agents in the Balkans.

"Two SD [Gestapo] agents, Kurt Auner in Romania and Paul Neunteuffel in Hungary, responded to the test call signals sent out by OSS from Steyring," Smith wrote. But even though OSS Chief William (Wild Bill) Donovan satisfied himself that Hoettl had an anti-Soviet Balkan network in place where the OSS had none, he concluded that Hoettl "was evidently motivated by a desire to stir up trouble between the Russians and ourselves," informed the Soviets of the existence of the ring and offered to help them wipe it out, according to Smith.

What followed was a comedy of errors at the highest levels of American and Soviet intelligence, he wrote, ending in the OSS eliminating the Nazi network and not turning over any captured material to the Soviets.

"There ended the East-West consideration of the Hoettl matter," Smith concluded, "and this was also the last message to pass through the OSS-NKVD exchange center in Moscow. Three weeks later," President Truman signed the order "abolishing OSS . . ."

Smith wrote that both the Hoettl incident and the matter of the Finn codes tell of Donovan's impetuosity more than anything else. Smith wrote of Donovan: "He was inclined to move boldly, even recklessly, in grasping what he felt to be the big chance. In purchasing the Soviet codes and finally in the handling of the Hoettl affair, Donovan plunged in where most intelligence men would have been reluctant to act."

Former wartime intelligence officers agree that Smith's accounts of both incidents are "new and startling" footnotes to history.