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DI TCH NO [EGNA-3999]

CLASSIFY AND DECLASSIFY

CLASSIFICATION

TO : Chief [of Station], Berlin

DATE: 2 Apr 54

FROM : Chief [of Station], Bonn

INFO: [COM]
[EE]
[PCB]

SUBJECT: GENERAL - [Operational] CART

SPECIFIC - Werner-Reinz STEPHAN

RE: BRIN [3216] of 18 March 1954

1. [The BIV] would not let me have access to Subject's files but agreed to furnish me with the attached summary of what is known about his connections and activities.

2. Despite repeated warnings by the BIV that STEPHAN was an intelligence swindler, Berlin Senator FISCHER continued to accept his reports and forward them to the Federal Chancellery, probably through Dr. Heinrich VOCKEL and Dr. SAUER. Moreover, FISCHER asked the chief of the Berlin LV, WIECHMANN, to reimburse FISCHER for the money he had paid to STEPHAN, and when WIECHMANN refused to assume this obligation, FISCHER in retaliation refused to confirm WIECHMANN in his job. The situation deteriorated to such an extent that WIECHMANN threatened to resign and it took GERKEN's personal intervention to convince FISCHER that he had been duped by STEPHAN. Upon being presented with all this damning evidence, FISCHER finally admitted his mistake and agreed to the official appointment of WIECHMANN as of 1 April 1954.

3. If you should happen to possess additional evidence of STEPHAN's paperwork, without risk of compromising your sources, I should like to get all available information for passing to the BIV. The idea behind this move is to enhance the prestige of the BIV which had a most difficult time convincing the Chancellor and his immediate advisers of the swindle perpetrated by STEPHAN.

[REDACTED]

Enclosure:

1. [BIV rpt III/1-2-29-3058/54]
[dat 25 March 1954]

Distribution:

- 2 - [PCB] w/encl
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DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHODS EXEMPTION 3028
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2001 2006

FORM 51-28A

CLASSIFICATION

[EGNA-3999]

100-3054/30

March 25, 1954

Subject: Werner - alias STEPHAN, born on 30 March 1903 in [redacted].

After the provisional conclusion of the STEPHAN-case as a result of the conversations which took place at the office of the Senator of the Interior in Berlin on 17 March 1954, a brief account of the development of the case is herewith furnished for your information.

1.) In the beginning of October 1953, when the Federal Bureau submitted to [redacted] the request for an expert opinion material on STEPHAN and forwarded to the Consular Office in Hamburg, the Berlin representative of the Federal Bureau, [redacted], was for the first time contacted in connection with the STEPHAN-case.

Among the material in question was in particular an information concerning an alleged school in Hamburg (see also) which was used as source material for an article which appeared in no. 11 (1953), dated 4 Nov 1953, of "Der Spiegel".

2.) Immediately after having been acquainted with the material, [redacted] was able to determine that the material was obviously a falsification. As a result a check was made upon a BUREAU which, however, did not yield any result regarding the information which was obtained from your office.

3.) In the course of November 1953, STEPHAN furnished the Federal Bureau with material among which was information concerning the STEPHAN-affair and a report on the alleged smuggling of agents across the border in the Luebeck-Schlutup area. Investigations concerning both reports which were carried through by [redacted] revealed that the information which STEPHAN had furnished had been freely invented.

4.) On 19 Nov 1953, [redacted] furnished the Federal Bureau with a first summary report by which the Bureau was informed that the reports which had been obtained from STEPHAN were false and had probably been obtained by the latter for the sake of financial gain.

[redacted] was again contacted [redacted] might be [redacted] see also on [redacted] in [redacted] case [redacted]

[EGNA-3999 AH]

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... (The name) ...

8.) ... his contact with the following persons whose acquaintance he had evidently had prior to 1945:

- a) ...
- b) ...
- c) ...

All of the above-named persons ...

...

a) CLARENCE, ...

Material which allegedly originated from the ... Service, contained a reference to ... major, an acquaintance of ... of the ... Security. ... was freely ... by ... Up to 1945 ... was living in Dresden. ... is now living in the ... Republic and, therefore, cannot possibly be the head of a department of the SSD. Incidentally, the proper Christian name of ... is "Hans" and not "Eric" as was stated by ... This indicates that in all probability, ... made use of the name of ... whose acquaintance he had had at an earlier time, in order to let his name appear as the head of an ...

b) KRICHBACH, a former Oberst, is well-known to ... according to available information any connections between K. and ... after 1945 except ... KRICHBACH too comes from Dresden and is, like ... known to ... from the time before 1945.

c) The case applies to ... a former lawyer. ... and earns his livelihood as a ... and not, as was asserted by ... his office is in ... a statement ... according to which he denies any ... According to ... which was carried ... by this office, ... assertion that ... maintains connections with

...

...

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... neither known to the Federal Chancery or the ...
... to [the RV].

... that as Dr. ... was contacted by ...
... Senator of the Interior in Berlin. Investigations are
... being made in order to ascertain whether or not he
... is identical with the Dr. ... in question. It is most
... probable that the Dr. ... who was introduced to Senator
... is an entirely different person.

10.) Material which was furnished by ... in Jan 1954, was again
... found to be a falsification. The Federal Chancery
... was informed accordingly.

11.) On 20 Feb 1954, after the ...-... affair had been
... settled and the ... case had been released for legal
... purposes, [the RV] in Berlin informed accordingly. It was left
... to the Berlin agencies to take the necessary steps.

12.) On 3 Mar 1954, [the RV] in Berlin was again furnished with a
... detailed account of the case which at the same time should serve
... to inform the Senator of the Interior.

13.) In the course of the above-mentioned conversation at the office
... of the Berlin Senator of the Interior in which a ...
... participated, the Senator was informed in detail of
... the case of ... and of the material which was
... furnished by him. Senator ... was thus convinced of
... which ... had played as a spy. He agreed also that
... name be placed on the [RV] Warning List of intelligence
... spies.

14.) An examination of the question as to whether a legal process
... was desirable in the case of ... yielded the following
... results:

a) ... is apparently an intelligence spy of whose
... activities the RV has informed ... at the beginning and
... who could therefore be unmasked in time.

b) There is not sufficient evidence to substantiate the
... assumption that he might be an Eastern agent who caused
... confusion intentionally and by order of his employers.

c) The numerous connections which ... maintained with
... Western intelligence agencies, indicate that he was for
... they engaged in intelligence spying and that he was
... prompted to do so by the idea of financial gain.

d) According to the German law ... engaged in fraudulent
... activities (para 263 StGB). However, since it was established
... early that the material which he has furnished was false,
... law on deposit is not applicable because for the said ...
... his action the fact of deception is not present. Therefore
... as he was paid for his information, this was not ...

