



- which would bring with him the necessary funds to effect the transfer, and that these funds would be entrusted to the group's leader (Lj) ~~XXXXXX~~.
- b) MIJAN is said to accompany his group to a house in the country (location unknown) where its members will be conditioned physically, and where they will prepare for the journey ahead of them. GUJAROVIC does not know whether the group will proceed to Yugoslavia from Italy or whether it will travel via Austria.
  - c) It is reported that Ljubo NEMIC (35 years old, ex-employee of the Croatian Government of State for Security and Public Order) will also be a member of the group, but first he wishes to be sure himself that the enterprise is favorably regarded by the Americans.
  - d) A fourth who has consented to membership in the group is Drag VUKOVIC (20 years old, a newspaper boy by trade) who is furious because of GUJAROVIC's utter disregard of security.
  - e) Milovan VUKOVIC (a functionary of the short-lived 1943 TITO-partisan administration of SRGAN) recently changed his mind about leaving with the group as he had previously intended; he is aware, however, of the project as it is outlined here. VUKOVIC is a friend of Stjepan KATKIC who is undoubtedly a British agent, but is of such doubtful moral character that he would be quite capable of collaborating with GUJAROVIC.
  - f) A sixth individual, Frank JILIC, 45 years old, politically reliable from the anti-Communist point of view, has also reversed a previous decision to be a member of the departing group.

#### VII. GUJAROVIC Attempts to Establish Liaison with CRM

##### 32. GUJAROVIC Reports to American Embassy

It has been determined that (Dr.) Krzepala DRAGOVIC is in contact with at least one functionary of the American Embassy in Rome to whom he furnishes reports on Croatian matters. These reports are compiled on the basis of information which DRAGOVIC gathers from refugees escaping from Yugoslavia. It is felt that DRAGOVIC's reports on the Yugoslav internal situation, insofar as Croatian resistance is concerned, reflect his own profound conviction in the field of political science rather than current reality. Valuable from the academic point of view of analysis and interpretation of certain facts and trends, his reports undoubtedly fall short of presenting a true picture of current attempts & opposition in Croatia.

##### 33. DRAGOVIC Approaches INSIGORE

Recently DRAGOVIC has attempted to establish a contact with local CRM leaders; probably because his American Embassy acquaintance has requested information as to Croatian resistance activities, and has naturally turned to INSIGORE. The latter, ~~XXXXXXXXXX~~ so-called role, finally decided to inform DRAGOVIC that a quite well-organized CRM actually exists. It was felt necessary to extend this degree of confidence to DRAGOVIC in order to assure that the latter would not in any way impede the Italy-Austria flow of personnel necessary for CRM activities.

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Therefore, the only valid CIA information which DRAGICHOVIC can now supply to his American Embassy contact are those furnished him by KOSICHOWSKI. The latter, in turn, will not submit any material to DRAGICHOVIC without first consulting with [redacted] and obtaining his approval. Thus unless the somewhat ridiculous situation in which [redacted] submits to another (DRAGICHOVIC's) [redacted] materials which might be considered as "whistle-blowing".

VIII. Unidentified American Agent in Austria Seeks Raza (CIA) Contact.

35. DISTRICH Attempts to Contact DRAGICHOVIC.

As regards its eventual significance, the case of Herbert DISTRICH may be considered analogous to that of DRAGICHOVIC. DISTRICH, an American stationed with an American unit in Vienna, has recently been in Rome, apparently for the express purpose of contacting KOSICHOWSKI in an effort to obtain information on the CIA.

36. [redacted] Requests to Furnish "Security Check" on DISTRICH.

A recent letter from Mate FIKOVIC requests [redacted] to submit an opinion as to the background and reliability of DISTRICH, which would indicate that DISTRICH is in contact with the CIA's Austrian representatives. Once again it is a point of [redacted] control over the operations of another [redacted]. It can logically be assumed that the type, amount and quality of information supplied to DISTRICH by the CIA in Austria will depend on [redacted] advice.

IX. PERKAR and the Independent ICS Resistance Movement.

37. "American Contact" of JESIN-MUSE.

A third similar situation arises in the case of Most (Reverend Father) Pavao JESIN and Father (or Darko) MUSE who are allegedly in contact with a high-ranking American officer. MUSE arrived in Rome from Spalato (Split) for the purpose of informing (Dr.) Ivan PERKAR of ICS organization in the District of Spalato and its participation in the Croatian resistance. PERKAR placed MUSE in contact with JESIN who considers himself a loyal ICS representative, but who is merely a good and honest priest completely innocent of any comprehension of political realities. [redacted] has been acquainted with JESIN for at least twelve years).

38. MUSE to Return to Yugoslavia.

Through PERKAR, the father of the idea, and JESIN it is to be demonstrated to the Americans that ICS, too, controls an independent resistance organization within Croatia. To implement this project MUSE must be returned to Spalato from whence he will maintain a contact with JESIN and the American officer mentioned above. The only manner in which JESIN can return and activate his contact, however, is by seeking the aid of the CIA organization represented in Rome by KOSICHOWSKI.

39. PERKARER Delays MUSE Mission.

In the meantime KOSICHOWSKI is deliberately delaying the return of MUSE because certain elements in the latter's case leave some doubt as to his

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