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MEMORANDUM OF CONVERSATION

18 May 1961

Participants: UTILITY, []

Place: UTILITY's Office

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B26
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2005

1. For details other subjects discussed see separate memorandum.
2. [] raised the [] case. UTILITY stated that he was very thankful that his people had had the opportunity to visit Washington and discuss the case. From the very brief discussions he has had with his people he learned that they now feel they know exactly what to go after. For example, the Bulla case is not important since Bulla inflated that one.
3. UTILITY intends to use the British Blake case to tighten up security in UPHILL. They will issue a new regulation forbidding personal contact between UPHILL members in different departments. For example, when a man is transferred out of a section, his old cohorts will not be permitted to continue contact with him. If UPHILL personnel refuse to sign such an agreement, they will be fired. He stressed the need of this by referring to the man in the CE Section (he never named FRIESEN) who has contacts all over UPHILL. With the new regulation UTILITY hopes to preclude anyone seeing material which does not directly concern him. He said also that his legal people are looking into the possibility of requiring all UPHILLers to sign a statement authorizing UPHILL, if necessary, to search their homes, tap their phones and censor their mail. [] doubted that this could be done under U. S. law and thought UTILITY would have problems under German law. UTILITY said it was possible but he did not think so. Anyway his legal experts would investigate. He thought perhaps he would delay the implementation of such a regulation to prevent complaints being made to Bonn by UPHILLers. In any event he does not expect any difficulties after German legislation is enacted concerning mail and telephone intercepts.
4. He said that he could not let these security cases drag on indefinitely and that eventually the minimum action would have to be a transfer of the CE man to an assignment where he would not have the access now available. [] mentioned that we have been discussing with REINHARDT the possibility of surveillance. [] said we would do what we can but that the job is difficult.
5. [] then commented on the request for telephone coverage which in one case would have to be placed through the British. He identified the target as Hofmann of the BfV and said that we could not do this because of the sensitivity involved in placing coverage on a BfV official through the British. UTILITY's first reaction was that the German Security Officer in the Ministry of Post Jara (?) Ludwig is paid by the British, and he gets the names of all persons on whom intercept coverage is placed. UTILITY did not feel it was such a horrible thing that the British would get this information through Ludwig but he repeated that UPHILL had independent information indicating that Ludwig does report to the British. [] suggested that UPHILL consider a direct request to the British for coverage of Hofmann and UTILITY grinned, clearly indicating a negative reaction. He explained that the British are too close to the BfV. He then said that he might consider getting something done through Globke and Schroeder (Min Int).