

VIA: Air
(SPECIFY AIR OR SEA ROUTE)

L. PATCH NO. MGT-A-1609

SECRET
CLASSIFICATION

TO : Chief, Foreign Division M

DATE: 29 March 1950

FROM : Chief of Station, Karlsruhe *C-188*

SUBJECT: GENERAL - ONEUM - Operational

SPECIFIC - NELIUS-WAGNER Trip to Italy

Ref: FULLP-461

1. Subject claims that as far back as 1945, when he was sitting in a PW camp and his intelligence career had come to an end, he decided that only through a business career could he earn money enough in the altered circumstances to support his wife, his sister, and bring up his son. He soon decided that the form this business activity was to take would be export-import trade, utilizing extensive contacts, mostly Balkan, made during his wartime career. Along this line, Subject has been in close touch with many Western German manufacturers, seeking rights to sell their goods abroad; and, over the past year, he has been in business correspondence with contacts in Italy, laying the groundwork for his selling trip. (Subject believes that this extensive and honest preparation established -- if there is any mail censorship in Italy -- his legitimate business concern to the Italian police, in spite of his possible previous notoriety in the intelligence field. At any rate, he claims he was never molested by the police, and, so far as he could determine, was at no time under surveillance.)
2. Subject's recent trip to Italy took place under his own real name, Otto WAGNER, with temporary Travel Document 186063, procured for him via ONEUM and American channels. He has procured a Swiss visa on his own from the Swiss Consulate in Konstanz, and his Italian visa for this journey was procured through the Italian Consulate in Frankfurt/Main, sponsored by a Dr. BOSSELLI, a friend of Subject, who is head of the Frankfurt branch of Firma Marzilli, Motorenwerke, with headquarters in Milan. (Actually, in Italy Subject made no contact with the Firma Marzilli; the recommendation was purely a favor to Subject.)
3. Subject's itinerary, in brief, was the following: 6 February 1950, left Germany and arrived in Zurich; 7 February, in Bern; 8 February, from Bern to Milan, where changed trains and arrived in Genoa the same day; 8 to 12 February, in Genoa; 13 to 15 February, in Rome; 16 February, return via Brenner to Munich.

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4. In somewhat more detail, the day in Zurich was devoted to private business, but the day in Bern included a visit to Inspector SCHMIDT of Swiss Security. Subject confidentially described this visit as a routine one in line with ODEHM-Swiss liaison, and the topic discussed was Lorrach-Basel line-crossing (an interest of Subject, mentioned in para 6, h, of MGL-A-1291). As an aside to the Zurich day, Subject mentioned he had looked up Karl SCHARRERROICH there about a year ago, and that he was investigating this individual's east-west trade manipulations through the Suedwestdeutsche Aussenhandels GmbH, Frankfurt, in the persons of Ing. Fritz TRUBER and Willi WINTER, whom he had known in the war days in the Balkans.
5. In Genoa Subject was houseguest of Professor Nikola CHRISTOF, at Corso Torino 6. This gentleman's real name was KOSTOV, and as a Bulgarian Colonel, he was in charge of the Sofia War Academy when Subject knew him during the war. Later, he was on three separate occasions condemned to death, but escaped to Italy, where he now has an export-import firm in Genoa, Polphin Agency. During this visit, CHRISTOF's son was baptised, with Subject as godfather. Only toward the end of the visit did Subject admit to having sounded out CHRISTOF on an intelligence matter -- on the possibilities of establishing contact with one NITSCHE, sitting in Sofia as head of the Operations Section and the Ilcra Bureau. (One must assume that Subject either was not aware that NITSCHE was already an ODEHM interest through the PRODHANOV project, see MGL-A 450 and 682, or that his query was in the nature of an independent check on the project.) According to Subject, CHRISTOF stated that such a contact would be difficult to establish, but could possibly be effected through two of his war-time contacts, hotel owners in Alexandropolis, but Subject let the matter drop.
6. In Genoa Subject also saw Emmanuel MUELLER-LUISELLI, who had worked for Subject during the war. Emmanuel's father MUELLER had separated from his mother and lives in Germany; Emmanuel, an Italian citizen, lives with his mother LUISELLI in Genoa. He is an import representative for Swiss firms in Italy, mostly for steel products. (According to Subject, no intelligence matters were discussed.)
7. On an excursion to Novi, Subject tried to look up another associate of his from Sofia days, Georg BUCHNER, tobacco dealer, but found that he was now living in Turkey, as a tobacco buyer for an Italian firm. Later, in Rome, Subject looked up Georg's brother, Hektor BUCHNER, who had worked as a Sonderfuhrer for Subject in Bulgaria. According to Subject, Hektor was also in the tobacco game (the family had long been a Bulgarian-Turkish tobacco family) in a firm International Agency, located in Rome and Milan. Hektor was interested in expanding his interests, and suggested Subject recommend exports from Germany for which Hektor would find customers in Italy.

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8. In Rome Subject saw UTILITY's brother Hans, and discussed with him his personal problems. Subject came to the conclusion that Hans was unsuited for intelligence activity, and that he would be happier if in no way involved in intelligence matters. Subject also saw Willy-FRIEDE, and came to the conclusion that FRIEDE actually constituted the ODEUM Rome show. (Cf also WGL-A-1818.)
9. The above paragraphs, giving us hope an accurate outline of Subject's trip to Italy, do indicate that while Subject was not deeply involved in intelligence matters in Italy, the trip was not strictly in accordance with the letter of the instructions by FOB. It had been made absolutely clear to UTILITY to instruct Subject that the latter's trip was to be solely concerned with his private commercial interests, and that Subject was not to visit ODEUM's Rome group to discuss its future. It is not clear if a discussion of Hans' "personal problems" constitutes a clear violation of our instructions; and, once in the Hans circle, it was logical that Subject met FRIEDE, who is now in Germany, where Hans is also expected in the near future.
10. Subject, who was clearly worried as he told undersigned the above details, stressed that his interests were actually exclusively commercial, and hoped that we would not ruthlessly cut him off from the business dealings he had now successfully initiated, which would lead to his solving his financial problems. Subject admitted that if all the deals he arranged on the trip were consummated, he would earn up to DM 5,000.

[T.M.R.
W.T.W.]

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