** SECRET/SECURITY INFORMATION

Chief, WE		29 April 1953
Chief of Station,		Committee Commit
Source: Ref:	Karl HASS C J, OICA-34	BY AU LEAST WELL TO Date Town Rope

1. Report of 10 February 1953: Forwarded herewith untranslated as ATTACHMENT ONE to this report is a detailed statement by Source of the resumption of contact with Subject. This report should be treated as subsequent to the material previously forwarded on Subject as furnished by Source. The report details the personal documentary work being undertaken by HASS in Rome. It should be pointed out in this regard that by undertaking a false documentation to the extent which HASS has done, makes him liable to a stiff prosecution under Italian law for the crime of falsification of public documents (false attestasione di documenti publici) which carries a prison sentence of several years. Naturally, this is an element of control which Source's control keeps in mind for future exploitation.

P2: INIE Woported in this regard is the fact that the German service represented by HASS has contact with the ex-Hungarian General ZAKKO and with (fmu) ZILAY. Other personalities mentioned include SCHACH, director of the Center of Hunich and Lois EDER, director of the Austrian Center. 7 NO. 33

- 3. Details are further given in this report on Public Relations Comm. BARLETTA and Dr. CAPUTO of the Pubblica Sicuresza, which appear not to have provided any sound return to Subject. Also indicated is the fact that Subject's approaches to the Albanian Professor KOLIQUI have been rejected as well.
- 4. According to the Attachment, the primary objectives of the service represented by HASS are Albania and Yugoslavia.
- 5. Finally, there are indications that Subject is in letter contact with Fritz MARKH, Vienna 1, Grolsen 22, eastern sector of Vienna, who

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Declassified and Approved for Release by the Central Intelligence Agency Date:

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was formerly a part of the German political service in Hungary and now has a commercial firm in the eastern sector of Vienna. Source noted that the correspondence normally reaches Subject care of GUIMINI, Via Tirso 90, Rome. GUSTINN?

- 6. Report of 13 February 1953: This report forwarded as ATTACHMENT TWO, untranslated, relates Source's contacts with Subject on 13 February. During this meeting, Source was able to see a letter received by Source from Otto GRIESSER of Bolgano in the course of which was announced the arrival of Dr. MULLER from Saudi Arabia.
- 7. Report of 18 February 1953: This material which is a photographic copy of the original handwritten report by Source is forwarded as ATTACHMENT THREE. Of particular note in this attachment is the matter of the NEUMANN group which was arrested by the British service in Western Germany and the implications of this with regard to Subject's operations. Also related in the report are the details of the establishing by Subject together with Otto GRIESSER of the Mercital Firm in Bolsano (see previous reports). Of particular note also is the tentative identity of Dr. MULLER as the Professor MOREL who was for given the personal physician to HITLER, who following the war went to Yemen and then to Saudi Arabia.
- 8. The report reveals that, following his line of false declarations, Subject intended to obtain a German passport at the local German Embassy on the witness of his friend, SAEKS, on the grounds that Subject is a "refugee from Eastern Germany." This passport issuance will be handled by Miss HARTHANN, of the German Embassy, who apparently has handled other false documents of this sort for people in similar situations. She was also formerly employed by the German Embassy in Home and proved to be an informant for the British service following the war.
- 9. Also forwarded with this attachment are various documents, photographed, which reveal the use of false identity by Subject; plus a typewritten note mentioning Subject's relations with the Mediterranean Import-Export Association of Via Bissolati and with the Flick Iron Works.
- 10. Report of 16 March 1953: Forwarded as ATTACHMENT FOUR, untranslated, to this report is a summary by Source's control based on Source's information on the development of the relationship with Subject. This

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report refers primarily to the other material mentioned above.

- 11. Report of 20 March 1953: Forwarded as ATTACHMENT FIVE, untranslated, is a report which further clarifies the position of Lois EDER with the commercial relations to the August RAICHBERGER firm of Linz-Donau. The firm is in turn connected with EMBKE. The details regard trade in explosives.
- 12. Report of 21 March 1953: In this report forwarded as ATTACHMENT SIX, Source comments that Subject has been invited to make contact with the representative of the American Intelligence Service in Munich or else at some point between Munich and Rome. According to Source, Subject turned down this request allegedly because he did not want to be subjected to an approach to betray the German service, although Source is of the view that Subject is afraid that the American service may have learned something about his taking documents from the M.I.S. in Germany.
- 13. Report of 24 March 1953: On this date, Source prepared a number of separate reports which are all combined in ATTACHMENT SEVEN and forwarded untranslated. The first of these notes concerns a series of intelligence reports which Source obtained from Subject's possession and arranged to have photographed by Source's control. These documents were:
 - a. A report of conventions at Zurich and Paris of the European Nationalist Farty.
 - b. A report on the locality of Soviet armed forces in Austria allegedly removed by Subject from the M.I.S. office in Austria where Subject was working.
 - c. A report on Hungarian immigration.
 - d. A report on the Hungarian intelligence Service.

In addition to these reports, Source indicated that Subject still possesses considerable intelligence material on the Soviet Armed Forces in Europe which he intends to use as exchange material in setting up his contacts.

14. The second note concerns the Italian passport in the possession of Subject and the passport in the possession of his mistress who poses as his wife. It should be noted that as Subject apparently feels that these Italian passports will eventually be withdrawn from him, he has carefully

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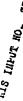
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arranged for the photostating of the first four pages of both passports. These photocopies were done for him by EMEKE who apparently has engaged in the photographing of documents for Subject previously. It should also be noted that this report concludes with Subject's obtaining of postal identity permits for himself and his wife.

- 15. Other notes in the attachment concern General SIX who apparently has written to Subject; Lois EDER who is reported to be coming to Rome on 15 April bringing with him the German police dog of Subject; and on Dr. MULLER.
- 16. Report of 25 March 1953:I:Forwarded as ATTACHMENT EIGHT is a report by Source on Subject's re-establishment of contact with a certain SCHULTZE, a German citisen who was a typographic expert for the German Embassy at Rome in preparation of false documents. According to this report, Subject apparently intends to obtain false documentation for EMEKE also. Subject also mentioned to Source a large cache burial which he had made before the end of the war in Austria, which according to Subject contains considerable material in the way of seals and stamps for false documentation.
- 17. Report of 25 March 1953 II: This report, forwarded as ATTACHMENT NINE, provides an up-dating of Subject's interest in the operation conducted by the Italian Guardia di Finanza in confiscating a quantity of cigarettes, drugs and arms which we from Yugo-lavia. The report also details Subject's relations with the Ministry of Interior Service. Apparently, according to Dr. CAFUTO of that service, Joseph LUONGO would be in Rome in April.
- 18. Report of 3 April 1953: This report, forwarded as ATTACHMENT TEN, untranslated, is a brief summary with regard to the prospective German Intelligence Service prepared by Source's control.
- 19. Report of 8 April 1953: This report, forwarded as ATTACHEMINT ELEVEN, states that Subject lives at Via Gesmund 4 and has an address at Via Appia Nuova 21, care of VANNELLI, where MRKE is also living.

 Source has also laid down a contact between Colonal HEINZ, his superior and a member of SIFAR. According to the attached report, Subject has also made contact with Dr. Guido LETO.

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21. Field Comment: I indicated in response to a query on
15 April 1953 that I I had resisted efforts recently made by the
CE to reactivate him as an informant regarding Subject's activity.

Propered by

28. April 1953

cc.3-Wash 2-Files saq

Englosures: 11 reports

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