

File : Hass

SECRET/SECURITY INFORMATION

OTRA-1851  
BUSINESS

Chief, WE  
Attn: Chief, Italian Branch  
Senior Representative, ☐

28 October 1953

Activity of the German Intelligence  
Service in Italy

Source: ☐  
Date of info: See below  
Date recd: July-August 1953  
Eval: B-3

1. Report of 21 July 1953: HASS told one of his friends, in whom he had complete trust, that in his opinion, which derived in part from personal impressions and in part from private communications which he received from friends resident in Germany, HEINZ's closest ties, apart from official relations with the American services, are with the BIS. According to HASS, there is a long history of previous relations of HEINZ with the British services, at least since the time HEINZ was entrusted with anti-sabotage surveillance of river traffic on the Danube. During the war, he made direct and personal contacts with the British.

2. HASS pointed out that a daughter of HEINZ lives in England for reasons of study.

RIS INPUT NO. 33  
3. Of greater interest, as reported by HASS, were opinions manifested by HEINZ during his recent visit to Italy. HEINZ, who had been asked by HASS for his opinion regarding the German and international political situation is said to have replied, much to HASS' surprise, with sentences and phrases read by HASS in the periodical, Spiegel, which HASS reads assiduously. From this, HASS deduced active interference by Bonn, or may be only by HEINZ personally, on the orientation of this singular periodical which is published in Hamburg. On other occasions doubts had arisen on the possible collusion of the magazine with some information service very close to the British points of view. It was learned from HASS that the most delicate portion of the review is compiled by a former SD (geo-political section) Major, one Dr. MARXER. Evidently it is this person who, on the staff of the magazine, maintains intelligence liaison.

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NAZI WAR CRIMES DISCLOSURE ACT

EXEMPTIONS Section 3(b)  
(2)(A) Privacy ☐  
(2)(B) Methods/Sources ☒  
(2)(C) Foreign Relations ☐

Declassified and Approved for Release  
by the Central Intelligence Agency  
Date: 2005

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4. HASS believed that HEINZ's interference, or that of the Government of Bonn, in the political line of Spiegel is a certainty. The review has great influence in Germany because of its large circulation, which is over 700,000 copies. Sales abroad are also high. On the other hand, it is not well known in Italy; so much so that at one time it was impounded because it contained information according to which certain members of the Italian Government had made personal deposits in Swiss banks.

5. Report of 14 August 1953: The ~~Quesada~~ CAPUTO urged HASS to investigate the sources of financing of presumed anti-Communist partisan groups within the MSI. These groups allegedly are to go into action in the event (a) the Italian internal political situation slides too much to the Left, or (b) of Soviet occupation.

6. CAPUTO is said to have also expressed himself quite harshly with regard to the SIFAR directorate which had left HASS without a liaison (CAPUTO was referring specifically to "Dr. ROSSI" who had been in contact with HASS).

7. Report of 14 August 1953: According to HASS' statements, Lois HEINZ was made prisoner by the Russians at the end of the war and deported to Russia, near Moscow. He is said to have collaborated, or to have pretended to collaborate, with the Soviets until, on an undefined date, he was freed in the East zone of Germany. HASS said that he did not know the reasons which induced HEINZ to stay on in East Germany or what subsequently induced him to flee to the Western zone. However, HASS claims that he personally was not really certain of HEINZ's anti-Communist sentiments, to the point that, having read in the newspapers that a high functionary of Bonn (Blank Office) had been arrested for espionage, his thoughts immediately went to HEINZ.

8. In addition, HASS said that he knew that HEINZ's actions are directed in detail by his wife, a woman of unusual character who, among other things, has had 25 years of intelligence experience. HEINZ is allegedly completely dominated by his wife.

9. According to HASS, HEINZ is a factious and weak individual, even though he is technically well prepared. The psychological characteristics of Mrs. HEINZ can in part be deduced by a recent comment she made with regard to the slaying, by the Nazis, of her twelve-year-old son, in reprisal for the participation of the HEINZ family in the attempt against HITLER on 20 July 1944: "When I began to conspire, I knew in advance what I was doing and to what reactions I exposed myself and my family. On the other hand, I do not know if

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we ourselves, in the event we had been successful, would have hesitated to take analogous action against the Nazis."

10. Mrs. HEINZ has a deep disdain for the Director of the Munich Center, MULLER, whom she judges to be incompetent and of low origin.

11. Report of 25 August 1953: Attached (Attachment I), forwarded untranslated, is a report prepared by Source. Source's control comments that Source's resume is eloquent, but Source's control emphasized that it is necessary that its contents do not apparently influence either "Dr. ROSSI's" behavior or relations of SIFAR with the German Service, while awaiting the opportunity to organize exchange of information on another basis. The result and action should not excite suspicion in HASS, HEINZ, etc., for the Italians would lose, for the future, the valuable assistance of Source who could enlarge his activity considerably in the future.

12. HASS' proposal to the Questore CAPUTO, even though it was not accepted, appears very significant on the plane of the cordiality of their personal relations. The activity hinging on Source himself also offers the possibility of controlling the collaboration of the Italian Ministry of Interior with the German Service, at least in the sense of furnishing Italian materials to the Germans. Such an end was not proposed for the present but it would be unwise to ignore an activity which, at a certain point, might be detrimental.

13. Report of 27 August 1953: Attached (Attachment II) untranslated is a detailed summary prepared by Source regarding HASS' comportment. Of particular note, according to Source's control, are the following:

- a. Absolute objectivity of Source;
- b. MULLER's trip to Graz where British service offices are located. The supposition, according to which the triangular collaboration (SIFAR-M.I.-German Service) could be controlled by the SIS through the MULLER net is to be considered;
- c. Ability of Source is counted on to obtain a copy of the photographic reproduction of the Bonn material directed to SIFAR prepared by HASS (it appears that the roll is not complete); and
- d. Possibility that HASS could sell the material to the PCI and to the Israelis. These two cases will be kept in mind in any case. It might even be a

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brilliant way of removing HASS from underfoot without  
burning Source whose penetration action into the  
German Service merits protection from the developments  
of the question.

14. Report of 23 August 1953: Karl HASS had learned from Lois KIER  
that the German Service was preparing to organize economic-industrial  
espionage in Italy. The mission was to be entrusted to HASS who had  
already arranged for Source to make a trip to Germany. Source would  
attempt, little by little, to replace HASS in his activity. HASS, in  
his current situation, is open to direct or indirect blackmail.  
For details regarding this particular situation, see Attachment III  
to this report, forwarded untranslated.

Prepared by L 2  
13 October 1953

Enclosures: 3, rpts dated  
25, 27, 28 Aug 53

Distributions:  
4-Wash  
2-Files  
sqg 27 Oct 53

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A.T. to: O.P.A. 1851  
25 Oct. 1953

Attachment I

SIFAR Documents Directed to Col Wilhelm Heins.

33  
EYES ONLY  
On 20 August, at 1800 hours, Rudolf(sic., Karl) HASS was consigned a sealed envelop by "Dr. ROSSI" of SIFAR which he was to hand over to the Director of the Munich Center, at Verona. The envelop, addressed EYES ONLY to Colonel HEINZ, was consigned to HASS with the strongest instructions to see that it got to its destination with seals intact on his own(HASS') personal responsibility. These instructions induced go back HASS to ~~make~~, temporarily, on his decision to open the envelop to photograph its contents.

At the same time, on the strength of instructions given to source, he felt it opportune not to leave HASS from the moment he received the envelop to the moment he got on the train for Verona at 2200 hours.

33  
RIS 14.11.50  
At 1900 hrs(20 August), HASS made an appointment at the Viminale with Questore CAPUTO—he hoped that CAPUTO would assume the responsibility of breaking open the seals. Source accompanied HASS as far as the entrance of the Viminale(1950 hours). He came out at 2010 hours, disappointed. CAPUTO had avoided the pitfall stating that he didn't have the slightest interest in SIFAR activity. Moreover, CAPUTO had ~~reproduced~~ given back to him a confidential report on the PCI organisation. HASS consigned this report to the source because he ~~had~~ wanted it photographed. At 2100 hours, source met him in the RR station, at the train, and gave him back the document, displaying the film case of the film which he would develop the following morning.\*

\* The reproduction was done by Ital CE, but HASS believed that his friend had used the facilities of a good friend.

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Surprise: HASS had already opened the first envelop of the pouch. In this were two yellow envelops, sealed, a large one, almost the same dimensions as the outer envelop, and a small one holding an ordinary letter. The large envelop, to the touch, appeared to contain a bundle with a semi-rigid sheathing folded once; one could estimate(feel) the outlines of the folding. The small envelop, when felt, seemed to contain a second envelop; further one could feel something in the center which might be closely identified as a seal of sealing-wax(inside) of the size of slightly larger than the old 10-lire piece and with a slightly raised edge and, so it appeared to source, irregular.

Both of the yellow envelops were personally addressed to HEINZ. HASS expressed the hypotheses that the small envelop contained very confidential data for the liaison(Ital-German) and perhaps a cipher.

While on the train, before his departure, HASS checked to see that the film container in his cameras was all set: he proposed opening the two envelops in the presence of the Munich Center Director(Hq note: MUELLER) but that he would stop for a brief period to photograph them. He said that MUELLER would stop in Italy for two to three days.

When HASS' train compartment began to be filled with other travelers, I had finished my task and made my farewells: 2120 hours. According to HASS, SIFAR will hand over to him a pouch for Bonn every 15 days. HASS ought to return on 24 August and promised again to allow me to photograph the documents contained in the pouch coming from Bonn for SIFAR.

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Attachment II

Italian IS Collaboration With the German Service

HASS returned to Rome on 24 August by the first morning train from the Brenner (according to him). He met the source on the morning of 25 August at 0935 hours. The diary of his trip is as follows:

RIS INPUT He left Rome on 2200 hours, 20 August; he met ~~XXXXXXXXXX~~ MUELLER, ~~XXXXXXXXXX~~ Director of the Munich Center, at Trento at 0700 hrs, consigned the two envelopes to him from SIFAR directed to HEINZ. MUELLER allegedly refused to open the two pouches because they were personally addressed to HEINZ. In return, MUELLER allegedly gave to HASS a voluminous pouch from Bonn for SIFAR.

HASS declared that he opened the pouch in the presence of MUELLER (note: but source is not convinced that this is the truth). This pouch contained:

- a) A personal type-written letter from HEINZ addressed to General Musco;  
German
- b) A listing of/information material handed to SIFAR at its request;
- c) A study of communications means in Hungary;
- d) A study on Albania.

MUELLER allegedly stated to HASS that the exchange of materials and correspondence between the two services would take place every three months. MUELLER, commenting on the question of interception of radio-communications between Prague and Warsaw, allegedly said to HASS that up to the present, the German service has done nothing along similar lines and that it would study collaboration on this point. HASS conversation with MUELLER lasted for three hours, from 0700-1000, 22 August. A large part of this time was spent in discussions on the reimbursement of HASS' expenses for the trip. At 1000 hours, MUELLER left for Munich via Graz. This unclear deviation <sup>(i.e. Munich via Graz)</sup> which considerably lengthened MUELLER's trip

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Attachment Two(continued)

smelled bad to HASS. Gras, is reported to be the central Hq(sic) of the the British I.S., both positive and CE. MUELLER allegedly declared that he had to stop at Gras. (Hq Comment: If this is true, MUELLER quite possibly had bona fide German I.S. business in Gras, or he would have concealed this roundabout trip from HASS).

HASS allegedly had to meet Alois EDER in Verona on Sunday(Hq note: 23 Aug) who came to Italy at HASS' invitation. However HASS did not meet EDER at Verona and came to Rome(at least so he said to source) alone on 24 August. One can only guess what HASS was up to from 1000-2100 hours, 24 August up to 25 August. During this period he had at his ~~disposition~~ disposition the material from Bonn for SIPAR.

BIS In T NO. 35  
At 0900 hours, 25 August, ~~Source~~ HASS met "Dr. ROSSI" in the Piazza Ungheria and handed over the material from Bonn. Immediately thereafter he met with source and showed him a copy of a letter(typewritten) from Heins to General Musco: The letter ~~was paper headed~~ ~~spelled out the character of the German service~~ ~~entered~~ to collaborate with unspecified "Allies". HEINZ declared himself willing to meet two qualified persons of the respective services thus initiating an auspicious collaboration. He chooses this circumstance to thank General Musco warmly and his Colonel ROSSI for their courteous welcome to him at Rome. HEINZ trusts that the collaboration will ~~be very fruitful~~ be very fruitful. Moreover, HASS handed over the heading of the sheet(seen by source). HEINZ's letter was also photographed by HASS.

His immediate proposals: to request of Bonn the largest quantity of material possible, to reproduce it and to sell it "to a person on the left"(his words verbatim).

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Attachment Two(concluded).

He proposes to do the same with everything else possible which he  
or  
will be able to photograph ~~xxx~~ to copy.

HASS stated that he had been hard put looking for an envelop of large  
re-  
size in which to/enclose the Bonn material.

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ATTN: OIRA-1857  
25-Oct-1953

Attachment Three

Alois KDER has stated that HASS will be entrusted with organizing and directing the German economic intelligence service in Italy. This service will depend directly from the Ministry of Foreign Affairs in Bonn.

Actual operational activity: Economic and industrial espionage in Italy.

Cover activity: Study of the reaction on the economic life of Italy

with the implementation of the clauses relative to the accord with the European Coal and Steel Community.

HASS is absolutely unadapted to take on this task for two reasons:

1. He doesn't know the industrial and economic problems;
2. He hasn't the ability to organize such an activity which, in ~~any~~ no case can be satisfied with generic, vague, or ~~unreliable~~ uncheckable reports as can be done in other info-gathering fields. He will need Source's assistance.

Field Comment: Source believes that he will be in a position to dominate HASS' activity if HASS accepts this job and things work out well. Source was scheduled to leave early in Sept 53 with HASS for Germany with the aim of taking up contact with the German economic intelligence unit. Source felt that if he could take up a contact in the economic field, he could also take up the double-play for the Italians in the military I.S. sector as well.

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