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VIA: AIR POUCH
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DISPATCH NO. ODRA - 4481
REFINER

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CLASSIFICATION

TO : Chief WE DATE: 9 July 1954

FROM : Senior Representative, []

SUBJECT: GENERAL - Operational, Plan OBSTACLE/Plan LABLAZE

SPECIFIC - [] Contact With Karl HASS

Source : [] and as indicated

Evaluation : B-2

Ref : OIR-7347 dated 12 January 1954
ODRA-4472 (KAROK-327); ODRA-4482 (KAROK-335)

SENSITIZED

A. Field Comment.

1. For some time past Headquarters and the Field have been aware of the existence of a contact between [] and HASS. Originally it did not appear that the nature of the relationship was such as to warrant the security strain involved in direct questioning of [].
2. With the developments subsequently reported in 1st Reference (paras. 2b, 3, 6, 17-18, 21b, 36), however, the [] - HASS contact seemingly reached a degree of intensity which demanded positive steps to protect other interests which might be threatened by it. Therefore, after consulting with [] with a view to protecting the source of information contained in 1st Reference, it was decided to breach the matter to our Albanian friends.
3. Thus, on 23 April 1954 [] and [] were invited for the first time to []'s home, supposedly for a general discussion of the broader aspects of our future collaboration. The principal question was inserted into the conversation in a casual manner. [] was also given clearly to understand that individual or Party relationships with any foreign representatives are of primary interest to AIB, and that only AIB is in a position to evaluate them in terms of our joint best interests.
4. [] gave assurances that neither he nor his Party had contacts with German representatives or with GIB operatives of any description; nor, as far as he was aware, did any individual member of his Party have such contacts.

FORM NO. 51-28A
MAR 1953

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CLASSIFICATION

NAZI WAR CRIMES DISCLOSURE ACT

- EXEMPTIONS Section 8(b)
- (2)(A) Privacy []
 - (2)(F) Methods/Sources []
 - (2)(G) Foreign Relations []

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5. He went on to express his conviction that in the intelligence field his country's and his Party's interests are best served by the existing tie with AIS, declared himself fully aware of the duties and responsibilities involved in that relationship, and stated that he fully intends to live up to all such commitments. He pointed out his own view that German intelligence interest in Albania could not possibly serve Albanian interests unless it were directed, monitored, and controlled by a superior American organization. Finally, he stated, any nostalgia for the good old days of Austro-Hungarian hegemony in the Balkans is anachronistic.
 6. After receiving []'s assurances which were undoubtedly sincere, the question was taken up directly with []. The latter was told that he was being cited as the author of a rash of reports on Albania which had recently appeared in several intelligence training posts and that any explanation he could furnish would be deeply appreciated.
 7. This approach elicited the signed statement (which will be forwarded to Headquarters under separate cover) which is covered in translation in Section B below. Its somewhat pained "Who, me?" tone obviously puts the best possible interpretation on all aspects of its author's contacts with HASS. And []'s disclaimers of venality are at least open to discussion according to the view of certain of his own compatriots, among them [], [] and Mentor GOKU. Another more pertinent judgment in that regard, however, is that of [] whose experience goes back to the days of Italy's occupation of Albania: [] is venal, but he is too intelligent to betray".
 8. As regards the reports attributed to [] in 1st Reference (paras. 17-18), we are inclined to believe his statement that he has never furnished HASS with written materials other than the manuscript mentioned in paragraph 23 below (the "Illiricus" pamphlet "L'Albania, nostra coscienza", it is recalled was forwarded to Headquarters at the time of its appearance. It was printed and distributed by Massimo UFFREDUZZI whose contacts with HASS are known and have been previously reported). It is likely that the Albanian materials offered for sale by HASS were either a copy of that manuscript in its entirety, or were derived from it.
 9. The absolute truth of the nature of the [] contact undoubtedly lies somewhere between the Section B version below and that contained in 1st Reference. We give far more credence to the one which follows, although [] negligence in failing to live up to commitments of priority and exclusivity towards us cannot be overlooked. This aspect was brought forcibly to his attention in connection with the specific matter of the HASS contact. It was even more forcibly laid on the line in connection with his recent failure to inform us of BKI recommendations for Italian subsidization of the Albanian political emigration (see 2nd Reference).
- B. [] Statement Dated 4 May 1954.
10. Background of Acquaintance.

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In May 1943 the Albanian Government named C. [redacted] its Minister Plenipotentiary to the Italian Government. When Mussolini and the Fascist government fell the following July, Pirano sent new accreditation to the BADOLLO government. He was not able to present these credentials before BADOLLO and his entourage fled Rome, however.

11. After the 8 September 1943 armistice, Albania's King LEKONWA government was followed by a sort of junta made up of almost all Albanian graduates, numbering some thirty, young and old, of German and Austrian universities. This body was subsequently replaced by the German-stamp government headed by Nexhe HAKUVEZA (who is now in Istanbul). One of the first acts of the post-Armistice Junta was the destitution of C. [redacted], an open manifestation of the anti-Italian sentiments of Albanians who had been educated in the Germanic countries. This despite the fact that many of these Albanian intellectuals had actually been the recipients of favors and benefits from C. [redacted] while he was Minister of Public Education.
12. The news of C. [redacted]'s destitution was contained in a German language note verbale delivered to him by a German Embassy messenger at the Via Bertoloni quarters of the Albanian Legation.
13. Some days later C. [redacted] was instructed to report to the German Embassy. There an officer whose name he no longer recalls, in a brutal and offensive tone threatened him with deportation to Germany if he continued to pass himself off (1) as his country's Minister, to retain his two automobiles and to keep arms (which consisted only of several revolvers which he had in his home). C. [redacted] then attempted to explain that he had requested Albanian Prime Minister HAKUVEZA to send a substitute to take over the Legation. At the same time, he continued, he had asked that the new Albanian representative bring funds for payment of outstanding mission obligations, including salaries of the Legation's secretary and its driver whom C. [redacted] had brought from Tirane with LEKONWA's authorization.
14. Unable to make the German official understand the situation in its true terms, C. [redacted] was forced to leave the Embassy in a state of considerable agitation and mortification.
15. Some weeks before this event C. [redacted] had been presented to Lt. Col. HASS of the S. D. by Mr. Attilio GROSSI, a friend of his brother Guglielmo (who is now in the United States). Now, on leaving the Chancery building Subject happened to meet HASS in the Embassy garden where sheds had been set up as extra offices. One of these had been assigned to the S. D. officer. In reply to the German's questions, C. [redacted] explained the reasons for his palor and obvious discomfort. HASS immediately reaccompanied C. [redacted] into the Embassy. There he addressed himself in German, which C. [redacted] does not understand, to the latter's erstwhile interlocutor. The Embassy official practically stood at attention during HASS's obviously brusque and ~~mean~~ tatory speech, apparently apologizing for his former attitude. C. [redacted] states that this incident afforded him enormous personal satisfaction and that he will always be grateful to HASS for the gesture.

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16. HASS was General KAPPIER's Rome deputy at the time and his friendship placed in a position to help his countrymen and others. He lists the following examples:
- a) Enabled to keep the Legation open, he could issue identity cards to many Albanians, permitting them to move freely without risk of deportation to Germany for forced labor.
 - b) He was able to save many Italians who had fallen into the bad graces of local German authorities from deportation to Germany.
 - c) He was able to prevent German seizure of the automobiles of many Italian acquaintances.
 - d) He managed to send hundreds of Albanians back to their homeland via Hungary and Yugoslavia following their release from Italian concentration camps after Fascism's fall (Field comment: Cedo MIJOVIC, it is recalled, was among the "Albanians" thus aided following his release from Italian prison).
 - e) He obtained German de-requisition of 14 motor trucks belonging to Rome's "Societa Immobiliare" which were still operating with Tirane license plates. Later, flying the Vatican flag, this truck fleet was the first to be assigned to bringing foodstuffs into Rome during those difficult months.
 - f) He arranged the release of many Albanians held in German and Italian prisons.
17. The friendship with HASS was not personally profitable, and continued to be ignored by his country's pro-German government. One year's rental of Legation quarters, Legation operating expenses, and the salaries of the secretary and the driver were paid from his own personal funds. These two subsequently lived in Subject's home at his expense from 1944 through 1946 when it was possible to arrange employment for them.
18. Post-war Contacts with HASS.
19. In 1946 when he lived in Rome's Piazza Monte Grappa was unexpectedly visited by HASS. The German had bleached his hair and changed his features as much as possible after having escaped from an internment camp, and gladly gave him the asylum for which he asked. HASS did not remain long, however, and soon found shelter with a woman of the Italian aristocracy whom he had known for a long time.
- next met HASS in 1948 in Rome's Galleria Colonna. The former German officer was in the company of an unknown individual of Jewish aspect, and it was impression that the encounter was not welcome. HASS

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greeted [] hurriedly, took his telephone number, and promised to visit him soon.

20. Not until about a year and a half later, however, did HASS telephone and make the promised visit. On this occasion he reported that he had been in American employ in the meantime. Now, however, he stated, he was working for Germany and was awaiting only his country's ratification of EDC in order to obtain a position with the local German Embassy. He was in contact with a Bonn office, he went on, and asked for information concerning Albania.

21. []'s reply, one which was repeated later when the two again met in the company of [] was along the following lines:

You are aware of our sympathy towards Germany. We believe that Germany's re-entry in the field of international politics will have a favorable influence as far as Albania is concerned. Our own national cause fits definitely within the framework of Western civilization. We have certain debts of gratitude towards you and are anxious to pay them within the limits of our possibilities. We shall speak to you frankly. We belong to BKI, a group which has already set its course and which has certain obligations. As regards Albania, therefore, we are ready to give you without obligation any general information which we may possess. Restricted informations, on the other hand, are not ours to give but belong to our Party which has already established the channel through which to pass them in the best interests of our national cause. HASS replied that he was less interested in Albania than he was in Yugoslavia, and asked Subject's aid in approaching reliable Yugoslav sources. Considering the Yugoslav question as one too closely connected with that of Albania, [] replied that that was a sector in which he had no competence.

22. Then, in order to avoid giving the impression that he did not want to help his German friend, [] stated that he could present him to a Bulgarian of considerable interest. HASS accepted the suggestion with every appearance of satisfaction.
23. On the occasion of this meeting [] lent HASS the typed manuscript of the pamphlet entitled "L'Albania, questa sconosciuta", which he had compiled and which was published under the pseudonym "Illiricus". HASS returned the pamphlet some ten days later.
24. Still some time later HASS telephoned, stating that he would like to call and to present a compatriot who had recently arrived from Germany. HASS's friend was presented as a major, but [] does not remember his name.
25. During this visit [] more or less repeated the standard line set forth under para. 21 above. To HASS's obvious discomfort, the major then asked how much the Americans pay their local Albanian agents. In general terms []'s reply was as follows:

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I engage in political activity because I feel it is the duty of every freedom loving Albanian to attempt to remove the yoke which enslaves his country. I have never had personal relations with foreign intelligence services, although such relations may exist through the leaders of my party. I have a profession: I am a university professor. When my country regains its freedom I plan to return to it for the exclusive purpose of practicing my profession. If Albania's social leaders are now engaged in political activities and parallel undertakings, it must be understood that they do so for idealistic reasons and not for gain.

26. HASS then apologized, stating he had heard at Enver's office that subsidies were being passed to local Albanians by NKPA. The figures mentioned were 1150 monthly to minor figures and 1400 to principal personalities and party leaders. HASS stated he had learned this from Vehbi FRASHERI and, that, he stated, was the allusion which the major had made. Although HASS did his best to cover his chief's tactlessness, the meeting finished on a note of mutual embarrassment and coolness.
27. HASS made a few more calls on [] after the visit described above, and during one of them was accompanied by his wife and small daughter. On one occasion when the conversation touched on literary matters, HASS stated that he was acquainted with a good publisher in Germany, and suggested that [] have some of his works published there. Such materials, the German continued, could be submitted in Italian; translation and other details of publication would all be handled by the German firm. The idea appealed to [] and he began work on a novel on Albanian life with a view to having it published in Germany as suggested.
28. During another visit HASS asked for information on Xhafer BEVA, Mentor COKU, and Vehbi FRASHERI. He also asked to be presented to [] with a view towards establishing a business collaboration. In that regard HASS stated - that he was interested in the "Intercommercio" firm located at No. 47 Via Pierluigi da Palestrina, telephone No. 366-901. He later presented his partner, a German whose name [] does not recall, to Subject and [].
29. On another occasion [] invited [] and his wife together with HASS and his wife to dinner at his home. The conversation was concerned almost entirely with business matters, politics being mentioned only incidentally. In speaking of Albanian affairs, [] followed almost identically the line formerly given out by [] himself (see para. 25 above).
30. Never was HASS given information which might be regarded as of a confidential nature. At all times, however, it was obvious that he was not at all ignorant of Albanian matters, being particularly well informed on NKPA.

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31. Several months time passed during which [] did not hear from HASS at all, and he even dropped work on the novel which he had been writing. Then the German telephoned unexpectedly one day and asked to be presented to the Bulgarian priest Father GAGOV. Some days after effecting the requested introduction, [] had occasion to speak to GAGOV. He stated that he had known HASS during the war and had received a number of favors from him. [] went on to inform the Bulgarian priest that HASS might bring up proposals for collaboration in the intelligence field, that [] himself wanted nothing to do with that aspect of the matter, that HASS did not appear to have funds at the time, but that he might obtain them following Germany's ratification of EDC.
32. As far as [] knows, however, HASS had no contacts with GAGOV after the presentation was made. Conversation between the two at the time was limited to generalities. HASS stated that he would soon leave for Germany but that on his return he would discuss in greater detail plans to set up a German-Bulgarian intelligence network.
33. Quite recently HASS called again, stating that he had not seen GAGOV in the meantime. He asked [] to present his excuses to the priest, and to inform him that the project had to be abandoned because HASS's service was disbanded following the arrest of its chief Colonel HEINZ on charges of having sold out to the USSR. Although HEINZ had subsequently been released, he was relieved of all former duties.
34. During this same visit HASS told [] that nothing had changed regarding the suggested publication of his works in Germany. [] regards this as indicative of HASS's feeling of disinterested friendship towards him.
35. [] avers that he is at a loss to explain how these friendly and harmless contacts with HASS could have given rise to suspicion of ties with the German service. At the time of HASS's first approach, he points out, his Party's collaboration with []'s service and AIS was at its highest pitch of intensity, and BKI had no slightest need of support from other quarters. Only venality could have induced him to collaborate in another direction unknown to his Party colleagues. He states that any imputation of venality in his regard could not be supported by facts, and that he has never failed to live up to all his commitments. His worst enemies, he declares, have accused him of many things but never of deviation from a line of complete loyalty to declared principles. In the present case Party colleagues were fully informed of all details of the HASS contact as they took place. The entire group was generally pleased by the approach as they feel that any official German interest in Albanian matters can only be advantageous to the national cause. The HASS contact was welcomed also because it afforded a potential opportunity for observation of the activities of such Albanians as might collaborate with the Germans in the future.
36. AIS would in any case have been informed of any concrete or important

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developments which might have emerged from the HASS contact, ~~1~~ de-
clared.

37. In concluding the story of his contacts with HASS, ~~2~~ makes the fol-
lowing statement:

As regards my personal position I desire to point out that I am
interested only in serving the cause of my country in full accord
with instructions received from the leaders of the political group
to which I belong. This group has already chosen its friends and
intends to collaborate with them to the end in all sincerity and
loyalty. This group's spiritual heritage includes faithfulness
to Albania's best traditions, principal among them being sacredness
of promises made, i.e., the ~~1944~~. After five years of close co-
operation, therefore, it is felt that there can be no reason for
doubt or uncertainty between us. This should be particularly true
in view of the fact that any such doubts and uncertainties are
probably based on information from our direct adversaries.

Prepared by:

6 July 1954

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