

AIR FORCE

DIRM-5819
JUN 1955

Chief of Station,
ATTN:
Chief, WE

16 MAR 1955

Alois EDER

1. The field will recall Subject as a frequently-signalled confidant of Karl HASS in the activities of the defunct HEINEZ network, wherein Subject served as a contact man with HASS for that service and was based in Lins, Austria.
2. Recent information from our ^{German} Austrian-station indicates that Subject has been arrested since early 1955 and has confessed to Austrian authorities that he engaged in RIS activity. In addition to his confession regarding the Soviets, he also has clarified his relationship with SCHACHT, Willi HOETTL, and HASS.
3. According to EDER, SCHACHT was formerly a collaborator for the HEINEZ/BLANK network with his base in Munich handling southeast European operations. SCHACHT got into contact with the notorious HOETTL and brought him into the network. HOETTL received the task of creating a liaison for the HEINEZ group in Italy. HASS, who had long been in intelligence contact with HOETTL and who had worked up good contacts in Italy, was tapped by HOETTL for the job of Italian representative. Requirements from the HEINEZ service went from SCHACHT via HOETTL to HASS.
4. The GERMAN organization, according to EDER, considered HOETTL an unendurable irritant and intrigued to have him discharged by the BLANK office. SCHACHT apparently strongly supported HOETTL and threatened to resign his post if HOETTL were torpedoed. The GERMAN organization retaliated by having HOETTL, through the Americans, temporarily jailed. SCHACHT was then dropped by HEINEZ and was replaced by Herman SCHULTZ. With the departure of SCHACHT and HOETTL, the line to Italy was dropped, and HASS was isolated since the only link was through HOETTL. Financial aid to HASS was also immediately blocked, leaving HASS in severe financial straits. HASS and HOETTL, however, hoping to make some definite arrangements (note: not clear with whom), continued their network temporarily with HOETTL financial aid until they saw that

NAZI WAR CRIMES DISCLOSURE ACT

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

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

BEST AVAILABLE COPY

SECRET
U. S. OFFICE OF STRATEGIC SERVICES

OIBW-5819
BUSINESS
Page 2.

nothing would come of it; HOETTL involved HASS in more financial obligations which the latter was not in a position to carry. He has been coping with these problems ever since.

5. HASS' Italian wife had to go to her parents, since HASS could not afford to support her, and he himself stayed at Castel Gandolfo (?).

6. Headquarters Comment: None of the above is substantially new or precisely accurate information but fills in and perhaps clarifies certain points concerning HASS activity already revealed in LABIAZE and earlier traffic. It is interesting to note that in the past year EDER, HOETTL, and HASS have independently approached or attempted to approach Soviet intelligence authorities, underlining the basically opportunistic and rudderless behavior of these ex-Abwehr and SD personalities. The multiple "burning" of the entire group and their harassment by a growing number of western services reduces their status to that of CE problems and targets from their previous position as operational collaborators. Any further pertinent information derived from EDER will be forwarded to you as soon as received.

16 March 1955

Distribution:

3- C 3

1-RI

1-WE/4 (chrono)

1-WE/FI/4 - HASS 201

1-WE/FI/4 - German IS in Italy

C WE/FI/4 C 3/ar

C/WE _____

CI/OPS
EE/Aust
ES/Z _____

C/WE/4 _____

BEST AVAILABLE COPY