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(3) OPOZARD, Emerich, HOETTL recounted the meeting with OPOZARD which occurred at the Salzburg Customs Station on the Austro-German border in essentially the same terms as this meeting was reported elsewhere by KRICHBAUM. According to HOETTL, after OPOZARD's car had departed, he and KRICHBAUM mentioned the names SCHUMBER and ICHNER who had just come out of the customs office said, "Oh, you mean OPOZARD," and then made some remark about OPOZARD'S being engaged in espionage activity because he was passed quickly through customs by the guards.

(4) Hildegard BESTZ, HOETTL stated that in a restaurant in Dusseldorf during the October trip through Germany he encountered Hildegard BESTZ who was having lunch with a party of eight or ten at a large table in the restaurant. ICHNER was not present. HOETTL approached BESTZ and spoke with her for several minutes. During this time, BESTZ stated that she had recently married and that she did not wish to resume any of her previous intelligence associations. When asked about the present whereabouts of one of their friends, whom HOETTL had known as an American intelligence officer, BESTZ stated that she believed FLEX to be in Berlin. HOETTL admitted that he subsequently mentioned BESTZ'S name to ICHNER and that he did not appear to know anything about her.

A large number of names (50-75) were mentioned during the interrogation by HOETTL or by the interrogators. In each case that a name was mentioned the interrogator asked whether the name had been discussed with ICHNER. In each case, HOETTL said either that it had not been discussed or that if it had, he did not remember. None of the names which he admitted to have been discussed were connected with the Topolski case as far as the interrogator knows. In any event on such names as Berlin, Topolski, specific members of the Golden group and specific members of the group of Ant Blank, HOETTL stated that no mention was ever made and no credibility was displayed by ICHNER. HOETTL admitted that he may have discussed such names as KRICHBAUM, a personal enemy, and that General Grahm and G. H. might have come up because KRICHBAUM was known to be a source of material for the G. H. books. In summary, HOETTL claimed that he did not know to Soviet intelligence anybody who is engaged in sensitive activity against the Soviets who was not already known to ICHNER. Concerning Ant Gohlen, he admitted that he always had the impression that ICHNER knew more than he himself did and he added that both Gohlen and REINH were discussed only as one of them was never as personalities. He admitted that ICHNER urged him to identify to ICHNER a member of Ant Gohlen, saying that undoubtedly Ant Gohlen was the future German Intelligence Service and giving as his reason the fact that the Americans had spent millions of dollars building up Ant Gohlen and would never permit another group to become important in German intelligence. When asked whether he knew that ICHNER had asked him to make a connection between HOETTL and American Intelligence in the summer of 1950, HOETTL affected complete surprise and stated that he had no idea that this had happened and no idea why ICHNER should have made such a suggestion.

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In the course of the interrogation, considerable valuable information was developed on KOTTIL'S past and current activities. This information supported as it is by the documents impounded in the search of KOTTIL'S quarters and office will be written up as this permits and disseminated to interested customers. The impounded material includes diagrams of the organization which KOTTIL was attempting to set up for K. T. and which he later attempted to sell to Kurt Gohlen. These diagrams include source lists of principal agents and of agents. It is interesting that these source lists include only the names of notorious fabricators or of professional middlemen. There are no names on the list of persons who honestly collect intelligence, and all of the persons listed are, like KOTTIL himself, primarily operations officers and arrangers. KOTTIL admitted that with the exception of several special cases he had never himself handled an agent directly, either under the Nazi system or during the period following the war. He also admitted quite freely that he did not have the techniques of espionage at the collecting level and that he never considered himself to be a technician in this field, having always gone along with the larger picture and with organizing operations at the top level.

c. The interrogators have the impression that KOTTIL is definitely concealing information on a number of points. He showed sensitivity in the polygraph examination to all questions pertaining to the concealment or destruction of documents and, although he stated that he had not destroyed his files nor had he hidden other portions of his files outside of his house, the interrogators are convinced that some destruction or concealment has taken place. Technically KOTTIL is not physiologically testable by polygraph. He has low blood pressure and a circulatory defect which makes the recording of changes in his pulse rate and blood pressure almost impossible. It was characteristic of his reactions on the polygraph machines that the strongest response was made to a question in which he was asked to state that he was not lying. It is also characteristic that he reacted in some respect to every question and that his breathing showed there was a feeling of tension. From these observations, which will be repeated technically by another interrogator, and from direct observation during the course of the interrogation, the interrogators are convinced that KOTTIL is lying about or concealing some piece of information which to them is extremely important. This piece of information may be connected with the knowledge of the relations between Anton GEMM and the USSR. The interrogators have various theories about what KOTTIL is concealing and these theories are all unsupported by concrete evidence. It is possible that KOTTIL is a Soviet agent in contact with the Soviet-controlled Gohlen group, either through KOTTIL or through somebody else. It is possible that he is a Soviet agent who nevertheless was unaware of GEMM'S affiliation. It is also possible that he is not a Soviet agent but is involved in some matters involving the future German Intelligence Service and present German intelligence groups which he cannot afford to reveal to Americans. This last theory is partly supported by a number of curious circumstances surrounding the recent behavior by members of the Gohlen group and by evidence of other U.S.-sponsored intelligence operations which employ former German intelligence officers.

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Finally, it is possible that HOETTL is sincere in his statements that he expects Mr. Allan Walsh Dulles to take personal cognizance of his case and that he is under the impression that his present interrogators are hostile to Mr. Dulles. This fourth theory would explain his reactions to interrogation, but the theory cannot be accepted unless we assume that HOETTL is naive about the present organization of American intelligence. Such naivete is unlikely. In any event, the fourth theory will be tested in the next interrogation.

4. Future Plans.

a. Further Interrogation. HOETTL is at present in solitary confinement, where it planned that he will remain until 3 April 1953 when he will be reintegrated. The decision to release him is being delayed until his reaction to solitary confinement can be learned.

b. Reports. It is planned to follow this preliminary report with a series of more detailed reports.

(1) HOETTL's reaction to the arrest of VERBER and PONSER. HOETTL's immediate reactions when he learned through the press of the arrest of VERBER and PONSER are recorded in part in correspondence between himself and his chief assistant, Baron Heinrich von MALT, as well as in his report to Rupert MANDEL and his report to Wolf H. HERRER. A separate report will be prepared covering this material.

(2) Personalities. The large number of personalities which have been mentioned during the course of the interrogation will be listed in a separate report with HOETTL's comments on each personality summarized. This report will be of some value in the future investigation and will be of considerable value in the continuing counter-intelligence study of HOETTL's activities.

(3) Assessment of HOETTL. A report summarizing the assessment of HOETTL as a personality will be prepared. This assessment will include impressions formed by the interrogators, facts established concerning HOETTL's intelligence activity, and capacity, and results of study of documents impounded.

(4) HOETTL's Correspondence with LOVBER. A special report on the correspondence between the Central European Press and HOETTL is being prepared which will include the correspondence itself as well as HOETTL's responses to the intensive interrogation on this subject conducted during the evening hours of 26 March 1953.

(5) Impounded Material. The material impounded during the search of HOETTL's house and office is being photographed and copies of these photographs will be made available for incorporation into appropriate files. In the course of time, research will be done on this material both in Austria and in Washington, and it is probable that a series of reports will issue from this research.

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c. Press Action. Press releases have been prepared in the event that public curiosity concerning HOSTEL'S arrest and proceedings to date in American authorities in Austria. If the Department of Justice concurs, it is our present desire to issue at some time in the future a press release which will implicate HOSTEL directly with Kurt TULLER. The purpose of this press release is to insure that HOSTEL is discredited once and for all with German Intelligence Services, and thereby to prevent his continued harassment of the United States by the processing through various channels of fabricated intelligence.

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