

SECURITY INFORMATION

VIA: AIR
(SPECIFY AIR OR SEA POUCH)

DISPATCH NO. MGIA-9983

SECRET
CLASSIFICATION

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TO : Chief, Foreign Division M
FROM : Chief of Station, Karlsruhe *o/188*

DATE: 10 January 1952

SUBJECT: GENERAL— Operational

INDEXED

JAN 19 1952

SPECIFIC— HOETTL, Wilhelm (A)

DOCUMENT MICROFILM SERVICE

REF: SALZF 238; PULF 3111

1. Coincidentally enough, we prepared a paper on subject the same date SALZF 238 was sent, expressing our belief that HOETTL was indeed a CAPOTE agent. Our method of arriving at this conclusion was certainly more involved than that of SALZ, but having received SALZF 238 we will set forth our story here and hope that it may clarify one or two small points. The rather confusing chain of events follow.

2. In early September, we received MGIA-9959 which contained a large number of photocopies of intelligence reports obviously coming from Austria, and which BOB received from MIS. MIS had routinely procured these from CIS. BOB was of the opinion that the material was ZIPPER's.

3. Checking the name and address of the addressee, we discovered him to be none other than Gerhard SCHACHT, a former GV G employee who defected to CAPOTE and is now considered one of CAPOTE's principal sources.

4. Because the CIS intercepting was being done in Munich we asked for and began to receive coverage of these reports through 66 CIC Munich.

5. [] was asked to comment on the material in the reports which by then amounted to over 50. In going through them, four were noted in which the subject matter corresponded closely with reports submitted by USAGE. These four were based on the interrogation of refugees in the Graz area and were the only ones similar in subject matter to USAGE reports. The USAGE reports came through the now defunct channel XX-123 - XX-1. (Photos of four of the intercepts are attached as enclosure #1, E-1, E-2, E-3 and E-4.) In order to determine whether or not someone in USAGE's office was selling reports to CAPOTE, USAGE was asked to provide samples of typing from all typewriters in his office, plus samples of typing of HH-1 and XX-123 and HOETTL. These typing samples, plus a sample of typing from the typewriter used by UM were sent to TAD along with photos of the intercepted material and analysis was requested. (Typing samples A-1, A-2, 3, 4, 5 are

- Dist:
- 2-FDM
 - 1-COS *w/5 attchs.*
 - 1-FOB *w/6 atts.*
 - 1-SRFG
 - 1-SALZ (Direct)
 - 1-COS, Vien
 - 2-File
 - 51-28A

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SOURCES METHODS EXEMPTION 3828
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2000 2006

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attached as enclosure #2).

A detailed study by [] of TAD indicated almost conclusively that the typewriter used for typing the intercepted material was that used for writing the letter A-1, which is a copy of a letter written to CC-2.

7. Despite the large amount of intercepted material, none of it was considered at all interesting here, consisting as it did mainly of photos and extracts from WW-II Czech military publications, fragmentary low-level OB and even a paper listing the components of the U.S. army field ration. We felt and feel now that if this is at all representative of CAPOTE's take he is a long way from becoming a figure in the GIS. When CIC stated that they could not staff the reproduction of such a large volume of intercepted reports, we readily agreed that they were of so little value that we had no continuing interest in receiving them. The intercepts, consequently, were stopped after approximately one month of observing the material. All intercepted material received here is attached for your information.

8. We are reasonably satisfied here that USAGE is not tied in wittingly with HOETTL and consider the chances insignificant that he is penetrated. The four reports in which the subject matter was similar to the HOETTL reports destined for CAPOTE were based on interrogations, and incidentally, the interrogee fabricated much of the content. This interrogation obviously got into the Graz intelligence exchange and from there received the usual wide distribution. It has since appeared in reports by UM, and in a British interrogation report read at the Air Section USFA. Since nothing else in the approximately 50 reports destined for CAPOTE over a period of a month even remotely resembled anything of USAGE's, and the four which did were readily available to anyone with access to the Graz exchange (which includes everyone), a very slim basis exists for assuming USAGE/HOETTL collaboration.

9. In refutation of this assumption we point out that through CC-2, USAGE has provided something of a penetration of HOETTL and has to date reported all statements made by HOETTL, who USAGE states he believes is a CAPOTE agent. Reports are also frequently received from PP-1 and HH-1 detailing HOETTL's connections, meetings, etc. The most recent of these reports is attached as enclosure #4. USAGE has maintained that considerable friction existed between himself and HOETTL during the war and that he has had no connection with him since. Despite the fact that both USAGE and HOETTL are on the same side of the fence regarding ZIPPER, we feel from personal assessment of USAGE that he believes himself to be superior to HOETTL and feels HOETTL's efforts in the intelligence field represent competition which he would gladly eliminate. The fact also that both USAGE and HOETTL would settle for nothing less than being top dog virtually eliminates the possibility of collaboration.

10. The MAST/HOETTL connection is one that is known to us, as well as to USAGE, but is one which we haven't yet been able to clarify. MAST is still employed by ZIPPER through EV S, and has a connection to CIC Linz.

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Whether ZIPPER is employing MAST to penetrate HOETTL/CAPOTE or vice versa is a question we cannot now answer. Repeated needling of ZIPPER's HQ section about MAST, without, of course, disclosing our knowledge of MAST's other connections, has elicited no useful information, except "protests" (sic) at our denunciation without supporting details which they requested we provide. Their reluctance to volunteer any information on this score might indicate that ZIPPER is indeed aware of MAST's connection to HOETTL, and are loathe to inform us that MAST is being used to penetrate CAPOTE, an activity for which we would certainly balk footing the bill. It is believed that [redacted] has additional information on the activities of MAST, and perhaps when we get this we will have a clearer picture of MAST's true loyalties.

o/c K98
[redacted]

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