

SECURITY INFORMATION
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9 April 1952

The following is a summary of all the material on the CAPOTE-HOETTL relationship. Some of this undoubtedly duplicates items from the Austrian desk. ZIPPER has nothing to add to this collection, although it does have a dossier on Baron Harry Mast.

1. SALZ 238 (IN 11359) 6 January 1952

Hoettl approached GRUESOME 201 in late December saying he was establishing a Mediterranean IS net for CAPOTE and asking 201 to be head of it for Near East and Italy. Hoettl introduced Baron Harry Mast as his chief of staff and claimed he was cooperating with a fnu Langer and a Otto (lmu)(possibly USAGE).

Hoettl said CAPOTE previously worked with Seppings but current plan independent. Said ZIPPER doomed because of UTILITY's mistakes and excessive ambition.

Hoettl provisionally coded 201 as L606 and suggested that he start immediately sending reports by courier from Rome to Bolzano where Hoettl's courier would take over. Hoettl does not know 201 now living and working in Austria

Hoettl asserts he is being processed under true name for German citizenship.

Comment by []: Considering Hoettl's habits he is probably building organization without full CAPOTE knowledge and will offer apparatus gambling that CAPOTE will accept because he wishes to strengthen his hand vs. UTILITY. Doubt active USAGE-HOETTL collaboration.

If CAPOTE-HOETTL connection undesirable or offer not firm, believe we must neutralize Hoettl to safeguard 201 from future molesting. 201 glad to attempt this since it would do away with irksome paper mill.

2. FULL 3111 (IN 12136) 9 January 1952 (ref: SALZ 238)

POB info reasonably conclusive Hoettl working for CAPOTE.

ZIPPER asserts it has sufficient penetration CAPOTE-HOETTL connection through Gerhard Schacht.

USAGE also knows much re: Hoettl activities via Anton Boehm

(NGLA 4098, 17 Nov 1950) Dr. Anton Boehm reported to USAGE that Hoettl met with fnu Roeber in Munich on the interest of CAFILA group in ZIPPER.

3. LGLE 9983 10 January 1952 []

States that POB independently arrived at conclusion that Hoettl was CAPOTE agent. Intercepted some material intended for Gerhard Schacht and did typing analysis of machines in USAGE office to determine similarities. One was identical, but since material passed not similar, do not believe USAGE tied unwittingly with Hoettl. Rather think that USAGE has penetrated Hoettl whom he thinks is CAPOTE agent. (*)

(*) Copy of analysis of reports and photostats of rpts. themselves filed in RI under []

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3. (continued)

Tie-in with Baron Mast unclear. "Whether ZIPPER is employing Mast to penetrate Hoettl-CAPOTE or vice versa is a question we cannot now answer." ZIPPER reluctant to give info, this "might indicate that ZIPPER is indeed aware of Mast's connection with Hoettl, and is loathe to inform us that Mast is being used to penetrate CAPOTE, an activity for which we would certainly balk footing the bill."

4. WASH 22315 (OUT 99195) 11 January 1952

Connection CAPOTE-HOETTL considered undesirable.

5. MGFA 6452 2 April 1952 []

For complete document see attachment.

6. MGFA 6436 16 April 1952 (32-6-2-8202) (Harmsdorf)

... Capote also reported that they have now definitely shelved Hoettl and he has informed his Munich chief, Schacht, to cease paying him any more money. He still think Hoettl's political reports to be bona-fide but claims that Hoettl has too many dubious contacts and friends to make future work with him dangerous from a security standpoint.

7. MGFA 6420 2 April 1952 (32-6-2-8072) (Harmsdorf)

Capote also related he was recently visited by Hoettl. He claims he is paying Hoettl only for certain reports on internal Austrian political matters; he considers Hoettl's OB reports worthless (*) and possibly inflated or fabricated. He believes Hoettl procures bona-fide Austrian intelligence but that is as far as it goes. Hoettl recently asked for funds to go to North Africa where, he claims, he has many potential sources including a "cousin" of the Bey of Tunis. Capote said he wouldn't buy it and will continue to exercise caution in his dealings with Hoettl. Hoettl also tried to build a "chain" of agents extending into Italy, the Vatican, and Trieste recently but Capote alleges he is not interested.

(*) Our reports section gave about the same evaluation to the OB material which was included in the intercepted material in MGFA 6452.

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8. FULL 3592, 16 May 1952 (IN 43995)

BOB acquired CAPOTE IS material through local CIC office as follows:

Material was turned over to Region IV CIC by unwitting letter drop of Schacht.

POB informed CIC we had legitimate interest in material since Schacht occupies POB requisitioned house, and unclarified status Schacht to ZIPPER

Material consisted of low IAFB Hungarian and Austrian reports; letters involving Hoettl establishing a press evaluation group in Austria connected with Scheid in Bonn. Report alleging possible RIS penetration of ZIPPER operation in Austria.

9. FRAN 3132 (IN 44199) 18 May 1952

We long aware CAPOTE OB collection and attempting get full take. Photograph reports and return to Schacht.

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