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FORM NO. 51-28 A

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CLASSIFICATION

UPSWING as a V-Mann in Dienststelle 12 in Munich. According to UPSWING, KLAUSNITZER became an agent of CIC, Munich at about the same time. In September 1955, after being dropped by CIC, but while still active as an UPSWING V-Mann, he obtained employment as an agent of U.S. Air Force Intelligence (A-2) Munich. (KLAUSNITZER's dual employment was reported in EGMA-13243, 20 September 1956 and EGLA-20908, 5 October 1956. The first mentioned dispatch forwarded a photo-copy of the A-2 file on KLAUSNITZER to COS and EE. (His having been employed by CIC has not yet been substantiated.) KLAUSNITZER is now an employee of the Landesausgleichsamt/Heimatauskunftsstelle in Aussig Munich. He lived at Munich, Promenadeplatz 11 Until 1 July 1958 and since then he has been living at Munich 15, Landwehrstrasse 58 bei HAFNER. One of KLAUSNITZER's personal friends is an UPSWING staff member who is on duty in UPSWING Headquarters Compound. (The UPSWING CE Operations officer who revealed this fact offered no other indication of the identity of KLAUSNITZER's friend.)

Czech IS History:

3. The officer responsible for the case at the Headquarters level has commented that it is, of course, possible that the Soviets may have taken an interest in KLAUSNITZER but that the first reported contact with a hostile intelligence service occurred in June 1957. KLAUSNITZER reported to UPSWING that he had received a letter from Prague written by a Czech who had been one of KLAUSNITZER's Abwehr principal agents in Zweigstelle Brno in the CSR during World War II. The man (who was not identified to MB/LD) was sent a friendly letter (at UPSWING's direction) and he in turn wrote to KLAUSNITZER suggesting a reunion. In the course of the ensuing reunion, which occurred in Vienna in August 1950, KLAUSNITZER's former agent made a blunt recruitment pitch. Although conceding that the Soviets may have been behind the recruitment, UPSWING notes that KLAUSNITZER has positively identified the recruiter and that UPSWING is tentatively of the belief that the hostile service is the StB. UPSWING regards the recruiter as a fairly high-level Czech IS agent whose duties probably include spotting, investigating leads and recruiting. On the basis of KLAUSNITZER's reporting, the recruiter revealed to KLAUSNITZER that he, in turn, is handled by a case officer known to him only by cover name and that the case officer is supposedly stationed inside the CSR. UPSWING has indicated several personal meetings have taken place in Austria in this operation. Other communication has been by dead letter drop. The only Czech IS message which has been described to MB/LD was the one found in KLAUSNITZER's drop in March 1958. It consisted of a miniature photographic negative depicting one page of typewritten text.

Czech IS Mission:

4. KLAUSNITZER was assigned the mission of penetrating UPSWING Headquarters,



collecting information on a certain UPSWINGER, on certain personalities in Federal Republic industry, and on certain other persons of potential operational interest to the Czech IS. On the specific EEI's, only two have been revealed to MB/LD by UPSWING to date, viz., Fuerstenfeldbruck Airfield (Reference A) and:

Marianne *LIEBSCHER (born ca 1903, a clerk-typist employed by the U.S. Army in the SACOM Special Services Administrative Branch in Munich) (Reference B).

The Fuerstenfeldbruck EEI was assigned at the outset of the operation. The LIEBSCHER EEI was assigned in the message received in March 1958 which listed three other names. UPSWING has revealed that the other three included a member of the UPSWING Air Intelligence Evaluation Staff and two personalities in Federal Republic industry.

AIS and UPSWING History:

5. Aside from the employment with A-2 Munich which was reported in EGMA-23243, 20 September 1956, UPSWING recently informed us that KLAUSNITZER was an active agent for CIC in the summer of 1955. (Comment: This is being checked.) In September 1956 UPSWING reported that KLAUSNITZER was a V-Mann and had been on the UPSWING payroll since July 1955. He was not contacted by UPSWING after October 1956 until June 1957. KLAUSNITZER re-established contact in June 1957 when he reported receipt of the Czech IS letter.

Case Summary:

6.UPSWING has informed us that KLAUSNITZER reported to the Czechs that he had no access to Fuerstenfeldbruck Airfield or any other American installations and that, on the other hand, he was well acquainted with a German Bundeswehr corporal. Aside from the EEI on Fuerstenfeldbruck, all the EEI's assigned prior to March 1958 were concerned strictly with Federal Republic interests. At one point, UPSWING had KLAUSNITZER escorted around the perimeter of the UPSWING Compound in order to give him some first-hand build-up material for passing to the Czechs.

7. The MEI on LIEBSCHER caused UPSWING to become considerably more suspicious of his bona fides. The message gave her name with the notation "Pullach" typed in next to it. No person by that name was employed in UPSWING Headquarters or was residing in Pullach. UPSWING discovered that she was allegedly employed by the Americans in the ehemalige Zeugmeisterei (a local German usage for McGraw Kaserne). UPSWING thereupon reported to ME/LD that her name had come up among the EEI's assigned to "an Eastern agent." The negotiations reported in Reference D then transpired. Upon learning from us that LIEBSCHER was working in SACOM Headquarters, UPSWING interrogated KLAUSKITZER on LIEBSCHER. He admitted that he was a forth or fifth cousin to LIEBSCHER and that he sees her about once a year. KLAUSKITZER insisted that he never mentioned her name to the Czech IG. He further insisted that he has told UPSKING about everything he did tell the Czech IG. UPSKING is dubious about this. Considering the scant likelihood that an agent would

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be assigned an EEI on one of his relatives by sheer coincidence, UPSWING has raised the hypothesis that KLAUSNITZER might have told his handler about both LIEBSCHER and his UPSWING friend who works in Pullach and that the Czech IS might have accidentally garbled the descriptions of the two individuals.

8. In respect to the peculiarity of the EEI on LIEBSCHER, it is noteworthy that the SACOM G-2 has revealed that CIC is playing back a Czech IS agent whose wife is working in the same room with LIEBSCHER. In view of the strong possibility that there might be some connection between the two Czech IS operations, a copy of UPSWING's report on LIEBSCHER was passed to local CIC via the SACOM G-2 in order that the CIC handlers would have the benefit of the information without the delay implicit in transmittal via Stuttgart. Pending advice from CIC, we are refraining from giving any indication to UPSWING that there may be a parallel to their operation.

Status of the Operation:

- 9. KLAUSNITZER is now on vacation and may be in either Austria or Switzerland. UPSWING requested the clearance of the build-up material on Fuerstenfeldbruck Airfield on 5 August 1958 with a special request that the clearance be obtained by 8 August 1958 because UPSWING expected that the Czech IS might contact him at some time during his travels outside the Federal Republic. The clearance, which was requested in Reference A. was obtained from G-2 and OSI and reported back to MB/LD (HEID-2403. 8 August 1958 and FRAN-8678, 8 August 1958) within hours. UPSWING's CE Operations chief, upon being informed that the material had been cleared less than forty-eight hours after he had first broached the subject, expressed his gratitude and a degree of surprise concerning our promptness. KLAUSNITZER presumably was authorized before his departure from Munich to pass the material to the Czechs in the event that they should contact him during his vacation. UPSWING has stressed that KLAUSNITZER has been directed to report nothing on any of the four persons (including LIEBSCHER) named in the March 1958 message. UPSWING's plans for this operation were briefly outlined to us in general terms. UPSWING expects that KLAUSNITZER will meet his Czech handler in Austria in the fall of 1958. Tentatively, UPSWING is planning to interrupt the meeting and attempt to double the Czech handler. Two UPSWINGERS documented as Austrian police officials would set up their attempt at doubling the handler by ostensibly arresting the handler and KLAUSNITZER in the act of transmitting espionage material. UFSWING's plans will be discussed further and reported at a later date. (Comment: GRAMEBA's report of the recent UPSWING/GRENGULF meeting in Vienna indicates that UPSWING may be coordinating these plans closely with GRENGULF -- See EAVA-20223, 8 July 1958.)
- 10. Of incidental interest is the fact that CAVIRIL submitted a request on the same day for clearance of similar build-up material on the air traffic at Fuerstenfeldbruck during the air lifting of the 24th Infantry Division to Turkey. The CAVIRIL request was in connection with their Operation MESTER.

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which is a double-agent operation directed against the East German Hauptverwaltung Aufklaerung (see EGMA-36429, 12 August 1958). The texts differ widely in detail. KLAUSNITZER's report, which was based upon KLAUSNITZER's own observations and newspaper accounts, is considerably more accurate. There is no clear indication of collaboration on the part of the agents or the services concerned.

UPSWING's Build-up Material Control Form:

11. Forwarded under separate cover for EE and COS are one copy each of a photocopy of the completed UPSWING Headquarters build-up material control form, "Freigabeantrag fuer Spielmaterial," which was loaned to MB/LD in connection with the Reference A request for clearance.

Comment:

12. This report will be followed by the results of our efforts to clarify a number of points on KLAUSNITZER's bona fides and UPSWING's planning in forthcoming discussions with the UPSWING Headquarters CE Operations officer responsible for this case -- which, incidentally, is known as Fall MEPHISTO.

Approved by:

Attachments: A Freigabeantrag fuer Spielmaterial U/S/C

B Negatives of attachment A photographs U/S/C

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