

on 3 JAN 1969 we questioned his access since his company does not have much trade - asked about his access to contacts & acquaintances in other firms; (after call he is close to Siemens)

Director Feltner & Guillaume

SECRET

HANS V. KOENEN

38,000 employees

FI OPERATIONS STATUS REPORT

STATION/BASE	<u>[]</u>	REPORT NO.	
AGENT'S CRYPT	<u>(SIMURRA-1)</u>	PROJECT	
PERIOD COVERED	<u>10/1/68</u>	DATE OF POA/OA	<u>22 JULY 69</u>
CASE OFFICER TIME	<u>3/4 day (monthly)</u>	COSTS	<u>\$60.00</u>
			(during period)

BACKGROUND AND ACCESS OF AGENT:

See report covering period 7/1/68 to 10/1/68.

what about his access?

TYPE OF AGENT COMMUNICATIONS:

Meetings with Subject are currently being held in public restaurants, following a telephone call to lay on arrangements.

TARGETING: (including OD citation)

The main thrust at the moment is to persuade Subject to provide information on Chinese Communist interest in purchasing tele-communications and power equipment and to attempt to lay the groundwork for using Subject as a future legal traveller to China, N. Korea or N. Vietnam on the contingency his company will succeed in

OPERATIONAL DEVELOPMENTS: (include security aspects and training)

establishing trade ties with these areas.

The reporting period has seen an apparent change in our operational relationship brought about by a changeover in the management of Subject's company. The President of the Company, who has apparently considered Subject as one of his men for the past thirty years or so, is resigning over disagreement with the Board on how the company's affairs should be conducted. Although Subject will retire within the next two years, he feels - or at least seems to feel - that the umbilical cord is being cut and that his voice may diminish accordingly. He has brought up the question of a continuation of our relationship - which the new management

ACTION TAKEN PER PREVIOUS HEADQUARTERS REVIEW: (no review)

might not sanction - and then at a late December meeting suggested that we might wish to meet privately in the future in order that we might continue the contact which he appears to find of some interest. We naturally sanctioned this idea. Subject is representing the cable industry at a conference with the Yugoslavs in January in Munich and in March goes to Bombay, Karachi and other Asian areas. The possibility

PRODUCTION: (include significant operational information)

would appear to exist - although not confirmed - that Subject could include denied areas on his itinerary. Although Subject is a sophisticated business man and a hard nut, we are doing our best to establish the type of bonds which may enable us to tune in on his wave length for information about what the German and other European cable and power industries are trying to accomplish in China, N. Korea and N. Vietnam. Although we are obtaining an increasingly better picture of Subject and his company,

EVALUATION AND RECOMMENDATIONS: there has as yet been no intelligence production.

FIELD:

It is definitely recommended that the contact be retained in the hope that something resembling a private and unilateral relationship can be worked out with Subject. In an atmosphere where it is progressively more difficult to find German business men - at any level - who are willing to sit down and discuss matters obviously of some sensitivity to their companies and government it will probably necessitate long term developmental activities.

Field Case Officer

Releasing Officer

[] says he moving toward unilateral relationship with US about latest change in management which notes position uncertain

*China travellers
direction
Spottling
to see directed towards Spottling
11/69*

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