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VIA Pouch # K-2947
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DISPATCH NO. MGK-A-31713

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CLASSIFICATION

TO : Chief, Foreign Division M
Attn: 3
FROM : Chief of Station, Karlsruhe C
SUBJECT: GENERAL— Operational

DATE: 17 September 1951

SPECIFIC— KIBITZ 15 - Progress Report

REFS: MGK-A-31712, 21761, 32196

CENTRAL INTELLIGENCE AGENCY
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BY 6619
DATE 20 1958

1. It will be remembered that Subject ~~is the former German Army~~ colonel who wrote to Mr. McCloy and was subsequently referred to us. After satisfactory security checks and interviews to set things up, he was offered an opportunity to prove his sincerity and ability by pioneering in setting up a stay-behind agent organization in Germany.

2. His recruitment at that time was most opportune in that this case officer was already considerably over-extended in our stay-behind project and further progress would depend on additional personnel. Further, experience was revealing the security risks involved in our many personal contacts required during the overt stages of development. And, even after the recruits are converted to clandestine meetings we still have the disproportional risk of American-German meetings required to hold the interest of the stay-behind agents who, while waiting for training or other tangibilities in confirmation of their mission are continually subjected to bad press and deteriorating opinion of the occupation forces. Therefore we were ready for a German of proper outlook and stature who could be employed in furthering the stay-behind project. This unreconstructed Reichswehr professional seemed just the man and his progress to date has proved our estimate.

3. He has, in the past eleven months developed a stay-behind agent organization parallel to and without knowledge of our basic net. This type of effort in winning and controlling personalities does not provide ready measures of production. Working with him on his project, while at the same time having our counterpart work at the same level to use as a yardstick to his efforts, has brought us to recognize his progress as faster and further than ours. Further, his progress is much to his personal due and not to be credited just to his facility of being a German among Germans. We have always had to be extremely discreet in our guidance so as not to tip the pitch of our own net, and thus have had to permit him to do things the hard way with errors in planning and practice for which he had to learn the answers for himself. But we seldom had long to fret until he again found the right track as the accompanying organizational chart will indicate.

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NAZI WAR CRIMES DISCLOSURE ACT

- EXEMPTIONS Section 3(b)
(2)(A) Privacy
(2)(B) Methods/Sources
(2)(G) Foreign Relations

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4. For reading this new chart we refer you to MGK-A-32195 and MGK-A-32196 in which we identify the new codings we have had to switch to in replacing the former system of combinations of letters of the alphabet and numbers (such as 15 i 2 or 15 f 3) which were to indicate leadership or subordination within the teams but which became unwieldy and meaningless as we reassigned personnel to suit changing assessments and manpower needs. As a further guide to the chart, we call your attention to the legends: Blue circled numbers indicate non-Commo personnel; red circled numbers indicate Commo personnel, (shading within the circle indicates degree of training, i.e., readiness); green circles indicate personnel under development.

5. From this chart then, (extracted from MGK-A-32195), we see his 45 agents lining up into what could be 14 teams. But, as mentioned, we are making consolidations to bring up the manpower in each team and we expect the KIBITZ 15 complex to wind up with about 12 complete teams, which is about all one man can properly handle. Unfortunately, this organizational chart is about all we can present at this time to show his progress. However, we are finding his best production coming out of his knowledge of the country and his background in military strategy and tactics which he is pulling together into operational briefs for his teams. In fact, his first drafts of this work already so surpass anything we could hope to do ourselves that the student has become the teacher. Unfortunately we are handicapped for want of a translator for this project and so are as yet unable to present this work, now running into volumes, for critique and approval.

6. Until most recently KIBITZ 15's work has been an outgrowth of what started as a trial period without salary or promises. But guessing his way of thinking, he no doubt can see his place as a key agent after evacuation from where he will direct the activities of the net he is now spinning. We fully recommend Washington's acceptance of this possibility. Who would better know the capabilities of these men left behind, and thus direct their missions and brief their replacements? Who could better guard against penetrations, defectors or playbacks? Obviously he can remain a valuable asset. In any event, now as we approach the anniversary of his working for us, we thought it right to offer him some security or permanency in his agent status. Our budget estimate in MGK-A-31211 included sufficient funds to offer him a salary of DM 1,000 per month, and as related in MGK-A-31712, we began paying him DM 900 monthly as of 1 August 1951. Though we find that this is a modest sum for an agent doing his caliber of work, and less than some such others in paramilitary duties, he nevertheless accepted our offer as a long sought basis upon which to make a businesslike arrangement for a manager of the farm tractor business (which he never was too enthusiastic about) and which he has preferred to neglect while spending more and more time on stay-behind work. We estimate that he will be spending about 90% of his time for us, the remaining 10% to be in keeping up old business contacts as cover for his activities. Surprisingly though, he seems to consider this step from an avocation of intelligence work to that of a vocation as a rather serious matter, and he expects it will be accompanied with a contract, job specifications, etc. We are taking the matter in advisement and if possible,

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will prepare an employment agreement to satisfy his mentality but in no way binding in our obligations. In this respect we are aware of the one-sided nature of the sample contracts described in GAI 11/6.

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