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EGFA- 382

Chief, EE

31 October 1952

Chief, FHB

ATTN: []

ADMINISTRATIVE/CALL

KIBITZ/VULTURE Progress Report for period
1 September to 31 October 1952

1. Project Crypto: KIBITZ/VULTURE
2. Organizational Changes During Period:
Case Officers: No change
Principal Agents: No change
3. Summary of Activity During Period:

a. Spotting and Recruiting: In early September, [] of the Washington REDSOX Desk arrived in Frankfurt and contacted the undersigned to give us leads for possible KIBITZ candidates. (MOQW-11948, 11 July 1952, reported []'s trip and summarized some of his leads.) [] and [] then met two German friends of []'s. Both reacted favorably to preliminary discussions of possible recruitment. In addition, KIBITZ staff members were directed, in August, to concentrate on spotting and recruiting candidates for U.S. staff controlled part of the Staybehind Program. This spotting activity had begun to bear fruit with a number of candidates being name-checked.

b. W/T Training: In September, W/T training slacked off considerably for two reasons: 1) the normal vacation season was ended and the operator candidates found it difficult to take time off from their everyday pursuits; 2) one W/T instructor took ten days' leave. During the month, only two agents received training -- KIBITZ-173 and KIBITZ-182. KIBITZ-182, 221 and 3 received varying periods of resident W/T training during October.

c. Completed W/T Staybehind Agents: During September and October, an above-ground cache and a burial were made for KIBITZ-6, who finished his W/T training and received his signal plan. KIBITZ-6 is thus our second completed W/T Staybehind Operator (reports are in preparation).

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d. VULTURE Blind Caches: Subsequent to last Progress Report, one complete blind W/T cache — VULTURE/N — was completed.

e. The KIBITZ-15 Net Activities: The LGPROWL/Apparat "flap" of early October, had an apparent salutary effect on KIBITZ-15, engendering in him: 1) noticeable self-confidence; 2) an overnight "awareness" of security; and 3) grandiose ideas on how we should increase our financial support of his Net. However, the undersigned believes that these developments probably have arisen through "arrangements" KIBITZ-15 has made (about the time of the "flap") with some German veteran group or friend in an official position in Bonn to insure that he is not involved in an LGPROWL-type "flap" and/or that his own standing in professional military circles is not endangered by his activities with us. (See EGFA-297, 344, 345)

During the period we have succeeded in getting KIBITZ-15 to turn in a number of PRQs; really halt recruiting; re-survey the entire Net to ascertain the active agents. This last is a preliminary step in getting KIBITZ-15 to drop from the Net's roster a good number of inactive agents. (Details will be reported on this last point.)

[] , during the reporting period, has supervised KIBITZ-150 in the preparation of four above-ground caches (two are complete) for W/T operators in KIBITZ-15 Net.

f. "Flaps": (1) On 29 August 1952, a German inspector of the Heidelberg Military Post Fire Marshal's Office, visited KIBITZ-15 in the old Heidelberg safehouse. He was quite perturbed that a German was in this American billet; departed and returned a few minutes later with two MPs. Luckily I had arrived just before the MPs and explained that we were legally entitled to live in the billet. To insure that no "flap" would arise, I contacted the S-2 of Heidelberg Military Post and he contacted the Provost Marshal. I had evidently satisfied the MPs for they did not even make a report on the incident.

(2) The CE Desk, COM, notified the undersigned that on 17 October 1952, CIC had notified COM that the Soviets were allegedly running an operation to obtain data on "American house at Kiechelweg 8, Ulm". KIBITZ had formerly occupied (see EGFA-262, COM only) this house which was almost directly behind our present house in Ulm. As we were in the midst of negotiations with Ulm Post to exchange our safehouse (at Galgenbergweg 20) for a "clean" house, we immediately closed down the Ulm house. (See para 3.g. below for subsequent details.) Further investigation by CE Desk disclosed no indication that KIBITZ operations had been compromised; however, investigation is continuing.

g. Administration: Since June, the undersigned has been attempting to exchange the three safehouses used by the KIBITZ-15 Net (Heidelberg, Ulm, Unterschondorf) for other "clean" properties. It appears that we

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have at last succeeded: MOD has assigned a new house at Wessling to KIBITZ, in exchange for the Unterschondorf house which was occupied the middle of October. We have also exchanged the Heidelberg office used by KIBITZ-15 for another similar-type accommodation in Heidelberg. The Ulm safehouse has been returned to the Ulm Military Post in exchange for a house in Augsburg, which will be occupied by KIBITZ in mid-November. The Ludwigsburg safehouse (acquired in August) is being kept for use only by the non-KIBITZ-15 agents.

4. Action Pending:

a. All of our spotting and recruiting activity came to an abrupt halt with the receipt of DIR-22611, 6 October 1952, which put a stop to all KIBITZ recruiting until Washington reviews all Staybehind Programs. A copy of EE's preliminary assessment of the entire KIBITZ program is said to be in the mail. To date, this assessment has not arrived.

*9/10/52
has arrived
JJO*

At Washington's request, EGFA-14936, a re-assessment of the entire KIBITZ Operation was forwarded to Chief EE on 5 September (EGFA-32). Briefly, this re-assessment: 1) recommended that the major effort in the staybehind program should be the recruitment and training of individual U.S. Staff controlled agents; 2) stated that the security, compartmentation and motivation of the KIBITZ-15 Net were not of a high enough operational standard and that the KIBITZ-15 Net should be kept from expanding and considered to be only a second-rate operation whose value in time of hostilities, would be questionable. A further assessment of the KIBITZ-15 Net was made in EGFA-297, in which it was recommended that it be turned over to the German Government or to ZIPPER as soon as practicable.

b. KIBITZ/VULFURE FPO had originally been written to cover period 1 January 1952 through 30 June 1952 believing that, as in the past, approval for the succeeding six months would be automatic. In May and June, we requested project approval for the period January-December 1952 (FRAN-4106) as no FPO approval at all had been received. On 4 July 1952, WASH F-48527 approved project for period 1 January through 30 September 1952 and said that Washington would pouch a fuller explanation. Several memos giving brief re-assessment of the KIBITZ program -- especially KIBITZ-15 Net -- arrived during the summer, but no further word on finances. As of 30 September, KIBITZ had spent approximately one-half of the allotment authorized for the 9-month period 1 January - 30 September 1952, approximately \$14,000. We requested in SFRAN-6784 that Washington authorize the expenditure for the remainder, about \$14,000 (\$29,350.00 was authorized 1 January-30 September) between 1 October and 31 December 1952. EE's approval of our proposal was given 18 October 1952 (DIR-24275).

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c. Preparation of a new FPO (for calendar year 1953) will be made during November, but our final FPO proposal will necessarily have to await the results of EE's re-assessment of the KIBITZ Project.

5. Account of Expenditures and/or Obligations Incurred: The KIBITZ/VULTURE

Project expended and/or obligated for operational and overhead expenses, during:

September	7,527.84	DM	89.97	MPC
October	9,055.77	DM	90.00	MPC

6. Outstanding Financial Advances as of 31 October 1952:

9,706.59	DM	58.19	MPC
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7. Recommendations and Comments: None.

APPROVED:

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