

OFFICIAL DISPATCH

VIA: AIR  
SPECIFY AIR OR SEA POUCH

DISPATCH NO.: MGLI-A-792

**SECRET**  
CLASSIFICATION

DATE: 28 October 1948

TO : Chief, FEM  
FROM : Chief of Station, Karlsruhe *chs*  
SUBJECT: GENERAL - Operational  
SPECIFIC - CAPELIN: Monthly Progress Report

1. There has been no change in the servicing of this agent. The increase of two cartons of operational cigarettes per month reported in the last progress report was made to compensate for CAPELIN's increased living expenses following the currency reform and must not be considered a raise in pay. Actually CAPELIN is receiving less financial support even with the two additional cartons. Formerly he could pay his rent with two packages of cigarettes, now it costs two and one-half cartons.

2. There has been one development on the security side: on 17 September 1948, case officer met CAPELIN as prearranged in the kitchen of his home, but found CAPELIN's brother-in-law also there. The case officer was introduced as [ ] from [ ] CAPELIN felt that there was no security breach involved in this accident since his brother-in-law knew that he had "American friends in [ ] who helped him move from Salzburg to Munich.

*WHD*  
3. CAPELIN later requested case officer to help his brother-in-law obtain a visa to Argentina which had been granted and then withdrawn because CIC discovered that the brother-in-law had been an Untersturmfuhrer in SS Galizien. A memorandum was written to [ ] at the CIC Liaison Sub-section requesting CIC to cancel their objection, if that was all that was held against the brother-in-law. It has been explained to CAPELIN that this was an extraordinary favor which would require a display of a bit more disseminatable production on his part.

4. CAPELIN's main production during this period is found in the Project ICON report on his compatriots under MGLI-A-793. He proved to be a good counterpart to CAPARISON, the other ICON source. At the same time CAPELIN turned up with three leads which were turned over to CIC Region IV.

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5. In view of the recent arrival of three couriers from the Ukraine, he promises an increase in his production. These have been the first couriers that have arrived since almost a year ago.

6. With the possible exception of the assistance rendered in connection with the ICON Project, the value of CAPELIN and CAPARISON to the Base is currently considered to be very slight. It is perfectly apparent that neither is playing a straight game with us and their operational intelligence contribution is currently nil. In the near future we are going to sit down with each of them and exert the maximum amount of pressure to wring out of him any real evidence of intelligence potential that may exist. There appears to be no case for the indefinite prolongation of our efforts to keep abreast of the endless internal strife that characterizes the activities of the Russian DP element in Germany.

[ ]  
[ ]  
CMOB

Distribution:

2 - FEM ✓  
1 - COS  
1 - file

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