

VIA: AIR
(SPECIFY AIR OR SEA POUCH)

DISPATCH NO. EGMA-26691

SECRET
CLASSIFICATION

TO : Chief, SR

DATE: 9 May 1957

ATTN:
FROM : Chief of Base, Munich

INFO: EE, FOB, COS/G

SUBJECT: GENERAL— Operational/REDWOOD/LOIMPROVE/AERATH

SPECIFIC— Compromise of AERATH Dispatch to UPFWING

Reference: MUNI-1889 (In 33593)
19 Apr 57

Forwarded as Attachment A is EGMA-26687, the MOB report on the possible compromise as the result of UPFWING's access to a MOB-FOB pouch, which included the cover letter to EGMA-25832. The comments concerning the possible compromise resulting from UPFWING access to this document will supplement the information contained in the reference cable. Attachment B, forwarded under separate cover, contains the identities of the persons discussed in Attachment A, and pseudonyms.

Approved:

Attachments:

- A - HEREWITH
- B - UNDER SEPARATE COVER

Distributions:

- 3 - SR w/atts, as stated (in dupl)
- 2 - EE w/o atts
- 2 - COS/G w/o atts
- 2 - FOB w/o atts
- 2 - MOB w/atts

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2008

DECLASSIFIED
CLASSIFICATION

COPY	1
1	3 w/att B
2	EE
3	6/5 17/11/57
4	
5	

Out-Case 111A (10/19)

MAIL-00001

MEM-06487

SECRET

6 May 1957

Chief of Station, Germany

Chief of Base, Munich

INFO: ES, KESUSA, FOB

Operational/Security

Filing of MEM/FOB Pouch to USWING

Reference: MEM-4508, 29 April 1957

1. An investigation of the circumstances preceding the inadvertent release to USWING from the FOB Registry of a MEM to FOB pouch has been conducted. MEM is reporting herewith the reports of the incidents which concern the preparation of the pouch in MEM Registry and delivery to the FOB staff; the pouch it up in the MEM Registry. This report also includes our comments relative to the operational significance of the comments as it relates to the contents of the pouch, particularly disposition No. MEM-4508, dated 10 April 1957.

2. On 16 April 1957 at 1515 [redacted] personally reported to Acting Chief of MEM, that MEM/FOB pouch No. 701 had been inadvertently released to USWING. He turned the pouch material over to [redacted] at that time. He stated that on 16 April 1957 at 1800 a call was received at the British Ops Liaison House from USWING member who stated that he had an envelope containing FOB reports which had inadvertently been sent to his office. [redacted] just Bechtler outside of the compound at 1930 hours and returned with him to the British Liaison House where [redacted] examined the reports. Bechtler stated at this time that he had first seen the reports at the end of the work-day on 15 April 1957 but was unable to contact FOB until 1800 on 16 April 1957. He stated several times that he had not shown the reports to any other person and that the reports had not been reproduced. The reports were then delivered by [redacted] to [redacted] the reports to Scopes as heretofore mentioned.

3. The material was examined on 17 April 1957 by [redacted] It was enclosed in an outer envelope measuring 11" x 16". It was determined that this envelope was not the envelope in which the pouch was originally enclosed. Contained within this envelope was a second envelope measuring 10" x 19" with "FOB Reports" written in ink on the face. The second envelope is regularly used by MEM/FOB and "FOB Reports" was written on the envelope by SP-3 [redacted] assigned to the MEM Registry Section, prior to pickup by FOB. The inner envelope contained the following documents:

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a. Lateral Pouch Manifest to Pullach from Humlich, original and one copy, bearing Pouch No. M-FOB 701, dated 12 April 1957, and classified SECRET. This manifest listed the following items:

- 01, EGMA-45832, KAPOK 2;
- 02, intercepts for Tom S.;
- 03, reports 2 envelopes;
- 04, returned manifest 513;

b. Returned Lateral Pouch Manifest to MOB from Pullach, one copy, bearing Pouch No. 513, dated 10 April 1957 and classified SECRET. This manifest bore the signature, [] as recipient, and listed the following items:

- 01, EGMA-43466, "Geberichts" Translation - in dupl;
- 02, PH 349, Westliches Wehrwesen o.V. - in dupl;
- 03, Envelope for []

c. MOB Dispatch bearing No. NEMA-45832, 2 copies without attachments, dated 10 April 1957 and classified SECRET-KAPOK. This dispatch bore the subject title: General - Operational/NSM009/ISIDREVOV/ASALIN; Specific-March 1957 Progress Report. The two copies of this document had been attached together by two staples in the upper left corner prior to despatch from MOB, but they had been separated by tearing the top copy across the said corner without removal of the staples prior to its return to FOB from UPSTING. This document contained the following pseudonyms, cryptonyms and correspondence designators:

Pseudonyms: [] [] []

Cryptonyms:

REDWOOD
LOUISROVE
ABRATH
ANGAPPELIN-1
UPSTING
ANGAPPELIN-2
CALCROZE
KUBARK

Correspondence Designators:

SR
EE
COS/O
POB

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Correspondence Designations (Continued):

HOB
KONA
KAPOK
Chief of Base, Munch
Chief, SR

4. Four mail intercepts transmitted by boat arip to FOB/ [] J.
from HOB/ [] [] .

5. Twenty-four unclassified TRAFFICING items, bearing I-ten Nos. 2236/57, 2247/57, 2266/57, 1992/57, 2227/57, 2232/57, 2237/57, 2248/57, 2297/57, 2250/57, 2156/57, 2159/57, 2159/57, 2159/57, 2186/57, 2153/57, 2159/57, 2215/57, 2217/57, 2231/57, 2216/57, and 2212/57.

4. [] staff employee assigned to HOB Registry, was interviewed on 18 April 1957. She advised that the pouch, bearing Pouch No. M-FOB 701, was prepared on 12 April 1957 shortly after 1800 hours. It was picked up on the same day at approximately 1600 hours by [] [] staff employee assigned to FOB Registry, for delivery to FOB Registry. Informant further stated that the said pouch was sealed with Scotch tape and the outer envelope marked only by the figure "701," indicating the pouch number. She explained that all HOB pouches to FOB and all FOB pouches to HOB have always been marked in that manner as all pouches are hand-carried between registries. It had been mutually agreed that this numerical designation method of transmission of pouches between HOB-FOB provided maximum protection of the HOB-FOB relationship in the event one of the envelopes was observed by an UPB member visiting the FOB area.

5. [] HOB staff employee, was interviewed on 22 April 1957. He advised that he had arranged to have intercepts placed on all mail received by one HEN JEAN DE W. HUNT, Mandataire II, Munch 23. This intercept was arranged at the request of [] who in turn was acting at the request of UPBING. Hunt was approached as being the fiancée of one JEROME ALONSO BALCAR, an UPBING contact with an unenvy reputation. The conversation of both-clip and the mail intercepts disclosed to UPBING that [] had arranged the mail intercept through one [] at HOB and that he, [] was forwarding the results to one [] at FOB, indicating the HOB-FOB relationship.

6. As a result of this incident, all HOB to FOB pouches are clearly marked "HOB POUCH NUMBER TO FOB" and bear the phrase "U. S. OFFICIALS ONLY."

7. [] prepared the following comments concerning the compromise of KONA-65832, (cover letter only, no attachments) dated 10 April 1957.

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6. The following cryptograms appeared in the organized documents:

1. ~~XXXXXXXX~~
2. ~~XXXXXXXX~~
3. ~~XXXXXX~~
4. ~~XXXXXXXX-1~~
5. ~~XXXXXXXX-2~~
6. ~~XXXXXXXX~~
7. ~~XXXXXXXX~~
8. ~~XXXXXXXX~~
9. ~~XXXXXX~~

7. The following pseudonyms appeared in the documents:

1. ~~XXXXXXXX~~
2. ~~XXXXXXXX~~
3. ~~XXXXXXXX~~

8. The following numerical and classification designations appeared in the documents:

1. ~~XXXXXX~~
2. ~~XXXXXX~~
3. ~~XXXXXX of name, number~~
4. ~~XXXXXX, SR~~
5. ~~XXXXXX~~
6. ~~XXXXXX~~
7. ~~XXXXXX~~
8. ~~XXXXXX~~

9. ~~XXXXXXXX-1~~: The document indicated that ~~XXXXXXXX-2~~ passed to ~~XXXXXX~~ copies of 19 German language reports which reportedly were passed to ~~XXXXXX~~. This copy, combined with the report that ~~XXXXXXXX-1~~ made a 20-day visitation in Italy during the reporting period, could very well pinpoint ~~XXXXXXXX-1~~'s identity. It must be true, that ~~XXXXXX~~ could obtain a reading concerning the number of reports which ~~XXXXXXXX-2~~ passed to us when compared to the actual number of reports which ~~XXXXXXXX-1~~ passed to ~~XXXXXX~~. In this connection, note ~~XXXX-13988~~, dated 15 March 1956, which indicates that ~~XXXXXX~~ was aware of ~~XXXXXXXX-2~~'s association with ~~XXXXXX~~ as early as 1950. Frequency of contacts with ~~XXXXXXXX-1~~ is deducible (from release in March 1957), as well as the broad scope and depth of ~~XXXXXXXX-1~~'s reporting.

10. ~~XXXXXXXX-1~~'s surname: It appears that 15 April 1957 was not aware of ~~XXXXXXXX-1~~'s broad scope of reporting and that one of ~~XXXXXXXX-2~~'s informant sources was Identity A (and thereby, Identities B and C), then the document now makes that fact clear. It has been reported that Identity A

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has been an informant of Identity D. UPSWING's checks with its sister security agencies undoubtedly will produce an indication of the use of Identity A, and thereby AECAPLIN-1, so that it can be presumed that Identity A's activities and his information, passed to Identity D, will be monitored more closely. Certainly, AECAPLIN-1's contact with Identity A also will be monitored more closely.

10. AECAPLIN-2: Because the document indicates clearly that AECAPLIN-2 is used as a translator and if UPSWING pinpoints AECAPLIN-1's true identity, it will be easy for UPSWING to identify AECAPLIN-2. We can only speculate concerning UPSWING's plans concerning AECAPLIN-2 in light of the statement appearing in the document indicating KUBARK plans to suspend AECAPLIN-2's employment in June 1957. The document contains an indication that AECAPLIN-2 was contacted twice during March 1957, that he is used as a translator and that KUBARK is interested in emigre phone calls made in AECAPLIN-2's office. There is an indication that KUBARK desires to suspend AECAPLIN-2's services because his production does not merit his continued service and because something was wrong with his personal conduct.

11. What UPSWING could learn through an analysis of the paragraph on major developments:

a. Identity E: Because the document indicates that AECAPLIN-1 provided cross-check data on Identity E, UPSWING might deduce that Identity E has contact with KUBARK. It is evident in the document that AECAPLIN-1 obtained his information on Identity E's contacts from the person or organization which had an apparent need-to-know, i.e., Identity A and C. Thus, UPSWING might also deduce that KUBARK has a two-prong penetration of Identity E, i.e., via Identity A and through AECAPLIN-1 to Identity A.

b. Identity F: UPSWING also will learn of KUBARK's interest in Identity F on whom AECAPLIN-1 passed reports during two contacts. Again AECAPLIN-1's information stemmed from Identities A and C; the document makes it apparent that the SB is investigating Identity F and indicates that, in talks with Identity E, Identity F threatened to liquidate Identity A. Because the word additional appears in the document, UPSWING will presume that AECAPLIN-1 earlier provided information on Identity F as concerns Identity C's investigation of Identity F. There is no indication in the information to permit UPSWING to deduce that Identity F is KUBARK's agent; however, see paragraph G, below. There is always the possibility that UPSWING's or Identity D's files contain information on Identity F from independent sources, among which the most prominent suspect appears to be Identity A (see paragraph 9, above).

c. Identity G: From reports in MOB files (including SFULL-8299 and several other reports which have not yet been officially reported to

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Headquarters; these are located in the Identity O file, it is sufficient to say that UPWING already knows that Identity O is being run by KUBARK. The fact that he is reported in true name (in the compromised document), as were the other personalities, may lead the UPWING analysts to presume that the other persons mentioned in paragraph 4 of the ECMA are also our agents. In addition, UPWING and Identity H were made aware of our handling of Identity I who is reported in the ECMA in true name.

d. Identity A: (See comments in various paragraphs, above.)

e. Identity I: In addition to comments on Identity I made in paragraph 11.e., above, it is felt that UPWING will be alerted to Identity J who, as the report indicates, is conducting his personal investigation of Identity O (who played, till very recently, a key role in the Identity I case).

f. Identity K: At first glance, the most important item which appears to be compromised in the paragraph concerning Identity K is the cryptonym, CARBONE. However, in light of the fact that UPWING may initiate a name trace on this person with other German security agencies, a reply from Identity H may result in UPWING's putting Identity H and CARBONE together and deduce that CARBONE is the KUBARK cryptonym for Identity H. It is noted that Identity H was notified by KUBARK in rather great detail concerning Identity K's sudden appearance in Munich and the stories which Identity L passed to ARCAPELIN-1 concerning the reason for Identity K's obnoxiousness to Identity L. From this bit of information which appeared in the ECMA cover letter, it should be evident to UPWING that ARCAPELIN-1 provides KUBARK with at least a window on Identity H.

12. Security Considerations: MOB will take all necessary precautions to avoid compromise to UPWING (and, of course, other services) of personal contact, etc., with ARCAPELIN-1 and 2. ARCAPELIN-1's telephone will continue to be monitored via GIN coverage.

In this regard, it is noted that ARCAPELIN-1 has withheld from his case officer at least two EEs which were passed to ARCAPELIN-1 by his UPWING case officer via the telephone medium. It is difficult to analyze this bit of ARCAPELIN-1's behavior but the possibility, in his favor, should not be excluded that he has forgotten to report these EEs. However, this item will be kept in mind since there have been several more recent indications that ARCAPELIN-1 has withheld information concerning his background, dated up to and shortly after the capitulation of Germany in World War II. This information has been reported separately and the possibility exists that UPWING may have information on his background of some import. Note in this regard several letters intercepted from ARCAPELIN-1's ex-common law wife which indicate the possibility that she was or still is blackmailing

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him; an analysis of ABEAPELIN-1's most recent LOFLUTER very strongly tends to support the blackmail theory. It is unfortunate that KUBARK did not have the opportunity to debrief her before she emigrated to Canada; however, there appears to be no reason why KUBARK cannot debrief her in Canada. Then, there is the incident of the sudden appearance and subsequent divorce and emigration to the United States of ABEAPELIN-1's true wife; in this regard, there is very strong reason to believe that UPSWING, directly or indirectly, assisted ABEAPELIN-1 in untangling his problem of polygamy or ostensible polygamy.

The telephone intercept should also give an indication of UPSWING's further handling of ABEAPELIN-1 (noting that the UPSWING case officer usually phones ABEAPELIN-1 either to arrange a meeting or to assign an EEL, important or unimportant as regards KUBARK's standards, or to obtain information concerning the emigration, either in Germany or beyond Germany's confines). The telephone intercept will also serve to confirm or deny ABEAPELIN-1's comments concerning the number and date of UPSWING contacts (see previous contact reports for earlier such indications). We should continue to observe this aspect for at least 3-4 weeks in order to obtain a reading in the change or non-change in UPSWING's modus operandi as affects ABEAPELIN-1.

13. Action by UPSWING: It is obviously difficult to give any appraisal of what positive action UPSWING will take as it affects ABEAPELIN-1. However, it is believed that UPSWING will take no action since it is likely that neither the information in the pertinent EGMA cover letter nor any analysis of the contents will be passed down to the working level.

14. Other Items exposed to UPSWING: Aside from the above items which appear in one way or another to be compromised to UPSWING, UPSWING will also get a reading on KUBARK's manner of reporting, i.e., contact reports and monthly progress reports and the format of the written dispatch, and the MOB numbering system. Because the case officers, both at MOB and at the receiving base, are too close to the project, it is felt that the cover letter to EGMA-25832 might be passed to some completely disinterested person for analysis; this really might prove additional bits of analytical detail which cannot be seen from our point of view and might give a picture as seen from the point of view of the UPSWING analyst(s). If such is effected, MOB would appreciate receiving the results.

Approved: 

Attachment: Identities, UNDER SEPARATE COVER

Distribution:

2 - COS/O w/att, u/s/e
2 - EE w/att, u/s/o
2 - KUBOMA w/att, u/s/o

2 - FCB w/att, u/s/o
4 - MOB w/att

Handwritten: / Can EG-MA - 2669/11 + to [unclear] - 671 [unclear]

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Attachment to OSMA-26687
UNDER SEPARATE COVER

Handwritten: REDWIT 2

Identities

- A. Ivan KASHURA
- B. SOU/OUN/B (Soborodna Chastyna/Organizatsiya Ukrayinskykh Natsionalistiv/OUN-B - Foreign Section of the Organization of Ukrainian Nationalists/Stefan BANDEIRA faction)
- C. SB (Slyubha Bezpeka - Zoh/OUN/B's Security Service)
- D. LfV (Landesamt fuer Verfassungsschutz - Land Office for the Protection of the Constitution)
- E. Stefan DANILYUK
- F. Stefan LIENHOLZ
- G. Hennady KOTORSVICH
- H. C 3
- I. Konstantin KAPUSHINSKY @ LOREK (and numerous other aliases)
- J. Volodymyr KOZAK
- K. Marian CHOBOT aka HOBOT
- L. Zdzislaw BRONIEWSKI
- M. Polish affairs

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MAY 1981	
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