

AIR

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EGBA-14410

2 JUNE 1954

Chief of Mission, Frankfurt
Chief, Berlin Operations Base

INFO: Chief, BE THRU COM

CADORY/Operational

LCCA SOCK/CAUTERY 1

REF: A. BFRAN 4655
B. EGBA-9446

1. Synopsis: Reference A and related correspondence shows a definite need for an evaluation of CAUTERY 1's position, not only in regard to BOB, but also in relation to his eventual exploitation by KUBARK on a long-term basis.

2. CAUTERY was made available to LCCASSOCK as a temporary security officer while he awaited his opportunity to take a position of importance in Bonn, conceivably with the BfV. Employment prospects have increased with the clarification of his official status and we believe it might be advisable to restate the gist of his case.

a. CAUTERY 1, after serving in World War I, entered the West Berlin Criminal Police and eventually reached one of the top positions in this organization. His rank was equated with a corresponding SS rank, although he maintains that his work, as in the past, was strictly on the purely criminal level. Of course, work of that nature and his stature entailed contact with the SD and the Gestapo (assassination attempt on Hitler in Munich, etc). Be this as it may, and we are primarily quoting from his verbal reports, he was definitely involved in the 20 July affair, was picked up and sentenced by the People's Court. Sentence (allegedly death penalty) was not carried out due, according to CAUTERY, to the administration mix-up in Germany in early 1945. After the end of the war he worked for Major Blount, at that time Public Safety Officer in West Berlin, was interned by CIC for two weeks as an automatic arrest, but was released through the intercession of General Taylor and Major Blount. After this release he worked on the Air Lift, i.e. to negate pilferage and black marketing. He was then picked up by KUFIRE and has performed a variety of tasks.

b. During discussions with [] in 1953 about his future career, he realized that he needed an official clarification of the criminal sentence passed by the People's Court. He states he refused to even acknowledge the legality of such proceedings, but recognized at this stage, that an official pro forma clearance was necessary in order to

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enable him to re-enter public service. He found out that the Berlin Courts were not responsible in his case since he was a Civil Servant (former Reichsbeamter) and that he would have to be cleared by the Bundesverwaltungsgericht in Cologne. When he made the application he was informed that the case had lapsed under the statute of limitations. The only way to get cleared under those circumstances was to have the Bundespräsident pardon him, at which time he automatically recalls the charge. Heuss has signed the pardon, in March, which, in his opinion, removes all obstacles for Federal employment.

c. Consequently, CAUTERY now is putting out feelers and reports that he has had tentative offers from (1) the BfV; specifically the organization is planning to possibly set up an apparatus to ensure the safety of the German industrial output, i.e. armament factories and other critical production which might result from the EDC ratification; (2) during his negotiations with the Bundesinnenministerium he met various people who, having become conscious of his case, asked him to see them as soon as Heuss signed the pardon; (3) it appears that the Innenministerium maintains a central registry of all top Federal positions which are unfilled or about to become vacant, and his name was listed as being available for one of these positions. He will inform undersigned when and what specific offers have been made to him and if he requires specific advice regarding the various propositions, we shall check with Frankfurt or the responsible offices to reach the solution which is satisfactory to both parties and insures a reasonable chance for a prolonged and mutually satisfactory contact.

3. We quite agree with SPRAH 4398, paragraph 3, that anything CAUTERY performs on the Bonn end should not be considered a penetration. This both CAUTERY and BOB realize. We would rather encourage CAUTERY's acceptance of a top-notch position, where the Germans are aware that he possesses certain excellent ties with sensitive American organizations and, in turn, through whom we might possibly have desirable liaison with the German organization. A broad mutual basis of contact might be established with CAUTERY so as to at least realize part of our investment in the man.

4. We, therefore, favor the solution outlined above and recommended in Reference B. CAUTERY has done a satisfactory job as the LOCCASOCK security man on a purely small-scale police level. It is felt, however, that his position with LOCCASOCK neither taxes his capabilities nor is in any way exploiting his speciality, i.e. police work on a high level end, of course, is in no way commensurate with his salary. It is felt that the only reason for his reimbursement was our desire to see him eventually well placed within the German Government, and to keep him gainfully employed for the interim period.

5. CAUTERY presently is receiving 1000 DM monthly, also had an expense account of approximately 250 DM monthly, and additionally receives 1000 DM a year for the upkeep and insurance of his car which was furnished him by BOB, i.e. a total of 16,000 DM a year. It is hoped that, as outlined in Reference B, a replacement can be

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furnished by BOM/CE. The salary paid to CAUTERY is completely out of proportion with the size, scope and the financial allotment of LOGASSOCK, and funds are not available to pay him even if it were decided to keep him on a permanent basis, which would be a satisfactory solution to all. As to a reduction of his salary, advised [] that such a step would have to be initiated through NICOG Berlin, since his cover is an office there and since he receives his salary through official NICOG channels as an ostensible NICOG employee. We concur with [] analysis that such a step would blow his true status more than we might possibly want at this stage and that, at least for the time being, a reduction in salary be kept in abeyance.

6. It is, therefore, recommended that provisions be made to extend CAUTERY's present payment and status until 1 July 1954. If at that time he has no firm commitment from a German governmental agency, and if it appears that our primary purpose cannot be carried out, we suggest he be dropped entirely. We request your recommendations and a solution of the financial situation and believe that he should be informed about two months prior to his dismissal, if that is the action to be taken. BOB/KUFIRE, having studied the problem, can see no need for retention of the subject for any of their projects. Since CAUTERY has been used for several undertakings, it is felt that BOB/CABRAIN, from a security standpoint alone, cannot utilize subject in any other capacity. (It is quite possible that added information is available to Frankfurt and Headquarters and that the case is not that simple, but it is felt that the problem as presented generally conforms to the actual conditions.)

APPROVED []

26 May 1954/bom

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