

NC #
15 JUNE
1949

Excerpt from an FBI report read at the Judith Coplon espionage trial in District Court

Washington Post, June 1, 1949

Fiction Pales At Balkan Tale In Coplon Case

A tale of plot and counterplot, introducing the idea of a vast American-aided underground in Europe against the Communists, was unveiled yesterday at the Judith Coplon espionage trial in District Court.

An FBI investigative report read at the trial presented to the world the legendary figure of Nicolae Malaxa.

Wilder than the wildest fiction, the story poured out. What is true, and what is false in it, no outsider can know.

Malaxa is described in the report read to the jury as a man who, like Zabaroff, manufactured arms and munitions; who through bribery established relations with Carol and Magda Lupescu, who subsidized the fascist Romanian Iron Guard; who was a friend of Hermann Goering's brother.

And yet who later "was prepared to sell Romania to the USSR if he could profit from the transaction." In whose pay are "all officials in the Romanian Legation in Washington who can serve his purpose. Who exercises such fantastic power that those (in the legation) refusing to cooperate are threatened with recall or otherwise intimidated."

On the other hand he is characterized in the opinion of Attorney Thomas K. Finletter of New York as a man who has not been engaged in any pro-Russian activities and did not collaborate with the Germans.

In an interview with FBI agents, Finletter referred to litigation pending between Malaxa and the August brothers. (Their report is dated May 15, 1948), represented by William J. Donovan—celebrated during the war as chief of the cloak-and-dagger Office of Strategic Services.

Finletter states he is inclined to agree with Malaxa's feeling that "the so-called charges" against him, originated with the August brothers, business competitors of Malaxa in New York.

Finletter, who was chief of President Truman's Air Policy Commission, is associated with Coudert Bros., which represents the French government and is one of New York's largest law firms.

He told FBI agents that the State Department had been kept informed of Malaxa's activities in the United States and "had raised no objections to any of his activities."

Malaxa's name is tied up with papers presenting spectacular information about Romanian resistance groups and the possibility of using Romanian refugees in the United States Armed Forces.

This material, the report states, was furnished to the State Department on April 27, 1948, by Gen. Nicolae Radescu, former Romanian Premier and leader of the Romanian opposition in exile.

Copies were understood to have been submitted by General Radescu to General Wedemeyer, of the United States Army.

The Central Intelligence Agency, the State Department advised the FBI, "states that Malaxa is presently financing General Radescu, who is attempting to organize his own resistance movement and, in turn, Radescu has supported Malaxa's request for an extension of his United States visa."

CIA has reported that adherents of Radescu have been spreading a story that the Central Intelligence Agency has intervened with the State Department to secure an extension of Malaxa's visa, in return for which Malaxa would furnish to Radescu one million dollars to finance a resistance movement.

The CIA has stated that this attempt to implicate their agency in the affairs of Malaxa and Radescu is without foundation in fact and that Radescu has proposed that CIA transmit certain funds amounting to only a few thousand dollars to certain of his adherents abroad.

1179 47214

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2004 2006