

OFFICIAL DISPATCH

VIA: Air Pouch
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DISPATCH NO. MSBA-1151

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CLASSIFICATION

TO : Chief of Foreign Branch M DATE: 21 September 1948

FROM : [redacted]

SUBJECT: GENERAL - Operational
SPECIFIC: DOR JONES

Muller

~~General Operational Matter~~

References: MSB-W-563, 564, [redacted] 1317, 1207, WASH-1458, 8970

1. We have been so shorthanded this summer we just could not afford to have either [redacted] or [redacted] trot down to the Tessin for a few days, look up JONES, try to win him over, and take on a new operation at that distance. Since [redacted] recently decided to grab a week's vacation in the Tessin, this afforded a good opportunity to seek to reestablish contact with JONES.

2. JONES is living at Villa Pontiggia, Breganzona, just above Lugano, and is listed in the telephone book. He was phoned on 8 September and [redacted] explained he was vacationing in the Tessin and suggested meeting for a drink. JONES seemed quite agreeable and a rendezvous was arranged for that afternoon in Lugano.

3. After the usual exchange of generalities, JONES was queried concerning the allegations he had made to the Zurich Consulate, [redacted], and was asked for more information. He repeated his story that after he had told us of the proposed TOGLIATTI meeting with the ex-queen and had returned to Lugano, he was informed by his Italian contact that it was known he had visited the Legation in Bern. JONES also stated that much the same information was known to our former source [redacted]. In addition, [redacted] apparently admitted to JONES that he had tipped off the Tessin police that JONES' passport was no longer valid. JONES had been called in by the police but, of course, cleared the matter up since his passport had recently been revalidated. JONES was therefore also concerned over what he considers was leakage to [redacted] about his passport difficulties. With respect to JONES' story concerning the Hungarian banker, Subject was uncertain with whom in the Legation the

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Hungarian was said to have had contact and when this took place. He will check further.

4. It was mentioned to JONES that a report had been received from Italy that he had recently been in Belgrade. JONES denied this categorically and guessed that it was just another attempt on the part of the Italian police to smear him. At our second meeting he stated that he believed the source of the story was very likely one Mme PIATTI. She is a long-time informant of the Milan carabinieri officer PISCITELLI who was in contact with DULLES and JONES during 1944-45. Several weeks ago, at a dinner party in Lugano which both JONES and PIATTI attended, JONES was invited by a Yugoslav business acquaintance to visit the latter in Belgrade. Shortly thereafter JONES went to Venice. During his absence PIATTI called at his house and was informed by the maid that JONES was in Venice. He adduces that PIATTI thereupon assumed he had gone to Yugoslavia.

5. In a different context, JONES was asked if he knew Olga NINCICH. He claimed no knowledge of the lady. If his surmise about Mme PIATTI is correct, it is possible that there is confusion between Olga NINCICH and Jacqueline OLTRAMARE, whom JONES assisted in getting to Yugoslavia shortly after the war. Both these women have been reported to be TITO's mistress.

6. JONES told the following story concerning [] whom he runs into from time to time and whom he feels has been set by the Americans to keep track of his activities. [] who is bitter about his having been discarded by [], has constantly told JONES he is now working for an American Colonel WIEDEMEYER, and has offered to put JONES in touch with the latter, ([]). WIEDEMEYER, according to [], was once with G-2 Rome, but is now operating from Frankfurt where he describes himself as "CIG head". He travels frequently to the Tessin, North Italy, Trieste, and even to Athens, where he contacts his "agents". When WIEDEMEYER cannot be reached by [], the latter has been given the name of a WIEDEMEYER contact in Stresa to whom he reports. (He would not disclose this name to JONES.)

7. [] also stated that his "case" was being taken up in Washington by []. He showed JONES the signature on

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a letter from [] but not the contents. (Most probably this was a farewell note from [] prior to his departure.) [] also stated that he was advised by Col. WIEDEMEYER to write to Senator Pepper as "head of the Senate committee on intelligence", to complain about his bad treatment by Bern.

8. Obviously the above is mostly sheer nonsense and typical of what we know of []. However, it would seem very strange if it is entirely fabricated, particularly the personality of WIEDEMEYER. JONES believes that WIEDEMEYER must exist or at least [] is working for some AIS officer. He cited that he had called up I [] (This was after our first meeting when we asked JONES to get more data on WIEDEMEYER), and had been told by the latter's wife that her husband was in Trieste on business for the Americans. She also stated that she wished his American friends would not keep calling up from Frankfurt so often as it was becoming a nuisance. JONES states that [] is a very simple woman and doubts that she could have invented these stories.

9. A good buttering-up of JONES was pretty necessary since he still harbors a good many grudges against us. This had to be done at the expense of JOYCE and BLUM who are apparently his chief "bêtes-noires". JONES has a high regard for DULLES and stated that he always got along well with him. He also was pleased by the sympathetic reception he received from WADE during their meeting last December.

10. [] invited JONES for luncheon a few days later on 11 September. JONES warmed up a great deal more at the second meeting. He was asked if he would not like to get back into the business since, as it was put to him, "You can be of real help to us". JONES indicated that he would be interested but that there were certain problems which would first have to be understood. The chief of these would be non-interference in JONES' own business activities. These, he frankly admitted, were not above being shady and brought him into contact with many dubious characters. He stated, for example, that his business connections in Zurich were with a firm which was Communist controlled. However, through this firm it would be possible for him to travel through the Balkans and such a trip had already been proposed. He also intimated that through his connections in Italy he was working on various deals which would result in defreezing funds of certain shady characters, including Michael ~~COLIAN~~.

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11. JONES also asked that, if he undertook to go to work for us, we tip off the Swiss police as to what he was doing. This, we feel, could be done but the problem is not so clean-cut. If we ask the Swiss to close an eye to JONES' activities, we could not draw the line between his intelligence work and his personal business affairs which could well run afoul of Swiss laws.

12. We explained to JONES that if he again were to work for us it would be on a straight agent basis. Asked what he estimated he would require, he figured about \$200 per month plus any travel expenses incurred in our behalf.

13. Throughout the conversation we laid on that the approach being made to him was entirely on our own. We implied that we felt we could probably clear it with headquarters but that, of course, the final decision would rest there. We suggested that a four month trial period along the lines he proposed would be feasible, and we urged him to look up his old contacts and report to us at the next meeting just what he could offer. This JONES agreed to do. It was also emphasized that his contact with us must be kept very tight, and that he was not to intimate anything about it, even to the Consulate or Legation. Our next meeting was arranged for about two weeks later in Zurich which seems the best and most convenient spot to carry on our contacts at the moment.

14. We will report to you the results of the next meeting and just what JONES suggests in the way of contacts and operations. We plan to debrief him at that time on a number of unresolved questions.

15. WASH-2396 has just been received. We will go ahead along the lines suggested by you and as outlined above.

(ABC)

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