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5 1953

TO: Office of Alien Property
Department of Justice
Attention: Nancy A. Thompson

FROM: Frank O. Wisner
Deputy Director, Plans

SUBJECT: OLIAN, Michal

1. Reference is made to your telephone request of 14 January 1953 for information concerning Michal OLIAN. The files of this office reveal the following information concerning the subject of your request.
2. A report which includes a summary of Subject's activities from 1923 to 1927, reportedly compiled from French official files, reflects the following:

a. Michael OLIAN aka OLIANSKY, son of Leon OLIAN and Annis CHAIT, Russian citizens, was born on 7 July 1897 in Riga, Latvia. A Latvian subject of Russian origin, he renounced the latter nationality and in 1947 was considered as stateless. On 10 July 1923, he was married to Elizabeth FREUDENSTEIN, a Russian citizen, born on 18 September 1899 in Petrograd, Russia. A daughter, Fatima, was born of this marriage.

b. After having completed his studies in St. Petersburg and Riga, Subject founded an import-export company in Riga in 1918. He owned this company until 1922 at which time he encountered difficulties with the authorities of Riga, the nature of which is unspecified. He was imprisoned for some time and later released on 150,000 rubles bond. OLIAN left Riga and went to Berlin where he engaged in various commercial enterprises; late in 1923 he went to Italy and in March 1924 entered France with Russian passport No. 1327, issued in Berlin on 3 July 1923. After a brief stay on the Cote d'Azur, he moved to Paris where he lived at 48 Rue des Ballles Feuilles, 48 Rue de Pergolase, 4 Rue de Colonel Renard, 1 Avenue Alphonse XIII, 48 bis Rue Raynouard, 57 Boulevard Suchat, and lastly at 12 Rue de Clivry.

c. At the time of his arrival in Paris, OLIAN was in possession of a sizeable fortune and soon began associating with one GOLDWASSER (fnu), a resident of 15 Rue de Marivaux, one of the best-known money changers in Paris who worked in behalf of the large French and

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foreign banks. In 1926 the French Consul in Lima forwarded information to France which accused OLIAN of illegal traffic in currency and the latter became the subject of numerous investigations, as a result of which an expulsion order was issued against him on 26 April 1926. However, OLIAN was authorized to remain in France by Ministerial reprieves.

d. An investigation initiated by the presiding judge of the Seine Tribunal revealed OLIAN's clandestine possession of a short-wave transmitter with which he broadcast stock market quotations abroad for purposes of speculation. On 19 November 1928, he was sentenced to one month imprisonment and 500 francs fine by the Seine Tribunal. His sentence was suspended. On 9 March 1933, at Subject's request, the expulsion order issued against him in 1926 was rescinded.

e. In 1927 Subject became interested in the purchase and sale of real estate and mortgages and became the manager of the Societe Civile Immobiliere with headquarters at 2 Rue Melaton, Paris. In December 1935 he purchased the Agence de Transaction et de Gérance Immobiliere, located at 80 Rue St. Lazare, Paris, in partnership with Emile Roge, who was also co-owner of the Societe Civile Immobiliere. OLIAN continued his commercial activity in France until 1939.

f. In July 1939, Subject left France for Switzerland via Italy and at the outbreak of World War II he was living in Geneva. He moved to Basel where he was still living in 1947. In Switzerland he was in contact with Andre SPITA and conducted the greater part of his transactions through the Fides Trust Company (Fides Union Fiduciaire) in partnership with Dr. Hans STREICHENBERG, Louis EARNE and one VON BERG, the latter an attorney for Hermann GOERING. Because of an infraction of monetary laws and regulations concerning the sojourn of foreigners in Switzerland (conducting a lucrative business without prior authorization), OLIAN was ordered to pay six million Swiss francs to the Swiss Treasury. In view of these facts, an expulsion order was issued against him by the Swiss authorities on 13 July 1944. Subject appealed this measure, and in 1947 a final decision still had not been reached. However, he was under house arrest in Basel for an unspecified length of time.

The report stated that as a result of the numerous investigations of OLIAN's activities conducted by the French authorities, various facts emerged:

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a. As early as August 1941, Michael OLIAN was utilized by the German authorities for the purchase of property and equipment in occupied zones.

b. OLIAN was accused of having engaged in activity in favor of the Germans during the occupation of France and was inscribed in the official list of enemy agents. He was also accused of illegal traffic in gold and currency.

c. OLIAN was also accused by the French authorities of espionage on behalf of a foreign power.

d. He was suspected of being an agent of the OGPU (Soviet Intelligence Service).

The report further stated that, while considering OLIAN as a very capable and clever financier, the French authorities had no concrete proof of his dealings with the Germans nor that his fortune was made in a highly profitable cooperation with them. Three facts concerning OLIAN are reportedly proven:

a. He was given a suspended sentence of one month and fined 500 francs for the clandestine use of a short-wave radio transmitter.

b. An expulsion order was issued against him for illegal traffic in currency.

c. In 1931 he was charged with having operated on the French Stock Exchange without authorization.

3. In March 1946, a usually reliable source, with good business connections in Switzerland, supplied information concerning OLIAN's commercial activities from 1938 to 1943. Source advised that the information represented an incomplete resume of a report in the files of the Swiss police.

1939: Subject, a Latvian of Jewish origin, operated several small bureaux de change (foreign currency exchange booths) on the boulevards of Paris. In June 1938 he reportedly left Paris for Switzerland where he acquired legal residence within a very short time. An arrest warrant had reportedly been issued against him by French authorities since 1939. Entering into partnership with Emile Georges FOGE, a Paris banker domiciled in Lausanne, Subject became joint owner of several Lausanne buildings. No fiscal declaration of Subject's foreign-held properties can be found for this period except a reference to his interests in the GULBENKIAN Trust (Iraq oil). In Switzerland, Subject effected most of his financial transactions through the Hentech Bank. He reportedly employed Pierre Edouard HENTSCH of Carville, Switzerland, as an agent for various operations on the stock-exchange, and was very close to Conrad HENTSCH, brother of Pierre Edouard and a director of the Hentech Bank.

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1939: Subject's partner, ROGGE, and his friends, carried funds from Switzerland to France; these funds found their way into the Hentsch Bank. Subject bought up the majority of shares in the Lyon Banque Veuve Morin, Rons, et Cie, and began currency transactions on a large scale. He then acquired an interest in the Shell-Jupiter holdings of one Maxime GRAMONT of the Forges d'Indochine, Paris. During this period, Subject's request for French citizenship was refused.

1940: In April 1940, Subject negotiated for the purchase of a number of Jewish firms in France at a low price in the name of the Hentsch Bank of Geneva. In September 1940 Subject founded the firm Cuba-France in Lyon (16 Ave. Victor Hugo) in collaboration with the firm Gunsburger et Cie. of Basel. Subject financed various merchandise compensation transactions for Gunsburger et Cie. for which he received 25-35% commission ad valorem. Swiss banks reportedly refused to finance such transactions as they involved too much risk. One M. VIELI, a Swiss, was Subject's agent in Vichy, France, and in October 1940 he engaged one Philippe LAMBAT as secretary for his business in France. Subject also was involved in foreign exchange transactions with payments between Societe de Banque Suisse (S.B.S.) Geneva and S.B.S. Madrid.

1941: Subject, using the Morin, Rons Bank, and Messrs. KIRSCH, MICHALI and KHELL as intermediaries, transferred currency (pounds and dollars), platinum and gold from Switzerland to France. Through his agent in Vichy (VIELI), Subject financed purchases and sales of foodstuffs of Hungarian origin, using Gunsburger et Cie. as a front. Each transaction was said to have netted OLIAN 30-40% profit; for his services he received 30 million Swiss francs in 1941 and 22 million Swiss francs in 1942.

1942: Using the firm Sopara, which was reactivated to camouflage certain financial transactions, OLIAN bought the majority of shares in the Italian Snia-Viscosa, and thereby acquired an interest in Viscosa Suisse. Dr. Hans STREICHENBERG served as adviser for the whole transaction and made frequent trips to Paris to sell French francs belonging to Subject. During this period, OLIAN also accomplished the following:

- (1.) Through his agents in Lyon he sold such products as insulin-vanillin which were smuggled in by devious methods; digitalis was sold in Italy and Germany.
- (2.) He bought several real estate companies in Zurich through the Fides Union Fiduciaire. He gained control over a Panamanian firm through a Bern solicitor, one HUGLI. This company was later used to camouflage Subject's dollar exchange transactions abroad.

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- (3.) He bought wool and lamb skins in Spain which were smuggled into France via Andorra, using the Commercials et Fiduciaire Suisse (Zurich) and Peres of Andorra-la-Vieille (Andorra) as intermediaries.
- (4.) Subject bought tens of thousands of francs worth of American and British stocks through the Hentoch Bank, without affidavit for one-fourth of their value, and deposited them with a company directed by Charles de LOES.
- (5.) Subject bought frozen credits in Germany at a low price, and then sold some of them to Dr. Mansel de ZUG, a personal friend of GOEBLING, who had them unfrozen at their real value. The remainder was sold to a Dr. OBESCH, a lawyer in St. Gallen. He also had dealings in gold with one Ernest WOOD of Lausanne.

Subject's financial transactions, on the whole, passed through the hands of Jacques MEYER, director of Caba-France, who had knowledge of the transactions through Grunburger et Cie., Morin-Hons bank, Rosenstock (agent for the du Pasquier-Montmollin Bank at Neufchatal) and with Ernest WOOD.

1943: Subject's partner, Emile Georges ROGE, was arrested and imprisoned; Philippe DAUBAT rose in rank and administered more of OLIAN's affairs. Among other things, he convinced one De WILDER to allow Subject to unfreeze 5 million Swiss francs in French holdings in which Subject netted a 20% commission.

4. According to a report received in January 1946 from sources whose reliability is unknown, Michel OLIAN was suspected of complicity in the smuggling of currency, gold and shares of stock into and out of France during World War II. He was reportedly in close contact with a former French Consul in Geneva, who was involved in the same traffic. In 1942 Subject was in contact with Emile ROGE (see above), described as an official of the Sous-prefecture, Haute Savoie, France, who used his official car to secure frontier immunity. Subject was reportedly on the American Statutory List, and was said to have had a hand in practically all German smuggling of money to South America. He was also reported to have had extensive contacts in Spain.

5. A report received in August 1945, which noted that some of the information concerning OLIAN was taken from a document found in the German Embassy in Paris by a "highly reliable source," advised that Michel OLIAN had worked for the German High Command

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in some undescribed contact with one Von KAISER, allegedly Chief of the Finance Division of the German Army, but was compelled to liquidate his undertakings after he was placed on the English and American black lists. It was also reported by various sources that Subject had provided millions of pesetas to one Oberstleutnant KAISER who had been arrested by the Germans on charges of stealing money and that in 1941 Subject was known to be employed by the Germans for the purchase of real estate and tools in the unoccupied zone of France.

7. According to a report received in April 1945 from a reliable source, Michel OLIAN, who was described as a specialist in illegal foreign exchange transactions and the freeing of frozen or blocked assets in the United States, was preparing to return to France with the help of one Maitre LENARD, an attorney in Paris. It was not known whether Subject's entry into France would have been clandestine or legal, but OLIAN reportedly stated that once there he would be safe in view of the large sum of money which he had promised to various persons in France. It was subsequently reported that Subject was refused an entry visa into France by the French ambassador at Bern because of his pro-German activity during the German occupation of France. Source stated that OLIAN was expelled from France on 26 April 1926 as persona non grata, and another expulsion decree was issued on 21 February 1933 for the same reason. In November 1945 it was reliably reported that Swiss authorities were attempting to expel Subject from Switzerland.

8. A report received in September 1945, concerning Communist activities in Switzerland, advised that Jacques TIMET, owner of the Oasis Bar in Geneva, was frequently in the company of OLIAN. TIMET, born TIMENOVICH, was believed at that time to be serving as a channel for payments in the financing of a Soviet espionage net in Switzerland. It was reliably reported that in 1942 Subject met frequently with one Nicolas KAGAN, a director of several Swiss banks; KAGAN allegedly administered Communist funds in Switzerland.

9. It was reliably reported that OLIAN was suspected, during World War II, of being connected with a band of Balts and white Russians (including the notorious Gregoire BERIDZE) who worked for the Germans in Paris by bringing into Switzerland and selling there, international stock, currencies and gold confiscated by the Germans from the Jews in France. In this way, Subject reportedly amassed an enormous fortune. Allied and Swiss investigations of his activities were reportedly forestalled for years by his extremely able and influential lawyer, Professor Walter HUG of Zurich, who reportedly kept Subject in a sanatorium most of the time, claiming that he was too ill to appear in court. Usually reliable sources have reported that BERIDZE and Frille MOGE were instrumental in concealing German interests in the Balkans and France. MOGE was arrested in August 1943 trying to leave Switzerland with documents belonging to BERIDZE and OLIAN. It was also reported by a fairly reliable source that during World War II, Subject was personally backed by

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Pierre LAVAL and acted as the intermediary for the Vichy government in financial transactions in Switzerland.

10. According to information received from a usually reliable source, OLIAN stated, in late 1948, that his one and one-half million dollar holdings in the United States would soon be released through the efforts of Dr. Hans STREICHENBERG and Louis BARTHE (see paragraph 2 above). Together, these two individuals were to arrange with the French government to certify Subject's dollar holdings. In December 1949 it was reported by a fairly reliable source that, at that time, OLIAN felt that his lawyer, Dr. Walter HUG, had not been energetic enough in pushing his (Subject's) case with the United States Treasury Department where quite a large account was still blocked as enemy funds. Source stated that it was generally understood that these funds resulted from the sale in Switzerland of German-printed French francs in the early days of World War II. This money was allegedly converted into dollars and deposited in the United States. It was believed that the sum involved might amount to approximately four million dollars.

11. Subject left Switzerland for Italy in March or April 1948 after Swiss authorities threatened him with imprisonment if he did not leave the country. In Italy he has conducted successful commercial enterprises. In October 1948 he was allegedly negotiating with the Credito Commerciale of Milan and other Italian bankers for the loan of 10 million dollars to finance a syndicate which would build new roads in Venezuela. During 1949 Subject made several large gifts to Italian charities, for which he was personally thanked by President EINAUDI and Mrs. De GASPERI. Several sources have reported that OLIAN obtained the controlling interests in a large movie company, Scalera Films, and also the Edelweiss Film Co. (One source placed the purchase of Scalera Films in September 1950.) A usually reliable source advised that Subject's interest in the film companies amounted to more than two billion lire. Piero CATI, son-in-law of Premier Alcide De GASPERI, was reported by several sources to be Subject's business partner in the film enterprises; Subject is said to move in high Italian official and banking circles. One source, whose reliability is unknown, reported that Subject had contracted to coin gold money for Israel.

12. In early 1950, OLIAN acquired an interest in a Swiss syndicate which was formed to sell Thiele time fuses. (According to a reliable source, time fuses can be considered military equipment if they are built into shell tops, but they also are used in inexpensive clocks and mechanical toys. It was said that the Swiss government decides in each case whether to consider time fuses as war materials or not; Swiss regulations allegedly require licenses for the export of war materials.) While these fuses were sold in several different European countries, it was reported that no Soviet or satellite orders had been accepted. Subject's immediate ac-

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sociates in the syndicate were Dr. Hans SPREICHMEIER, Louis BARNHE and Prof. Walter HUG (see paragraph 9 above).

13. OLIAN was the subject of a strong attack by the Rome newspaper Il Tempo Sera, which appeared in its issues of 9 and 10 January 1951 in the form of a sensational expose of his past and present activities. It was reliably reported that Subject instituted suit against the paper, but the parties, in May 1951, were able to settle their differences on recommendation of the court. According to one source, the settlement was predicated by the secret payment by Subject of 12 million lire as hush money. The newspaper article charged, among other things, that Subject had been instrumental in the sale of "Sherman" tanks to Israel; one source reported that this allegation was confirmed by an individual with good contacts in Italian commercial circles.

14. According to information received in February 1951 from a fairly reliable source, OLIAN was believed to be dealing in war materials on a large scale, and handling large sums of money for the Soviet Union. He allegedly conceals his activities through film companies controlled by him. (These allegations are not confirmed by other reports in our files). A usually reliable source reported in early 1951 that Subject was still wanted by the French authorities who are anxious to apprehend him. It was previously reported that in 1949, OLIAN was tried and convicted in France, in absentia, for illegal exchange dealings; he was fined 200,000 French francs and sentenced to two years in prison. It was also reported that, although he was expelled from Switzerland, Subject was a witness in a fraud trial in Basel in 1950.

15. Recent information, obtained through a source whose reliability is unknown, alleges that Subject produces movies in the following manner. RKO, anxious to use its blocked funds, will contract with OLIAN's Italian film company to produce a movie for \$1,200,000. OLIAN will deposit a cashier's check in the United States for \$1,000,000 as a performance bond and will then fail to perform on the contract, forfeiting the \$1,000,000 in the United States. He will, however, retain the \$1,200,000 worth of blocked lire in Italy, with which he may produce a picture.

16. It is believed that the Department of State may have additional information concerning Michele OLIAN.

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