

23 August 1947

SUBJECT: Memorandum by Mr. Stauffer.

TO : Chief of Station.

1. Attached is a memorandum, with two appendices, prepared by Mr. Thomas B. Stauffer at the end of his service as Chief of the Evaluation Section of Civil Affairs Division, OMGUS, and addressed to Mr. Parkman and General Draper, Special Advisers to General Clay in civil administration and economic matters, respectively. I believe it will be of interest in both Heidelberg and Washington as providing background for the problem we face in Plan Paradise.

2. The memorandum is based largely on Mr. Stauffer's own experience as a member of a Working Party vetting nominees for the bizonal agencies. Much has happened in this matter since the memorandum was written on 1 May 1947. One event was Mr. Stauffer's leaving the job, a cause of regret to us since he had been of constant help to this base in such matters as providing the names of all Germans proposed for bizonal jobs. Though the report is now nearly four months old it appears that the difficulties described in it are at least as much in evidence today.

3. The attached copies were made from Mr. Stauffer's own file copy which he lent to us. The report should, of course, not be passed or discussed outside of OSO.

AJM/wmc  
Atts.

1st Ind.

TO : FBM.

Forwarded.

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CENTRAL INTELLIGENCE AGENCY  
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NAZI WAR CRIMES DISCLOSURE ACT  
DATE 2002

... This is very important information...  
... Because of the nature of the information...  
... (The above information is classified...)

1 May 1947

MEMORANDUM FOR RECORD

SUBJECT: Personnel for Bizonal Agencies.

According to the various bipartite preliminary agreements drawn up last Fall by committees of ministers or representatives of the Laender of both zones (there have been a number of changes such as the establishment of Hamburg and Bremen as Laender and the change from appointed to elected ministers in the British Zone; but these are now completed) and approved by the Bipartite Board (Generals Clay and Robertson), the various bizonal agencies are to be staffed by the following procedure:

An Executive Committee of the ministers or other representatives of the 8 Laender of the 2 zones nominate a president and vice-president who preside over the Executive Committee but do not vote. These 2 men are also the executive heads of the agency. They are nominated by the Executive Committee, respecting the principle of approximately equal representation of the 2 zones (note that this is a political consideration apart from competence or denazification).

The exact positions for which staff nominations are made by the Executive Committee vary with the structure of the agencies and the details of the bipartite agreements (usually it is head and deputy heads of the first 2 staff echelons). General Clay has insisted, and General Robertson has agreed, that these nominations must be made by the Germans without prior recommendation or suggestion by Military Government. In practice, however, the freedom of the Executive Committee appears to be prejudiced by the present existence of various agencies such as the "Zentralamt für Ernährung und Landwirtschaft" in the Britische Besatzungszone in Hamburg, which has been taken over almost bodily into the bizonal administration. There also appears to be active and partisan intervention by the American and British Liaison Officers to the various agencies, of which specific cases are known in Food & Agriculture, Transport, and Economics.

The Executive Committees then send their nominations with supporting documentation to a Bipartite Vetting Working Party, established after an exchange of letters between Clay and Robertson in January. This provides on the British side for the representation of Pol. Aff., Intelligence, and Public Safety Special Branch, the latter the British chairman and having the investigative responsibility. On the American side Pol. Aff., Public Safety, and Civil Administration Division, are represented, the latter as chairman and having the investigative and evaluating function. (See "E").

Each Headquarters conducts the necessary inquiry on candidates domiciled in its own zone, and full reports are presented to the Working Party. All information is pooled from both Headquarters and a joint decision is arrived at as to the suitability of the candidate. If the candidate is not approved the adverse considerations are enumerated and the sponsoring Executive Committee is invited to present defense, after the examination of which final action is taken. No provision is made for appeal; disagreements of the Working Party are referred to the Bipartite Civil Service Panel.

It is considered desirable to have this carefully considered review of each case at this level because

1. These are very high policy-making and precedent-making appointments, and their incumbents are much discussed in the press;
2. Because of the indirect manner in which these administrations are constructed, their officers are not directly subject to democratic controls as are the officials of the Laender (even CAD's current proposal for a bizonal political organ would not meet these objections,

since it would be a representation of the Laender and not of the people). Military Government is, therefore, in fact and in public opinion responsible for these appointments, since these agencies have no constitutional basis other than the decree of Military Government;

3. The whole bizonal operation has important implications at the level of allied policy and should, therefore, be reviewed in the light of considerations not within the competence of German agencies. An attempt has, therefore, been made to keep the standards, procedures, and results of the bizonal vetting operation such that they would be workable if other zones or eventually all of Germany were to be included in the development of these higher-than-Land administrative agencies. This is especially important in view of the various possible results of the Moscow Conference. The development to include other zones could proceed smoothly and the difficult stage of procedural uncertainty through which bizonal vetting has gone need not be repeated;

4. At this high level, very careful intelligence is necessary and very thorough investigation is possible because of the small number of cases involved. This has frequently resulted in decisive information on these cases which was not available to lower echelons or to German agencies.

These principles are recognized in the fact that the Working Party also vets such members of the Executive Committees as are not themselves ministers of the Land governments; these are usually the deputy representatives of the Laender.

The standard according to which candidates are to be judged has been much discussed. According to the original correspondence between the Commanders-in-Chief, the Working Party was to draw up the terms of reference for approval by the Bipartite Board. The Working Party put forward a 5:1 disagreed paper in which the majority considered that, for the reasons stated above, evaluation should proceed, after thorough investigation, to a broad exercise of discretion in the light of the standard "that persons holding public and semi-public office in the German government and positions of responsibility in the German economy have political and moral qualities capable of assisting in developing genuine democratic institutions in Germany", prescribed in the Potsdam Agreement and cited in ACA Directive No. 24. The dissenting voice was CAD, OMGUS, which considered that the denazification findings of German agencies should be decisive. At their meeting on 3 February 1947, the Bipartite Board discussed these 2 points of view and instructed the Working Party "to vet nominees for bizonal positions in accordance with provisions of Control Council Directives Nos. 24 and 38 with the proviso that either the U.S. or British side may challenge an appointee for reasons other than those contained in these two Directives...." (The right to challenge has, however, not been used in the first 50 cases discussed which have been decided in all but 1 or 2 cases either unanimously or 5:1). The Working Party itself made 2 additional rules, namely:

1. The right of challenge could be exercised by any of the six voting members of the Working Party rather than by either nation, and
2. That in case a candidate were disapproved, the reasons for the disapproval should be made of record and communicated to the sponsoring German Executive Committee which could within 3 weeks present any positive considerations or a rebuttal of these adverse presumptions.

(The British political member has informally stated that this procedure and the work accomplished under it has been noted and approved by the Foreign Office on the British side.)

Under these proceedings, 50 cases have been treated as of 30 April, resulting in 32 approvals, 6 cases withdrawn for various reasons, 5 disapprovals, 7 under discussion.

Great difficulty was encountered because of the failure of the Executive Committees and the Allied functional control organizations to submit formal documented nominations. In spite of their remissness the divisions complained of the slowness of the work of the Working Party. These complaints were taken as an occasion by CAD to re-open unilaterally the question of the standard to be applied. This was done without regard to the fact that the original internal procedure of OMGUS had been arranged in a concurred staff paper, prepared by CAD, and that the bipartite arrangement had been agreed, first by the original exchange of letters between the Commanders-in-Chief and second, by the action of the Bipartite Board on 3 February 47 on the disagreed paper of the Working Party.

The proposal of CAD is attached as Memo "A". The proposal is to reduce the Working Party to Public Safety on the British side, and CAD on the US side, to reduce their functions to a check to see that candidate was not "more than a nominal Nazi", to taking account of Military Government intelligence on this point, but being guided mainly by Spruchkammer findings. Its result would be

1. that the various points of view now represented on both sides in the evaluation of candidates in the Working Party would be superseded in each case by the sole voice of the division most inclined to purely formal opinions,
2. that the opinions of German agencies at echelons far below those of the positions concerned would be decisive in the absence of additional intelligence (the motive and machinery for whose collection would largely have disappeared), and
3. that if one is to judge by the nominations made up to the present and the experience of the Working Party, the bizonal agencies would become centers of concentration and cooperation for such nazis as their fellow-Germans had decided were "nominal nazis".

In principle, proceedings under the German denazification laws do not take account of activity since the capitulation much of which secret intelligence is available, and of many important points of US policy, such as demilitarization, decartelization (this is important in some of the cases for the Bizonal Economics Agency, involving I.G. Farben officials), eradication of nationalist propaganda, and other major points of US policy.

They are not, moreover, orientated in any way towards the positive standard prescribed in par 1 of the ACA Denazification Directive.

Furthermore, the German and Military Government denazification proceedings in the 2 zones in implementation of the general quadripartite Directives Nos. 24 and 38 are so unlike and are in such different stages of development that in the absence of such an organ of the Military Governments as the Bipartite Vetting Party persons would be holding like positions in the bizonal staff as a result of unlike procedures and clearance under unlike standards; further the fact that many of the candidates have not been before Military Government or German denazification agencies at all would result in further delays if that were to be adopted as a standard.

It must also be borne in mind that the action of the Working Party is not a denazification action affecting the general civil rights of the individual, but is an employment action for the positions under the direct sponsorship of Military Government.

In practice we come easily to the conditions described in the attached memo "Suspect Elements" (See "B").

#### Transport

Leading positions: Of the original 34 nominees for leading positions, 22 were at least NSDAP members. Though this is not decisive in regard to any one case, it is obviously very doubtful from the point of view of Military Government policy, even though the Reichsbahn was more highly nazified than some other spheres in the Third Reich. Of these "nominal nazis" a number have become unemployable because of German denazification actions, others have been disapproved by the Working Party in spite of vigorous defense by the Allied and German Transport Agencies. They have been subject of much criticism in the press of all zones. The case of Theodor Kittel is well known. He was proposed as Vice-President of the Transport Agency. He was found guilty by a Hessian Spruchkammer as a follower, but refused to pay his fine pending appeal; he was technically, therefore, unemployable under the Hessian Law for Liberation. The Working Party, however, took action, upon the insistence of Transport Agency that the Hessian ruling did not affect bizonal agencies. He was disapproved by the Working Party, but an appeal was transmitted on his behalf by the Executive Committee. This appeal, according to British intelligence, was supported by character references from persons more incriminated than Kittel, and contained statements known by Kittel to be false. British intelligence also produced evidence, not hitherto considered, which indicated public and enthusiastic support by Kittel for the Nazi personnel policy of the Reichsbahn. The appeal was rejected 5:1. The CAD member, acting upon written instructions from his division and in spite of the foregoing, voted in favor of the appointment of Kittel.

The lower officials of the Central Administration present a peculiar problem in that they are not subject to the Working Party which vets only leading positions, and in some sense escape the local Landregierungen as well. Because of the backwardness of British Zone denazification hitherto, there were employed in the British Zone Main Administration for Railroads at Bielefeld, and have now been taken over into the Bizonal Agency as minor officials, a large number of unacceptable, if not dangerous persons, among whom Haustein, Head of the Social Welfare Office of the Railroads, is conspicuous. Haustein entered the NSDAP on 1 May 1937 and was a member of the SA since 1 Nov 1933 (SA Hauptsturmführer since 30 Jan 1942). He also taught at the school for Foreign Affairs of the NSDAP (Rosenberg Office). He was a member of the Freikorps Maercker in 1919.

It is believed, however, that, if the leading positions come into the hands of persons of a positive political orientation (quite apart from considerations of parties) these subordinate cases will soon be dealt with by the German administrations themselves, once they can be sure that their action will be protected from the intervention of the functional divisions.

#### Economics

As of this date, no formal nominations in economics have been received. However, Mr. Brodnitz, US member of the Bipartite Control Group for Economics at Minden, handed to CAD a list of leading officials now actually at work in the Bizonal Economics Agency, which had been compiled by the German officials of the agency with their comments. According to the comments, over 40% of the persons listed are presumptive offenders under the ACA denazification directives.

But of the 36 persons listed as at work at Minden, only 8, i.e. about 30%, had been nominated (bestätigt) by the Bizonal Executive Committee, although in some cases persons concerned have been at work for several months. These are all leading officials, i.e. men in the first 2 policy-making and executive echelons.

Of the 8 persons nominated by the Executive Committee, 3 have already been confirmed by the Working Party.

It should be noted that as yet the BIVP has received no nomination for a Vice-President of this important agency. With regard to the remaining leading officials named in the list, various informal communications, unilateral requests for investigation etc. have been received by either the British or American investigative agency. In some cases, a considerable amount of information is at hand, some of which is unfavorable. Much waste motion has been caused by withdrawal and changes in these informal nominations.

There has also come to hand a separate list of officials at present actively at work in the Bizonal Economics Agency at Minden, who are now pending denazification hearing before German agencies (at their respective domiciles or at Minden).

This list includes the names of persons who have neither been nominated by the Executive Committee nor been subject of any inquiries by the vetting agencies so far.

It is believed that the present procedure of the BIVP would, if expedited and consolidated, eliminate irregularities of this sort to a very large extent. But it is necessary, if Military Government policy in these important respects is to be effectively implemented, that such action should be taken in the near future.

Among the persons now employed at Minden with or without the approval of the Executive Committee are:

Legationsrat Erich Werkmeister (NSDAP since 1 Jan 1940, No. 7906148), formerly advisor to the Germany Army of Occupation in the Ukraine, and persona non grata to the Hungarian government even before the German occupation because of his activities there. He was at one time proposed as Personnel Officer for the Bizonal Economics Agency, but is now working with the

Freiherr von Maltzan, a former colleague from the Foreign Office. Von Maltzan (bestätigt) was confidentially recommended from the Wirtschaftspolitische Abteilung of the Foreign Office to the Wirtschaftspolitische (economic espionage) Division of I. G. Farben at a time when he left the Foreign Office for racial reasons, although with full honors. v. Maltzan has working under him a certain

Max Unz, formerly active in Turkey for the German Counter Intelligence and I. G. Farben. There is evidence that v. M. knows of the former activities of Unz and has used irregular methods to protect Unz's present employment. v. Maltzan has also under him

Dr. Kurt Schöne (bestätigt) a former colleague in the economic negotiations at the French Armistice Commission, where Schöne threatened the French with complete expropriation of the chemical industry if they did not accept the initial German proposal.

Other figures in the Economics Agency at Minden include:

Fritz Wenk, said by G-2 US Forces Austria to be a rabid Nazi and by other sources to have been a Wehrwirtschaftsführer (Class I or II offender under denazification directives). Further

Dr. Botho Mulert (apparently bestätigt). This man was involved in spoliation of occupied territories, also in connection with I. G. Farben, according to the Office of the Chief of Counsel for War Crimes at Nuremberg, and in planning for exploitation of England.

### Food and Agriculture

Of the deputy representatives on the Executive Committee of the US Zone 1 has been withdrawn, presumably because of adverse action by the Working Party, 1 has been disapproved, and 1 approved. Of the 6 division chiefs, 2 have been approved, 2 disapproved, and 1 each US and British action are pending. One of the men disapproved as both a nazi and militarist was a certain Nichterlein, who had been found guilty as "follower" in Bavaria, had made deceptive misrepresentations on his Fragebogen, and had furthermore belonged since the surrender to an organization which was dissolved by order of USFET as a menace to the security of the occupation and the development of democratic institutions in Bavaria (CAD, of course, voted for this candidate, both on the initial hearing and on defense).

The Vice-President of this agency, the much discussed Hans Schlange-Schöningen, has not yet been approved by the Working Party. One of the principal considerations against him in the discussions of the Working Party has been the strong concentration of incriminated persons in his agency in the British Zone, the Zentralamt für Ernährung und Landwirtschaft at Hamburg. He now proposes to transport from Hamburg to Stuttgart, from the British Zone agency to the Bizonal Agency, 119 minor officials. Of these, 63 are offenders under ACA denazification directives according to the records of the Zentralamt; inquiry has shown that several additional men have falsified their Fragebogen. This strong concentration of nazis reflects to some extent the high degree of nazification in the nazi organized Reichsnährstand; but it also presumably reflects Schlange-Schöningen's active support of the Junker tradition and his life-long identification with aggressive German nationalism, also reflected in his writings. Among these minor officials are quite interesting persons, such as Ackermann and Morgenroth. Ackermann was a member of the NSDAP since 1933 (No. 2167324) and a member of the SS since 2 Mar 1939 (No. 322156); since 10 Sep 1939 he held the rank of SS Untersturmführer. Furthermore, he was "Führer beim Stab Rassen- und Siedlungshauptamt". Morgenroth was a member of the NSDAP since 1 May 1933 (No. 2950083) and he is furthermore listed as a Sipo Official, SS-Oberscharführer.

The arrangement under which these minor officials are transferred is that, for minor officials, a valid denazification clearance from the place of usual residence, will protect the person concerned from further denazification proceedings in the other zone, as long as the person concerned is employed by a bizonal agency. The presumption, however, on which this rests, is that a statistically comparable result would be achieved in both zones; obviously the Zentralamt does not meet the usual standards for the American Zone. Further, the clearances, benefit of which is claimed under this rule, should be the normal public procedure at the place of domicile; however, these clearances were not made by normal proceedings, but by a special ad hoc "Spruchkammer" in the Zentralamt itself, composed, it is understood, of officials of the Zentralamt.

For these reasons it should be possible to remedy the situation, in the Bizonal Food and Agriculture Agency without attacking the general principle of "Full faith" and credit", which is a desirable one and will become practically more workable as the level of denazification in the 2 zones approximates (see below).

### Post and Telecommunications

There are no problems from the denazification point of view. The Executive Committee has passed a very stringent internal rule for denazification in this administration and this is making its effects felt even in the British Zone where the Post has many officials who are not acceptable by the standards of the American Zone.

### Finance

Nominations for leading officials in Finance have only recently been received and no comment is possible; except that in view of the success of denazification in the finance field one may expect that there will be few serious problems. It is reported that the Executive Committee for Finance proposes to prepare a Finance Black List of incriminated persons, with documentation, to prevent their employment anywhere in public or private finance in the 2 zones.

### Civil Service

2 members of the Executive Committee, from the British Zone, have been approved. No staff nominations have been received formally, but see attached memo "C".

In general, the Laender officials of the American Zone have complained of the lack of denazification in the British administrations, or the British Zone officials in the bizonal agencies, with whom they are expected to work. (This sometimes takes the form of complaining that the British Zone personnel are more experienced or more able.) The complaining officials have been told that the responsibility rests with the German Executive Committees and with them only, to nominate or not to nominate in the first instance for leading positions, and to control the subordinate appointment by suitable rules of policy.

It should be pointed out that the attitude and work of the British members of the Working Party are excellent and they are sincere in their desire to accomplish the positive ends of the general policy of the occupation. It must be said in extenuation of the circumstances in the British Zone that the British are now simultaneously undergoing two developments which have long since been separately completed in the US Zone:

1. The transfer of responsibility from the British functional and regional agencies to the German Laender, and
2. The transference of supervisory denazification responsibility from the various functional agencies (such as Transport) to vetting agencies. There is every reason to believe that the progressive completion of these two changes in general and the influence of the BIVP through the bizonal agencies in particular will have the effect of hastening the time when the denazification achievement in both zones will be substantially the same. This will be an important step towards the time when denazification, for whatever it may be worth towards solving the general problem of the reconstruction of German culture, of which it is only one of many implementations, may be considered to have been completed.

The protection of the bizonal agencies and possible subsequent developments from political attacks by means of denazification charges, and their effectiveness as agencies of the constructive implementation of Allied policy, depend on their being operated by

men actively sympathetic to the cultural reorientation of Germany which is the purpose of the occupation. Since this cultural reorientation is far from being accomplished, these influential posts cannot reasonably be left at the disposal of purely German agencies and the present procedure of the BIVP should therefore be confirmed in its essentials, i.e.

1. Nomination by the German Executive Committees, independent from the influence of the non-political agencies of Military Governments,

2. Through independent investigation.

3. Exchange of information and joint decisions.

4. In accordance with the purpose of the denazification directives Nos. 24 and 38 and their provisions with regard to leading positions (SEE "D").

THOMAS B. STAUFFER

4 Incls:

Memos: "A", "B", "C", "D", "E".

Copies to:

Mr. Parkman  
General Draper  
Dr. Dorn  
Mr. Heath  
Mr. Kallman

EXPEDITING CLEARANCE OF BIZONAL NOMINEES  
A PROPOSAL BY THE AMERICAN MEMBER

1. The Bipartite Working Party for the Vetting of Bizonal Nominees has been instructed to vet nominees in accordance with the provisions of Control Council Directives 24 and 38. Accordingly the guiding principle in each case must be whether the nominee has or has not been more than a nominal participant in the activities of the Nazi party. The nomination of a person found to be more than a nominal participant will be vetoed; whereas no objections will be raised in the vetting to the nomination of a person determined as having been not more than a nominal participant. In making this determination the Working Party will be governed by the definition contained in paragraph 2a of Control Council Directive 24. Where a nominee has been before a competent German tribunal, the decision of that tribunal will be considered as the proper categorization of the individual. In other words, the Working Party will not substitute its judgment for that rendered by a competent German tribunal.

2. Effective immediately the Bipartite Working Party for the vetting of Bizonal Nominees will consist of two voting members who shall be the persons now serving as British Chairman and US chairman respectively. It will be the responsibility of each member, before making his decision on a case, to gather and coordinate necessary evidence from all information and intelligence sources within his headquarters. Any disagreement within the Working Party on its procedures, jurisdiction or application of standards to individual cases will be referred to the Bipartite Civil Service Panel for decision. In the event the Civil Service Panel is unable to reach agreement, such items will be referred to the Bipartite Board. All intelligence and information sources are instructed to cooperate in furnishing the Working Party with any assistance requested.

3. The bipartite panels, control groups and the bizonal executive/joint committees are instructed to supply the Working Party with full information regarding nominees, as prescribed in its 19 February 1947 memorandum. No person will be permitted to serve in a position of the type subject to joint vetting until his nomination has been officially proposed by the executive/joint committee.

## SUSPECT ELEMENTS IN BIZONAL AGENCIES

CA Evál 21 Apr Copy to ODI, Attn: Maj Lindjord  
Sect 1947  
CA

### I. Transport

*Indonesian*  
✓  
1. One of the delegates from the British Zone appointed by British Headquarters to attend the first meeting of the Bizonal Executive Committee for Transport, held at this Headquarters September 1946, was a certain H. RIENBERG, born 19 February 1896 at Baerwalde/Pom.. Mr. Walton of this office made available to Mr. Fisher, Deputy Head of Transport in the British Headquarters, evidence from the American Legation in Stockholm showing that Riensberg had been active in the German Counter Intelligence (Abwehr) in Sweden during the War. Shortly thereafter Riensberg was withdrawn from bizonal activities, but it appears that Riensberg figured in the early activities of the Bizonal Executive Committee for Transport.

2. The records of this early stage in the development of the Bizonal Agency of Transport are not entirely clear. Riensberg is a water transport expert; among the people now active in the Bizonal Transport Agency, in water transport, is Herbert BOLDT, born 15 March 1909 at Sensburg (East Prussia). Boldt was a party member (1 August 1931, No. 606994) and also formerly among numerous other party offices, according to SHAEF records, an economic liaison officer for the Sicherheitsdienst of the Gestapo in the area of Koblenz where he has lived.

3. Boldt is closely associated, personally and in his work, with a certain Guenter BERGEMANN, born 15 November 1902 at Husum (NSDAP since Jan 1942). In 1941 he was Deputy Head of Section VO (Wirtschaftsfragen der neubesetzten Ostgebiete) with the Secretary of State of the Reich Ministry for Economics, and until November 1942 head of a German commission for negotiations with Croatia. There is evidence that he deliberately falsified his Fragebogen; furthermore his unusually rapid career from Regierungsrat to Ministerialdirektor in 9 years and his former superiors should be viewed with some reserve.

4. These cases will eventually come before the Bipartite Vetting Working Party and it is not believed that they will be approved under the terms of ACA Directives Nos. 24 and 38 for permanent tenure of the posts they now provisionally occupy. However, these facts may possibly be evidence of penetration or at least mutual protection by suspect elements and are therefore of quite a different order from the mere fact that some 60% of the original nominees for posts in the German Joint Transport Administration were Nazi Party members, who are not believed to be politically active in an organized way at the present time but merely desire to keep their present employment and prospects.

5. These particulars have been informally discussed with Colonel Hodes of British Intelligence Headquarters and it is believed that these men are now under observation in the course of their work at Bielefeld, British Zone.

### II. Economics

*Indonesian*  
✓  
6. Among the persons active in the original formation of the Bizonal Agency for Economics was Anton REITHINGER (born 10 May 1898 at Traunstein) who was at that time the Deputy Representative for Bavaria in the Executive Committee of the Bizonal Agency for Economics and formerly Head of Dept IV in the Bavarian Ministry for Economics. This person was removed from office in Bavaria at the time of the installation of the new Land Government in Dec 1946. He would, however, have been otherwise removed by Special Branch, OMG Bavaria, since he was a possible defendant in the Industrial War Crimes Trials according to the list published on 30 Jul 1946 by the U.S. Office of Chief of Counsel for War Crimes at

Nuremberg. He is included in this list because of his importance in the economic espionage activities of I.G. Farben and his share in Farben's economic cooperation with the authorities of the Third Reich in the preparation of aggressive war. These activities are discussed in the Kilgore Report of the U.S. Senate. The present view of OCC is that Reithinger may not be a defendant in the trial but that he will almost certainly be a prominent witness and that his employment in a conspicuous position is not desirable. This view was recently communicated to Mr. Brodnitz of the Bizonal Economics Control Group at Minden, who visited Nuremberg to discuss with OCC the possible rehabilitation of Reithinger, presumably for employment with the Bizonal Agency.

7. Among the other personalities of the Bizonal Economics Agency, at least some of whom were nominated for office during Reithinger's activity there, are Otto Graf and Freiherr Vollrath von Maltzan.

Otto GRAF, born 20 December 1894 at Ludwigshafen o/Rhine, now living in Bavaria, was nominated for Head of Main Department F, Bizonal Economics Agency, but it was not possible for him to occupy this post since he was arrested by Military Government for false Fragebogen in regard to his promotion to "leitender Regierungsdirektor" in 1942 and his having been a "Hospitant der Reichstagsfraktion of the NSDAP". Graf furthermore stated that he was rejected from military service in the Army on account of his capacity as head of the Branch Office of the Reich Ministry of Economics. Graf omitted the fact that he was a Reich deputy of the Bavarian Peoples Party before 1933, during the Nazi regime the Head of the War Economic Branch Office - War Economic District XIII, "Leiter des Fuehrungsstabes Wirtschaft" at Ansbach, and co-worker of the NSDAP, Ortsgruppe Fuerth/Bavaria. His Fragebogen furthermore contains three discrepancies in other respects, such as the omission of a previous conviction for connection with Fehme murders (patriotic murders). Graf's clearance by the Spruchkammer Fuerth has been found invalid by the supervising Liaison and Security Detachment and a delinquency and error report was forwarded to OMG Bavaria for corrective action.

Vollrath von MALTZAN, born 22 Dec 1899 in Berlin, is at present provisional head of the Import and Export Branch of the Bizonal Economics Agency, and was formerly employed in economic intelligence work for the German Foreign Office and the Economic Intelligence Division of I. G. Farben. Allegations that von Maltzan is involved in extensive exploitation in occupied countries are on record at OCC, but it is understood that they are at the moment not under active investigation.

8. Among the subordinate officials in von Maltzan's Division is Max Karl Julius MUELLER, born 10 Jan 1894 at Bordeaux, the subject of a number of SHAEF security suspect cards because of alleged espionage activities in South America. It is also alleged in a "secret" communication from OMG Hessen that von Maltzan has engaged in irregularities in order to secure the services of Max UNZ whom he knows to have been a former Abwehr and I. G. Farben agent in Turkey.

9. Since these persons are now located at Minden, this matter has also been informally discussed with Col Rhodes of British Intelligence Headquarters and it is believed that the relationship and activities of these men are under observation.

10. The cases of von Maltzan, Mueller, and Unz will come before the Bipartite Vetting Working Party, if Unz and Mueller, who are actively working there, should in future be nominated by the Executive Committee.

*This is a very bad word to use in your communication!*

11. The possibility that the circumstances reported above represent organized penetration by undesirable elements should not be overlooked. It is believed, however, that the present procedure of the Bipartite Vetting Working Party will, if expedited and consolidated, eliminate dangers of this sort to a very large extent and that the circumstances reported here should shortly be clarified as a result of the action of the British Intelligence Agencies having jurisdiction at Bielefeld and Minden.

THOMAS B. STAUFFER  
Chief, Eval. Sect.