

S-E-C-R-E-T

PRIORITY URGENT

TELEPHONE REQUESTS FOR NAME CHECK. FOR USE OF BI NAME CHECK CONTROL OFFICER

FROM: State, Mrs. Ullman **DATE** 10 Nov. 59

TAKEN BY: 5 7 **CHECKED BY:** REPLY

SCHLICKNER, Walter
NAME

ALIANES AND SPELLING VARIATIONS

DATE AND PLACE OF BIRTH

OTHER IDENTIFYING DATA Requesting copy of despatch referred to in
OSCI-3/756,496, dated 15 September 1959

REFERENCES:

BID/CE TRACE REPLY DATED 20 NOV 1959

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CENTRAL INTELLIGENCE AGENCY
SOURCES METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2001 2008

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SECRET

CSCI-3757471

28

20 NOV 1959

TO: The Secretary of State
Attention: Mr. William O. Bourwell
Director, Office of Security

FROM: Deputy Director, Plans

SUBJECT: SCHULLENBERG, Walter FILE IN 100-202

Inference is made to the telephonic request of your office on 18 November 1959 for a copy of the despatch referred to in CSCI-3750,466, dated 18 September 1959, subject as above. Attached herewith is a copy of the referenced despatch.

CSCI-3757,471

Encl. 1 attachment

RID/CE: JWE/WFG/rjm
Based on: HADRID-085-Pts 2
Doc. 12 Folder 68
Box 8

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1944 POST 27 AUG 64

Nazi Counterfeit Mastermind Works

as Payroll Clerk

By John Fiehn

STUTTGART (AP)—Twenty years ago the Nazis brought out millions of false English pound notes.

The counterfeits looked so genuine that the Bank of England was forced to issue new certificates for all denominations that the Nazis asked.

The counterfeit operation was coded "Operation Bernhard" after the first name of the man who masterminded the gigantic forgery, Bernhard Krueger.

A major in the SS security service's technical department at that time, Krueger supervised the counterfeiting operation in a concentration camp in the German family, he studied engineering. "The depression during the early 30s made me join the Nazi Party. In 1933, I enlisted in the

today works as a payroll clerk at an electrical plant here. Even his employers are not aware of his background, Krueger says.

Accused in 4 Deaths

His name popped up from almost complete oblivion when an East German publication alleged that he was responsible for the death of four concentration camp inmates.

A West German prosecutor investigating the matter says nothing substantiates the charge.

After much hesitation, Krueger agreed to tell his story of the counterfeiting operation.

The son of a middle class German family, he studied engineering.

"The depression during the early 30s made me join the Nazi Party. In 1933, I enlisted in the

in the SS (Elite Guard) training camp, a few miles north of Berlin. When war broke out, I was in charge of making all sorts of identity papers and passports for the secret agents of the SS abroad," Krueger said.

Because of his experience in forgeries, SS Brig. Walter Schellenberg picked Major Krueger in March, 1942, to organize the counterfeiting designed to upset the British economy.

To Employ Only Jews

Schellenberg told him: "You have been assigned to make counterfeit pound sterling notes. We want you to use only Jews on this project."

Krueger sent word to all Nazi concentration camps that he wanted Jews expert in etching, engraving, and numbers were duplicated only once. We avoided running new series of bills and

in a specially guarded compound.

Ninety men were kept in a specially guarded compound. They received better treatment and food than other inmates," Krueger related.

It took him about a year to produce the printing plates, the paper, the inks and chemicals needed to fake the pound.

His biggest problem was to get ramie, an Asian nettle plant used in making the paper. He finally got supplies via Sweden.

"After a year of hard work, we finally succeeded in producing bills that looked absolutely identical with those issued by the Bank of England," Krueger said. "Serial numbers were duplicated only once. We avoided running new series of bills and

all serial numbers were carefully registered."

Million a Month Goal

His instructions were to produce one million fake bills a month, but lack of raw material restricted output to 400,000.

Krueger says he does not know how many of the counterfeits were marketed by the Nazis: "All I had to do was produce them. Distribution wasn't my business."

So far as is known, 10 to 25 per cent of Krueger's products were channeled abroad. The bills were spotted and major damage for the British currency was averted.

There have been reports that all the Jews who worked for Krueger were murdered to eliminate witnesses.

"Nonsense," said Krueger. "None of them was harmed. During the chaotic days of

the Reich's collapse, the group moved from one hideout to another. Finally, they were all liberated by the United States Army at Ebensee, in Austria."

Krueger surrendered to the Americans on May 3, 1945. After spending eight weeks in a prisoner-of-war camp at Rastatt, Austria, Krueger took his old staff car and drove off. He later surrendered to the British.

Never Prosecuted

"Scotland Yard detectives and Bank of England officials interrogated me for days. But I was never charged. I was never prosecuted," Krueger

said. The British, he said, handed him over to the French, who released him after two years. The East German charges may stem from the fact that four Jews

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		7. RI FILE NO.			
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PERTINENT INFORMATION

14.

SCHENBERG, WALTER

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NAME MENTIONED IN BOOK THE CONSPIRATORS BY GEOFFREY BAILEY AND/OR THE END OF SYDNEY REILLY ARTICLE IN IZVESTIYA NEDELYA BY LEV MIKULIN.

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(7-69)

M 11115
DST-13147A#10
10 Jan 65

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Ich, Walter SCHILLMEIER, geehrt, versichert, erkläre:

Ich war Chef des Amtes VI des Reichssicherheitshauptamtes (RSHA) vom Herbst 1941 bis zum Ende des Krieges.

Durch mein Amt war ich an Südamerika und besonders Argentinien als Quellen politischer Nachrichten über Nord- und Südamerika interessiert. Agenten des SD (Sicherheitsdienstes) vom Amt VI waren in Argentinien während des ganzen Krieges tätig und standen mit Peron während der letzten Jahre dieser Zeitperiode in Verbindung. Ich kann mich nicht mit Bestimmtheit daran erinnern welche unserer Agenten in Berührung mit der Lage dort waren, aber ich glaube ein Kreis von Männern wie Johannes Siegfried Becker, Gunnar Alberto Holmuth und Harnisch waren um Peron und, dass die direkte Verbindung mit gewissen Leuten die Peron nahestanden, auf einer persönlichen Grundlage hatten.

Becker war der Kopf von allen Spionagetätigkeiten in Argentinien. Er war ein sehr fähiger Nachrichtenmann und kannte Argentinien und die Menschen so gut, dass er in allen Kreisen sich sicher bewegen konnte. Er war auch in Paraguay, Uruguay und entweder an Peru oder Chile interessiert, und erstattete Bericht über sie. Nach der Revolution vom 4. Juni 1943 wurden die Aktionen der SD-Agenten erleichtert und unter dem Einfluss Perons wurde die Lage sympathischer als bis zum Anfang 1944.

Walter Schillmeier
WALTER SCHILLMEIER

Unterschriften und Bescheinigungen von mir
in Weimberg, Deutschland, heute am
15. Dezember 1945.

Walter Schillmeier
15.12.45

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ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM:

EXTENSION

NO.

DST-13147

DATE

10 June 65

TO: (Officer designation, room number, and building)

DATE

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. RID/AN - ENSC 23 JUL 1965

The attached papers are copies of State Dept's dossier on Walter Schellenberg, the ~~former~~ chief of an important arm of Nazi intelligence. This is the first time that we have gotten state's file on him and I believe each document in the file should be properly abstracted (i.e. good subject line), indexed per criteria and classified into S's 201 file!

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