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FOR COORDINATION WITH State

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CENTRAL INTELLIGENCE AGENCY
SOURCES METHODS EXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2003 2008

Memorandum for: Mr. Jack D. Neal
Department of State

Subject: Theodor PAINE

Reference: SSU Memorandum 12-10,111 dated 15 January 1946

1. The attached memorandum supplements reference and is submitted for your information.

2. It is not known whether this report has been made available to any representatives of the Department of State.

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Jason Paige, Jr.
Liaison Officer

Attachment

Judge/mfm

Source: Memo Miss Tully

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Activities of South American Diplomats

A report on the interrogation of Theodor PAEFFGEN, issued 29 December 1945, supplies information concerning Section VI D of the RSHA (Reichssicherheitshauptamt), of which section PAEFFGEN was head. His office was concerned with political intelligence from South America, the United States, Great Britain and Scandinavia. The information furnished by PAEFFGEN is considered reliable.

Discussing sub-section VI D/4 (South America), PAEFFGEN asserted that VI D/4 had counted among its collaborators the Argentine Military Attache to Germany, SANTILLANA, and the Argentine Naval Attache, Cmdr. CEBALLOS. They were both pro-German, as opposed to a faction in the Argentine Embassy represented by the Charge d'Affaires LUPI, a Germanophobe.

Both SANTILLANA and CEBALLOS were anxious to further certain favorite projects. SANTILLANA wanted to purchase arms from Germany, and CEBALLOS wanted a promise of safe-conduct for a freighter being built in a Swedish shipyard. They held illusory hopes that Amt VI might be of service to them in obtaining these objectives. The information furnished by SANTILLANA and CEBALLOS was gathered at social functions.

German intelligence officers deliberately cultivated relations with the Argentinians with a view to tapping them for information. However, PAEFFGEN was told by one of his subordinates that SANTILLANA and CEBALLOS seemed to know less about politics in Argentina than did the German Security Service. They claimed that their Charge d'Affaires purposely withheld what little information their own government released.

According to PAEFFGEN, no contacts obtained between Section VI D and the Chilean Embassy, nor were there any with South and Central American diplomatic missions to the neutral capitals of Europe.

PAEFFGEN wanted intelligence connections in the South American Embassies and Legations in Madrid, especially in the Argentine and Chilean Embassies. In early 1943, therefore, he suggested to Gen. ARNOLD (one of his representatives in Spain) that ARNOLD try to establish these connections. ARNOLD's subsequent efforts met with almost no success. However, he managed to penetrate the Brazilian Embassy by inducing a member of the diplomatic staff, CARVALHO, to turn over copies of all reports that went out over the Ambassador's signature.

PAEFFGEN was further questioned as to his knowledge of special informants who reported directly to the chief of Amt VI (political intelligence) in Berlin. One such informant was identified as SPITZ in Madrid, all of whose reports were read by PAEFFGEN. In one instance, SPITZ reported that the Argentine Military Attache at Madrid, LUPI, asked his (SPITZ's) assistance

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in the procurement of arms and arms patents from Germany. SPITZY wanted SCHILLENBERG to help him get the necessary export licenses, but Amt VI was unable to do so.

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