

1. Brief Summary of Operation

- a. Georg HILLER (true name), German, born 7 August 1932 and living in Hamburg, was a member of a Communist affiliated youth group there. A man whom he had met in ^{the} ~~the~~ class, Heinrich STEINHOEVEL (true name), born 30 May 1913, had been "expelled" from the KPD in 1952. STEINHOEVEL offered SRIS employment to HILLER, who reported the offer to a NDJ (Bund Deutsches Jugend) superior. The latter put HILLER in touch with V-2950 of ZIPPER's GV L, who directed HILLER to accept.
- b. HILLER and STEINHOEVEL crossed illegally into the Sovzone, Germany, in September 1952, made contact with two Soviet case officers, and were driven to Schwerin. Here HILLER wrote out a PHS and signed a secrecy-loyalty oath. He was given military ID's for the Hamburg area and was given directions for a second meeting, to be held in Berlin. The same officers conducted him to a safehouse in the Koepenick area. Here he was again drilled on his ID's, paid DM 3hd (West), and required to receipt. He then reported, supposedly staying within the confines of material previously approved by ZIPPER. New ID's re Hamburg border guards, German military units, British and Danish troops, and Hamburg harbor were given the agent. He was directed to reappear three months later (February 1953) at the same place (Berlin/Schoeneweide subway station) for his next meeting.
- c. Before this meeting, HILLER was approached by his uncle, one Max Emil HOEHNEL, born 13 July 1904. The BfV (Bund fuer Verfassungsschutz) had already placed HOEHNEL on a blacklist as a fabricator. (Despite this fact, ODOPAL, which maintains direct liaison with the BfV, later recruited HOEHNEL, only to drop him in 1953 for the same reason.) HOEHNEL persuaded HILLER to write at dictation but in his own handwriting a vague and rambling account of men who were planning to blow up Ruhr factories. This report was to be sent to the BIS. (HOEHNEL also approached, in December 1952, a U.S. Political Affairs officer in Hamburg with a story of having been run (but treated unfairly) by the BIS from 1946 to early 1952; he implied, at least, an offer of his services to the AIS.) V-2950 decided that HOEHNEL, an old KPD hand, was probably testing HILLER on SRIS orders and directed the agent to report the episode to his SRIS case officer.
- d. On 31 January 1953, STEINHOEVEL introduced HILLER, in STEINHOEVEL's home, to Karl Heins THODT, who spoke so openly of engaging in espionage for the SRIS that HILLER became certain that STEINHOEVEL had informed THODT that he (HILLER) was also an agent.
- e. On 21 February 1953, HILLER went to the appointed meeting place in Schoeneweide, but no one from the SRIS appeared. HILLER went to the nearest Vopo (people's police) office and persuaded the policeman there to call the state security service. Two SSD men appeared and, after further talk, called another number. Some three hours after HILLER first entered the Vopo station, a Soviet and female interpreter appeared. HILLER explained about the missed meeting. Five and a half hours later HILLER's case officer appeared. He explained that he had expected the agent the following day. (COMMENT: At the preceding meeting, HILLER had been given alternate meeting arrangements but had then sent notification of a week's delay.) Without reprimanding the agent for the conspicuous method by which he had established contact, the case officer drove him to Luisenstrasse 32, near the Karlshorst compound. The following day HILLER submitted reports, including the letter written to the BIS at HOEHNEL's dictation; this matter did not seem to interest the case officer. HILLER was given a list of ID's, all directly or indirectly military in nature and thus prompting ZIPPER to theorize (probably correctly) that the opposing service was the RU. He was paid 300 DM (West) and warned to see less of STEINHOEVEL. A series of alternate meeting dates in May (four in all) were arranged.

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EXEMPTIONS Section 3(b)

(2)(A) Privacy (2)(B) Methods/Sources (2)(G) Foreign Relations

- f. The fourth meeting took place on 16 - 17 May 1953. HILLER was met by his case officer, @ VIKTOR, at the same Berlin subway station; was driven again to Luisenstrasse 32; and was there debriefed (he again transmitted previously cleared material). He was again warned to break off his contact with STEINHOEVEL as soon as possible. @ VIKTOR also gave HILLER further military ID's (some of which, as HILLER pointed out, were unrealistic because quite outside his capabilities. Little advice, and this vague, was given HILLER as to the practical operational steps to be taken in order to meet these requirements.) HILLER was paid DM 350 (West), for which he receipted (apparently in true name, since no mention of his SRIS alias or pseudonym is made). A meeting and alternate were set for July, with further alternates in August. (COMMENT: It was initially assumed by ZIPPER that the prolonged [i.e., 2 - 3 months] intervals between meetings indicated that HILLER was still being cleared. But this pattern continues to the end of the case, in October 1953.) @ VIKTOR may have expected that another case officer would take over the agent at this meeting, since he directed HILLER to bring three bottles of Coca Cola along. (COMMENT: HILLER had made extensive notes, in his own handwriting, for the purpose of reporting to his ZIPPER case officer on this meeting. An interesting side-light is thrown on ZIPPER by the fact that these notes were passed to POB with a request for a graphological analysis. The writer knows of other instances in which ZIPPER has attempted to use graphology as one means of evaluating character.)
- g. In June ZIPPER decided, for control reasons, to move HILLER from Hamburg to Heidelberg and to transfer control of the agent from V-2945 to V-2653. HILLER succeeded in arranging the transfer with the firm employing him. At the same time it was learned that HILLER had committed serious indiscretions which, in the end, caused this case to be terminated. HILLER had informed his mother, his girlfriend, and a friend of his mother that he was a double agent working for the GIB against the SRIS and had also given his mother the true name of STEINHOEVEL plus the fact that he was an SRIS agent.
- h. On 9 July HILLER met @ VIKTOR and a new driver at the Berlin-Schoenweide subway station, according to plan. He informed @ VIKTOR of the move from Hamburg to Heidelberg, and at this point it became completely apparent that @ VIKTOR was not competent to do more than act as middleman for an unknown superior, since @ VIKTOR was unable to adjust to the shift and continued to give HILLER a long list of ID's about the Hamburg area. The meeting was held not in Luisenstrasse but in an open, wooded area. During the meeting @ VIKTOR asked questions about the source of cleared information on the West German police. HILLER had been inadequately briefed and, in the main, avoided answering by claiming not to understand. (@ VIKTOR speaks broken German but still can scarcely have been deceived by this maneuver.) HILLER's new ID's included photography, for which purpose he was to rent a camera. (COMMENT: This order suggests that HILLER was not held in high esteem by the case or ops officer directing @ VIKTOR.) HILLER was, however, paid DM 600 at this meeting, for which he receipted in true name. (COMMENT: The receipt is phrased as follows: For information delivered and for the obtaining of further information. [Auf Klärungsarbeit] in West Germany, I have today received the sum of DM 600 West.) The next meeting was arranged for October, with an alternate date in November 1953, the meeting place remaining unchanged. HILLER was directed during this meeting to see STEINHOEVEL once more, to inform him that he (HILLER) had no further contact with the SRIS, and then break off completely any further association with STEINHOEVEL.
- i. On 20 July 1953 HILLER received from his girlfriend, Marlene PATERS in Hamburg, a letter stating that she was pregnant and expected him to marry her in October. Since the girlfriend knew of HILLER's involvement in a CE case (see above), ZIPPER did not wish to arouse her wrath.

j. In September or early October HILLER became acquainted with an American major and his German girlfriend in Heidelberg. ZIPPER asked for permission to pass their identities, plus an indication that they would be susceptible to recruitment, to the SRIS. One of the two major liaison problems in the case was thereby precipitated. ODIBEX was approached and reacted vigorously, agreeing to the proposal on condition that they be given full details on the case, including all operational take. In early November ODOPAL in Bremen, without coordination with POB, began work of HILLER; POB cabled a request that they desist. A modus operandi for this one case was worked out, though not pursued to its conclusion because the case was terminated by ZIPPER on 1 April 1954. The larger policy issue of the extent to which ODIBEX should be cut in on ZIPPER (or direct KUEHARK) operations in return for cooperation was never resolved.

Investigation

k. A second knotty liaison problem appeared almost at the beginning of the case, as a result of an S&S ID to HILLER re British OB in the Hamburg area. After headquarters, Frankfurt, and POB had collided on the advisability of allowing HILLER to report what he could obtain on his own, the question was passed to [redacted]. Their representatives also requested operational details. The long-range result was a series of ZIPPER- [redacted] conferences during which each revealed significant information. ZIPPER briefed [redacted] on US DROLLERY 13. [redacted] revealed that STEINHOFEL (now spelled STEINHOFEL) had been their DA since July 1953 and that his SRIS case officer was also @ VIKTOR, whom [redacted] definitely considered an ARU officer. Resultant comparison of notes led ZIPPER (with adequate reasons) to conclude that HILLER had been reporting honestly to them. (COMMENT: [redacted] gives a very detailed account to ZIPPER of the STEINHOFEL case; this account is forwarded in attachments to BOLA-6569, 2 December 1953. It is not summarized here because it is not properly a part of the present series of studies. As an example of [redacted] handling of an authentic DA case, however, it merits separate study.

l. The agent's inability to observe minimum security precautions again became evident in September, when it was learned that HILLER had approached the German police in Bremen, without any authorization, and had there exposed himself as an agent of a Western IS. He also revealed to a friend, one Hans MATERN, that he worked for a West German counterintelligence office. In November 1953 suspicion arose that one Walter THIEDE also had some information about HILLER's agent activities. By this time the number of unauthorized persons known or suspected to have information on this score had risen to eight.

m. On 3 October 1953 HILLER had his last meeting with the SRIS. Met by @ VIKTOR and a new (female) interpreter, @ KADA, at the same point in East Berlin, HILLER was conducted to a new safehouse on Regattastrasse, Berlin/Gruenau. HILLER presented his reports, previously cleared by ZIPPER; received ID's concerning chiefly the U.S. Army in Germany; and was told that after the first of the year he would be given training. Either ZIPPER had failed to brief the agent on this possibility, or HILLER was as uncontrollable as usual. At any event, he declined. The agent was told to find a dead drop, since in the future his material would be picked up by a courier whom he should not meet. He was also given a cover address in Schwerin. The next meeting was set for December 1953. @ VIKTOR indicated that he might make a direct approach to HILLER's alleged German police source. (The information passed to the SRIS as coming from this man was actually supplied by ZIPPER; HILLER and the police "source", in fact, had never met.) HILLER was again paid DM 600 West.

n. HILLER married Marlene PETERS on 31 October 1953.

- o. On 25 November 1953 a conference of JAVELIN-ZIPPER representatives was held. The former stated that Karl-Heinz THOBY (paragraph 1d, above) had told STEINHOEFEL that he regarded HILLER as suspicious. STEINHOEFEL had repeated this remark to his and HILLER's case officer, * VIKTOR. It was agreed at this conference that ZIPPER would gradually withdraw HILLER from SIS contact, since his loquaciousness had already blown him to a number of people, with the result that he was endangering himself, ZIPPER, and JAVELIN's more lucrative case of STEINHOEFEL. Acting under orders, HILLER wrote a letter (sometime before 22 December 1953) to his SIS cover address, stating that he was forced to discontinue work for them temporarily because his wife had learned of his activities and was perturbed.
- p. This step was negated on 4 March 1954 when HILLER, acting on orders of V-2618, wrote another letter to his SIS cover address in Saarbrin. (COMMENT: ZIPPER indicates that V-2618, who had consulted no superior before taking this step, was sharply reprimanded but gives no clue as to his motives.) The letter called forth a reply, dated 20 March 1954, setting up another Berlin meeting. ZIPPER reacted by dropping HILLER after exacting the customary security pledge, including a signed undertaking to have no further contact with the SIS. He was given DM 600 as drop pay. Since he was moving back to Hamburg, ZIPPER arranged that JAVELIN would continue to keep an eye on him.

2. Analysis

- a. Analysis of this case leaves no practical doubt that HILLER was an honest DA: i.e., he succeeded in concealing from the SIS (actually GRU) the fact that he was working against them and for ZIPPER. He also obeyed most orders of his two ZIPPER case officers. Some profit was obtained: ZIPPER learned the identity of the SIS case officer, confirmed from another DA case; learned the identity of a few SIS agents in Western Germany; obtained a long list of GRU ID's; pinpointed the locations of three safehouses and an illegal border-crossing point; and obtained a not insignificant insight into GRU working habits. The SIS, on the other hand, obtained only unimportant information previously cleared by ZIPPER for passing to * VIKTOR.
- b. Under these circumstances, with much more to gain and little to lose, it is very unfortunate that ZIPPER was compelled to terminate the play. With some justice, ZIPPER points out that HILLER was himself responsible for the abrupt termination. He was certainly a difficult agent to control: young, rash, impetuous, insecure, and loquacious. Yet he stood up well in difficult situations, vis-a-vis his SIS control, which ZIPPER should have anticipated and for which, on one occasion, ZIPPER was solely responsible. His long-range potential inside the SIS was obvious, and it was ZIPPER's responsibility to provide firmer and more effective field leadership than HILLER enjoyed.
- c. The reason for transferring HILLER from Hamburg to Heidelberg is not made clear in this case, although plausible (if not compelling) reasons can be inferred. Ideally, after [] and ZIPPER realized that they were both zeroed in not merely on the same target but even on the same SIS case officer, one agency or the other should have assumed control of both DA's. In fact, had HILLER remained in Hamburg (to which city he eventually returned anyway), obvious security considerations would have forced this move, with the agency assuming control promising to keep the "losing" agency informed. Had this step been taken, the controlling agency could have taken measures to counteract the damage which HILLER had done by putting him on ice for a time (even hospitalizing him for cover purposes), having him thus explain his inactivity to the SIS, and having him inform those persons who had gained some insight into his IS activities that since his marriage, and the birth of his child, he had dropped out of the IS picture completely. Contact could

then be resumed half a year later (the SIS was already contemplating six months' intervals between agent meetings). With both MILLER and STEINHOFFEL reporting to the same agency (but not to the same case officer) and with both also working for @VIKTOR, the western service would have had a unique opportunity to view, through the eyes of two agents, the workings of the RU.