

# BEST AVAILABLE COPY

AIR

EGLA-1560

EYES ALONE

Chief of Mission, Frankfurt

16 December 1952

Chief of Base, Pullach

Attn:

Operational/ZIPPER/CART

Possible UJ DREADFUL Explanation

1. Since you have read the attachment to EGLA-1292, you can undoubtedly share our feeling of near desperation concerning the question of how to proceed in the UJ DREADFUL case. Obviously this feeling results from the total absence of substantial leads to information of a convicting type. We are attaching for your information, comment and possible action, the only independent lead to date, which we located right in our own files.

2. As you will notice, EGSA-J38 forwarded as a trace request an intercepted letter from one Karl MARKOVIC to Stefan VALKO, in which MARKOVIC claims knowledge of an American or American sponsored espionage service engaged in Czech operations. As nearly as can be determined from MARKOVIC's rather ambiguous wording, this group is simultaneously in league with unspecified Czech authorities who are warned of agent commitments and thus are able to alert Czech gendarmerie stations in order to make arrest certain. Allegedly, the American sponsored group concerned receives \$500 from the Czechs for every person delivered. MARKOVIC claims to know of seven persons presumably so delivered.

3. It is definite that Stefan VALKO was a good friend of V-21564, and he may also have been considered for employment by UJ DREADFUL. Certainly VALKO was known to UJ DREADFUL, who readily volunteered the information in connection with the MEGHARIK case that VALKO had gone into training for Dr. Stefan LUKAC, who reportedly heads a Slovak group operated by CIC Region IV.

4. We have the impression that the designation of MARKOVIC in MESA-3554 as a suspected Czech agent is probably guesswork only. Other FOB traces of MARKOVIC are contained in MGLA-9758, where he is listed among Slovak persons and groups considered to be within UJ DREADFUL's sphere of interest as opposed to USAGE's Slovak interests in the conflict between UJ DREADFUL and USAGE for ties to the Slovak emigration. In September 1951 FOB asked UJ DREADFUL whether Karol MARKOVIC was a ZIPPER member or known to UJ DREADFUL. Apparently no reply was ever received. Attachment states from a reliable source that MARKOVIC is, or was, connected with DURCANSKY (who is of definite interest to ZIPPER), and to Miloslav BARTAK, listed as a CIC interrogator and agent in Camp Valka (in which capacity he undoubtedly knew Michael WINIARSKI, also a CIC interrogator and UJ DREADFUL agent). In short, there is good evidence that MARKOVIC may have knowledge of UJ DREADFUL's activities, and he may well have been referring to UJ DREADFUL in attachment.

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-2-

5. Of course, the possibility would have to be considered that MARKOVIC assumed his letter would be intercepted (as international correspondence) and wrote it in order to cause trouble for UJ DREADFUL or LUEAC, but if UJ DREADFUL should have been his target, the Carriage result provided an amazing coincidental assist. In any event, it would appear that the group referred to by MARKOVIC is very likely to be either that of Dr. LUEAC or of UJ DREADFUL. Although we have no information concerning a relationship between MARKOVIC and Dr. LUEAC, there is definite evidence that MARKOVIC is aware of UJ DREADFUL's operations. The accuracy of MARKOVIC's allegations is obviously a question which we might be able to check out.

6. Assuming that MARKOVIC may know what he is talking about, the application of his statements to the UJ DREADFUL Carriage result is obvious. The fact that UJ DREADFUL reacted strongly both to the eastern espionage question (6) and to the serious criminal act question (12) would be neatly explained. You will have noted that ( ) considered significant the fact that UJ DREADFUL gave apparent lie reactions to both questions.

7. We are having ( ) make inquiries in the Salzburg area to determine whether CIC ever followed up attachment. If they did not, ( ) will try to determine whether any AIB tie to MARKOVIC now exists, and whether there is any possibility of obtaining discretely from MARKOVIC on some pretext the story behind attachment.

Approved:

( )

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