

9. Debriefing of Eric Waldman on the US Army's Trusteeship of the Gehlen Organization during the Years 1945-1949, 30 September 1969

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DEBRIEFING OF ERIC WALDMAN ON THE U.S. ARMY'S
TRUSTEESHIP OF THE GEHLEN ORGANIZATION DURING
THE YEARS 1945-1949

1. Lt. (later Capt.) WALDMAN was born in Vienna in 1914. He came to the U.S. in 1938 and was naturalized. He joined the U.S. Army in 1942, where he graduated from OCS in the Field Artillery. Later he took a POW Interrogation Course and during the year 1944-1945 he was in Military Branch, G-2 of the War Department as a specialist in German tactics. At the end of the war in May 1945 he was transferred to a section which was to produce a handbook on the Soviet Army.

2. In June 1945 he was informed by his superior, Dimitri Shimpkin, that a group of German officer POWs from Fremde Heere Ost (FHO) of the General Staff would be arriving and that he was to take charge of them. The officers arrived and were placed in the stockade at Fort Hunt near Alexandria, which was under the Captured Personnel and Materiel Branch. Since the address was POB 1142, Alexandria, Va., it was commonly called "1142." Gehlen's group initially consisted of himself, Col. Konrad Stephanus, Maj. Hans Hinrichs, Horst Hlemons, (fnu) von Luettendorf and Herbert Fuener. In February 1946 they were joined by Col. Heinz Herre. They brought a large amount of files with them and promptly set to work writing studies for G-2, which, because it had very little information on the USSR, was delighted. Randolph Zander, then a Major, later a DAC, was active at 1142, as was George Klesewalter.

3. The original decision to make use of Gehlen, his people and files had probably been made by Brig. Gen. Erwin Sibert, G-2, USFET. Capt. John Boker, a Soviet OB specialist stationed in Europe,

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had first discovered Gehlen in a VIP POW compound. He persuaded General Sibert of the value of Gehlen's group, which included several others in addition to those which went to the U. S., so Gehlen and his associates were soon put to work writing studies in a compound near Frankfurt. Other important personalities were Lt. Col. Gerd Wessel, deputy and successor to Gehlen in FHO, and Lt. Col. Hans Baun, former CO of Frontaufklarungsleitstelle Ost (a tactical espionage organization which operated on the Russian front under Gehlen's control). Baun, who had been witting of Gehlen's plan to offer his services to the U. S. Army, had been captured separately from Gehlen, and had evidently made a strong impression on his captors. While no one on the U. S. side had any very concrete ideas as to how these Germans would be used, Baun saw a chance to advance himself and Gehlen realized this. Therefore Gehlen, who had never fully trusted Baun, was able to see to it that Wessel stayed behind in Europe to keep an eye on Baun while Gehlen went to the U. S.

4. Thus Baun and Wessel remained in a compound at Oberursel near Frankfurt. There were some U. S. Soviet OB specialists there (Richard Sutter, Lt. Landauer, Franz Brotzen, Paul Comstock) and they had a telecon link with WALDMAN in Washington. Some time during the period from June 1945 to August 1946, probably during the first few months, the decision was made by the U. S. Army to allow this group of German officers to engage in collection of intelligence against the Soviet forces in Germany. This decision was crucial since it marked a radical departure from the concept of writing studies based on old Wehrmacht files. WALDMAN has no recollection as to when or how this decision was reached - as a First Lieut. he would not have been consulted.

5. (Note: It is not clear whether Gehlen met Gen. Sibert before the former left for the U. S. in 1945. WALDMAN is reasonably certain that when Gehlen and Sibert met for the last time before Sibert left for the U. S. in October 1946, there was no discussion of a charter, directive or contract for Gehlen. This is an important gap in our knowledge of this period, for while the Army's trusteeship was characterized by lack of control and direction, they surely must have had something in writing before the first EUCOM directive to Gehlen, which is in our files - dated October 1948).

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6. The Gehlen group arrived at Oberursel in August 1946, shortly after WALDMAN. Here the U.S. Element to run the operation was under the command of Lt. Col. John R. Deane, Jr. WALDMAN became his deputy and in addition there were two enlisted men (we do not know the name of this section. I will refer to it as the U.S. Element). The U.S. Element was lodged with the Military Intelligence Training Center (MITC)* (misc) which was under the command of Col. Philp, who appears later in this narrative, but Lt. Col. Deane reported directly to G-2, EUCOM (which was replacing USFET).

7. The situation facing Gehlen upon his return was a difficult one. Baun had had a year in which to install himself and whatever understanding Gehlen had with the U.S. Army, Lt. Col. Deane had bought the arrangement of "two horses abreast" (Zwei Pferde in einem Gespann) - Baun as Chief of Collection and Gehlen as Chief of Evaluation; the Brigadier General and the Lt. Col. as equals. A not unimportant point here is that Baun was not a general staff officer, and most important of all, Gehlen did not trust him.

8. The year prior to August 1946 had been spent in collecting former colleagues from POW camps, tracking down families, etc. Collection operations of a kind began in the summer of 1946. Probably the most valuable of these was the SIGINT operation, for FHO had disposed of highly skilled intercept operators.

9. The next several months were spent in getting operations started, and in Gehlen establishing his control over Baun. (Note: It appears that, for excellent reasons, WALDMAN pushed for Gehlen, and that therefore the struggle consisted of WALDMAN, trying to win over Lt. Col. Deane, of whom WALDMAN speaks very highly, but who at that time was a very young Lt. Col. with little or no experience in intelligence--and probably very little German). WALDMAN says that two incidents convinced Deane of Baun's untrustworthiness -- which was abundantly proven in later years. Gustav Hilger, the former German diplomat, had been in 1142 with Gehlen and was brought along to Oberursel. He discovered that Baun had stashed away under his bed a large trunk full of U.S. dollars, which should have been spent on operations. Another incident occurred when Baun tried to blackmail Herre, a strong Gehlen man. It had something to do with a woman with whom Herre was supposed to have had an affair. These incidents were brought to Deane's attention, and by the end of 1946, Deane had appointed Gehlen as chief of the German element, which from now on we will call the Gehlen Organization.

*This title may be incorrect.

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10. 1947 was spent in expansion, particularly in the Field Stations (Aussenstellen). Baun was replaced as chief of operations by Dingler (@ DINTER). During this period Gehlen, who had no means of running security checks on his people, began recruiting former colleagues of the General Staff, who, as he put it, had already been thoroughly vetted. A large number of General Staffers were put in charge of Aussenstellen, thus General Heinz Guderian became chief in Aschaffenburg.

11. In the summer of 1947 Lt. Col. Deane was relieved by Col. William Liebel as CO of the U. S. Element. During 1947, as the organization expanded, other properties were acquired: Schloss Kranzberg (code name Dustbin), a house at Schmitten, and the famous Opel Jagdhaus in the Taunus Mountains. All these buildings were near Oberursel, but it was not a satisfactory arrangement and in November 1947, the headquarters of the U. S. Element and of the Gehlen Organization moved to Pullach. The U. S. Element became the 7821st Composite Group. There were perhaps 20 U. S. personnel, but none of them were particularly qualified for their job, except for WALDMAN []

12. WALDMAN never handled the financial side of the operation, but he estimates that the monthly subsidy at this time was well under \$100,000. The period under Col. Liebel was not a happy one. Anyone who was associated with the German occupation knows that under the temptations of the fleshpots, a lot of perfectly normal people went around the bend. This appears to have been the case of Col. and Mrs. Liebel, and the Adjutant of the Composite Group, Lt. Esslinger. While it does not necessarily prove that he reformed himself, Col. Liebel later became a Major General. (Note: It is not the purpose of this history to rake up a lot of old scandals, but a recital of some of these is important since it shows the incredibly bad performance -- in part -- on the U. S. side, and illustrates the difficulties facing the new management (CIA), which took over in 1949. In the official history none of the above persons will be mentioned by name.)

13. Col. Liebel spoke no German, did not like Germans, and did not hesitate to show it. WALDMAN recalls sitting in Liebel's office and hearing him lecture Gehlen and Heusinger, fortissimo, on how stupid the German General Staff had been. Mrs. Liebel continually made personal black market deals, taking Mrs. Herre along as an interpreter. Lt. Esslinger was a real card; one evening his wife telephoned Herre in a great panic and asked him to come quickly, her husband was threatening

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suicide. Herre found him dead drunk with the muzzle of a shot gun in his mouth. On another occasion Esslinger smashed up the living room and beat up his wife; this time WALDMAN came to the rescue. Finally, there was a proven case where the Liebels and Lt. Esslinger had used official facilities to illegally exchange their old RM's for new DM's at a favorable rate at the time of the currency reform in the summer of 1948. Mrs. Esslinger was prepared to testify, whereat she was sent hom on 24 hours notice by Col. Liebel as an undesirable dependent.

14. Another item illustrates how things were done in those happy carefree days. One day WALDMAN came to work and was told that all the Army enlisted men had been given the day off. Why? Well they were having a VD Holiday - no (reported) cases of VD for a given period. The point here is that the VD cases were treated by the German doctor in the Gehlen Organization and thus never came to the attention of the authorities at First Military District Headquarters. WALDMAN recalls that during this period Gehlen used to come to his house practically every evening and threaten to resign. Finally WALDMAN went to Col. Liebel and asked permission to go to the EUCOM Deputy Director of Intelligence, Col. Schow (later ADSO) and report on the state of affairs. Whether this permission was given or not, WALDMAN went and Liebel was shortly thereafter relieved. He was replaced by Col. Philp, probably in the fall of 1948.

15. There is little more to be added to the WALDMAN narrative. The Bossard survey (for CIG) was carried out in 1947 with WALDMAN accompanying Bossard most of the time. The same applied to the Critchfield survey of November-December 1948. WALDMAN departed in February 1949, four months before CIA took over.

16. One thing is abundantly clear from what WALDMAN says: the Army did not control or even attempt closely to steer the Gehlen Organization. EEF's, mostly unrelated to the capabilities of the Gehlen Organization, were received from time to time. Nearly all of the time of the U. S. Element was taken up in housekeeping and support tasks. Waldman, and to a certain extent the other U. S. personnel, spent their working time taking care of things such as gas coupons, housing, rations, cover documentation, etc. The list is endless and so was the time required to cope with these matters. Another factor is that the Army simply did not have enough officers trained and experienced in clandestine operations. WALDMAN was indeed an MI officer, but his field was German Army tactics.

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17. The general picture then is one of lack of U. S. direction and control. During the first year of operations (summer 1946 through summer 1947) the U. S. commander was an excellent officer, but inexperienced. During the second year (to the summer of 1948) the U. S. commander was dishonest and an incompetent officer. The third and last commander was a distinct improvement over Liebel but he still knew little about intelligence. If anyone would have known about the intelligence operations run by Gehlen it would have been WALDMAN, but nearly all our conversation dealt with other matters since he did not handle operations. He could not recall any famous cases by name. When I asked him if he had any paid informants or sources in the Gehlen Organization, he looked at me blankly in astonishment.

18. I do not wish to be unfair to WALDMAN, for these events occurred over twenty years ago, but he could recall only one spectacular intelligence coup which the Gehlen Organization pulled off. It was at the time of the Moscow Conference in 1947 and through an Armenian emigre organization, which claimed to have access to Mikoyan, the Gehlen Organization reported that the USSR would include an item on China on the conference agenda. This was reported to Secretary of State Marshall, and when it turned out to be true, Marshall was delighted and wanted to know who had produced the report. (Note: It is extremely doubtful that the emigres had any connection with Mikoyan -- this report was almost certainly an educated guess.)

19. WALDMAN accompanied Gehlen on several trips abroad to establish ties with friendly IS's and discuss evacuation plans. In 1947 Gehlen got in touch with the [] through the good offices of Michael Ffh v Godin, commander of the Bavarian Landespolizei. Godin had commanded the troops which fired on Hitler et al at the Feldherrnhalle on 9 November 1923 and when the Nazis came to power, he naturally fled to Switzerland. He returned to Germany after the war.

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