

VIA:

(SPECIFY AIR OR SEA POUCH)

DISPATCH NO. EASA-2484

SECRET
SECURITY INFORMATION
CLASSIFICATION

TO : Chief, EE
FROM : Chief of Base, Salzburg

DATE: 16 Nov. 1953

SUBJECT: GENERAL - Operational
SPECIFIC - Investigation of Dubious Intelligence Personalities
in Austria

References: EASA-2443; DIR 21087

*Carded
17 Feb. '54*

Introduction

1. Since the arrests and interrogations of Joseph HOPFEN (EASA-2443) and Petre CONSTANTINESCU this base has been conducting a detailed investigation of the intelligence activities and connections of these two individuals. So far the investigation has revealed direct leads to the following intelligence services: Yugoslav IS, Soviet IS, Rumanian IS, French IS, British IS, ZIPPER, and Bonn IS. It has further been established that the fabricated intelligence production of these two individuals has been purchased by some U.S. intelligence organization - presumably other than KUBARK. In the case of HOPFEN, a complete confession has been obtained regarding his intelligence fabrication and connections; in the case of CONSTANTINESCU, a confession has not been obtained but investigation has revealed that beyond any doubt he has engaged in extensive trading of information with various Eastern and Western intelligence services and has continuously played one service against the other.

Personalia

2. For the sake of clarity the following short biographies of the key individuals involved in the case are provided at this point:

A. Joseph HOPFEN, alias HOPFENTHAER, alias LANDMANN, alias TRAIAN, was born in Sag, Rumania, on 2 February 1913. He served on the Rumanian Police Force prior to World War II and was inducted into the Rumanian Army shortly before the outbreak of the war. In October 41 HOPFEN defected to the German Army and until the end of the war he served in various military police and SS units on the Eastern Front. From 1945 to 1947 he lived mostly from black market earnings; he was also engaged in welfare work for Rumanian refugees. In 1947 he contacted CIC in Voecklabruck, Austria, and received employment there as a principal agent in "Project ROCHESTER", a project that was organized for the purpose of exploiting HOPFEN's alleged contacts in Rumania. In 1950 CIC realized that the information he produced was in most cases inaccurate and probably fabricated; he was therefore dropped. After his release from CIC, HOPFEN started out as a free lance intelligence fabricator and peddler and gradually managed to make contact with several

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intelligence services. He sold identical fabricated intelligence reports to all of these services. HOFFEN's activities and connections in the recent years will be covered in detail below.

B. Petri CONSTANTINESCU, alias Petri BOGDAN, was born on 29 September 1910 in Buzau, Rumania. He served a number of years in the Rumanian Army Air Force, attaining the rank of first lieutenant. He was assigned to the Air Ministry in Bucharest as an air force specialist after the German occupation of Rumania in 1940. In 1942 CONSTANTINESCU was arrested as a political prisoner and sentenced to twenty years imprisonment; he attributes his arrest to the fact that he was acquainted with a number of members of the Rumanian Iron Guard who were accused of attempting to overthrow the pro-German Antonescu government. He was released in 1946 by virtue of a general amnesty granted to political prisoners. During May 47 in Bucharest he became acquainted with one Rudolph KLOCKNER who was at the time in the employ of a U.S. intelligence organization (TIB-ZIPPER) in Salzburg, Austria. KLOCKNER recruited CONSTANTINESCU to report on activity at Rumanian Air Fields. CONSTANTINESCU was given the Salzburg address of Dr. Karl MERAN as an emergency contact. In March 48 CONSTANTINESCU arrived in Austria from Rumania and was introduced to Herbert MALNER and Kurt AUNER who were also with TIB. CONSTANTINESCU continued to work for TIB until October 51. During the tenure of his employment he came under suspicion of misappropriating funds - a charge which he denied. Prior to his release from TIB (ZIPPER), CONSTANTINESCU contacted and began working for General Ion GHEORGHE, former Rumanian Ambassador to Germany, and currently the head of the League of Free Rumanians in Munich, Germany. By this time, CONSTANTINESCU had become quite well established in local intelligence circles.

C. Bela LENGYEL, was born on 19 April 1897 in Szarvas, Hungary. He was a career officer in the Hungarian Army and served as Military Attache to Poland and the Baltic countries from 1934 to 39; during which time he met General ANDERS for whom he is still working in an intelligence capacity. During the war LENGYEL was the Commanding General of the Second Hungarian Army Corps. Following the war he was tried for war crimes but was acquitted. In 1948 he escaped to the West and is presently making a living as an intelligence peddler; he passes information to the following individuals and groups: Polish Government-in-Exile through one Count Adam BUDNICKY; the American Air Attache in Bern; the Hungarian National Committee in the U.S.; Radio Free Europe; British intelligence through one Victor KRUPINA. [KRUPINA] LENGYEL is known as a man who will collaborate with anyone in exchange for support. Dr. Jenő DECLEVA, a well-known fabricator, was at one time LENGYEL's closest associate. At the present time LENGYEL's assistant is one Lazlo SZENTGYORGY, alias Lazlo LAIMER.

D. Margarete GROSSCHOPF, nee ORTMAYER, was born on 16 May 1921 in Linz, Austria. She was graduated from school in 1937 and was then employed as a child welfare worker in Linz. From 1939 until 1943 she studied in the CSR where she married Dr. Alois GROSSCHOPF. She was divorced from GROSSCHOPF

in 1946 but retained the use of his name. From 1943 to 46 she was employed as a social worker in a steel mill in Linz, Austria. In 1946 she returned to the CSR where she engaged in extensive black market activities. In 1948 She moved to Vienna and found work at the Rotschild Hospital. While there she became acquainted with a number of persons who possessed intelligence connections. One of these was Hubert GLASER, USIA director and communist official. GLASER introduced her to numerous Soviet officers, among whom were two intelligence officers. In Vienna, GROSSCHOPF also met one Dr. Silviu CRACIUNAS who later became the father of her child. In March 50 CRACIUNAS was sent on an intelligence mission to Rumania by a U.S. intelligence organization. He failed to return. Numerous CIC reports state that CRACIUNAS must have been betrayed by either GLASER or GROSSCHOPF since these were the only two people who knew of his mission except for Gertrude STURM, GROSSCHOPF's roommate in Vienna. While residing in Vienna, GROSSCHOPF also met Max ADAMCIK, a notorious TITO agent. An account of GROSSCHOPF's more recent intelligence activities will be furnished later in this report.

HOPFEN Intelligence Contacts

3. During the recent interrogation of HOPFEN it was determined that since his dismissal from CIC he had succeeded in finding three outlets for his fabricated information. These outlets were:

A. Through Alfred HOENIG, alias KOENIG, an Austrian lawyer practicing in Freilassing, Germany, to Hans Kuales von WINDAU, who in turn passed it on to a FIS representative from Innsbruck. This operation had originally been proposed to the French Intelligence Service by a French agent, Mircea BOPA, an employee of Radio Free Europe in Munich.

B. Through Alfred HOENIG to one Hans HARTE of Munich who, it appears, is in contact with the intelligence branch of the Bonn Government through one (fnu) SCHUEZ. This lead is presently being investigated and further information will be forwarded when available.

C. Through Laszlo SZENTGYORGY, alias Laszlo LAIMER, to Bela LENGYEL.

HOPFEN admitted that he had passed identical information reports to all three recipients and that he had fabricated the reports through the use of files which he had built during the war. HOPFEN succeeded in convincing his clients of the existence of his "network" in Rumania by having various support documents printed in Austria and passing these on to his clients as genuine Rumanian menus, theater tickets, train tickets, etc. (See EASA-2443) By such means HOPFEN managed to receive regular agent's pay from the French Intelligence Service (through HOENIG), from the Bonn Intelligence Service (through HARTE), and an American Intelligence Organization (through LENGYEL). The fabricated intelligence reports which were passed to the French by HOPFEN became available to the KUBARK [] which was financing the "operation" together with the FIS. Exactly the same information that was purchased by KUBARK in this manner was simultaneously bought by another American intelligence organization through Bela LENGYEL.

CONSTANTINESCU Intelligence Contacts

4. The contacts which CONSTANTINESCU has made since his arrival in Austria are extremely numerous and will be listed as a separate attachment to this report. Only those persons who have a direct bearing on the case will be mentioned below.

A. In the fall of 1949 CONSTANTINESCU wrote a letter to General RADESCU for the purpose of establishing contact with the latter. Shortly afterwards CONSTANTINESCU went to Paris to attend a meeting with General RADESCU and several other emigre Rumanians, among them Dimitriu PETRESCU, a former Rumanian general, and Colonel Mihai OPRAN. This conference was sponsored by FIS and from this date CONSTANTINESCU has apparently been employed more or less permanently by them. It should be noted that at this early date in CONSTANTINESCU's intelligence career he had already begun to practice duplicity in that he was then still employed by the AUNER/MAJNER group of TIB. While in Paris for this meeting, CONSTANTINESCU met Silvius CARCIUNAS, who was then undergoing training for a French/American intelligence mission.

B. Late in 1950 CONSTANTINESCU was visited by one Ion TANTARENANU whom CONSTANTINESCU had known in Rumania. TANTARENANU brought CONSTANTINESCU into contact with the Yugoslav Economic Mission in Trieste. This must be presumed to be CONSTANTINESCU's first contact with the UDBa. In addition to TANTARENANU's Yugoslav IS contacts; it appears that he was also maintaining some contact with the British IS.

C. Some time around 1950 CONSTANTINESCU met Margarete GROSSCHOPF; the exact date and circumstances of this initial meeting are not known. However, it is known that in the summer of 1951 GROSSCHOPF moved into CONSTANTINESCU's apartment. Through GROSSCHOPF, CONSTANTINESCU made a number of useful intelligence connections. One of these was Max ADAMCIK who is known in Austrian intelligence circles as a Yugoslav agent and who, by this time, had moved from Vienna to Laibach, Yugoslavia. Through this GROSSCHOPF/ADAMCIK channel, CONSTANTINESCU attempted to negotiate an agreement between General GHEORGHE and the UDBa through which GHEORGHE would be able to obtain information on the Rumanian emigres in Yugoslavia. In June 52 CONSTANTINESCU was informed by GROSSCHOPF that two Yugoslav agents had arrived in Salzburg. CONSTANTINESCU met these two officers but it is not known what transpired or what agreements were made between CONSTANTINESCU and the two officers. CONSTANTINESCU claims that he never learned their names. Based on information submitted by a CIC informant, it appears highly probable that CONSTANTINESCU has supplied the Yugoslavs with information concerning the U.S. Army in Germany and Austria since it is known that Hans Kuales von WINDAU in the latter part of 1952 translated for CONSTANTINESCU a 200-page document which contained a detailed listing of American units. Gradually CONSTANTINESCU managed to establish direct contact with the UDBa and could then avoid using GROSSCHOPF as an intermediary. In June 1952 he was invited to Yugoslavia; he was smuggled across the Yugoslav-Austrian border by a UDBa guide who met CONSTANTINESCU in the Erzherzog Johann Hotel in Graz, Austria. During this trip CONSTANTINESCU was instructed by the UDBa to procure certain items

in Germany; for this purpose CONSTANTINESCU was given an advance in Austrian Schillings and German Marks. The Yugoslavs were mainly interested in procuring two-way radio equipment. CONSTANTINESCU therefore contacted one Hans OPPITZ, who operates a technical laboratory and work shop in Strobl, Land Upper Austria, Austria. It is interesting to note that one (fnu) HUBER was connected with this transaction between CONSTANTINESCU and OPPITZ. This HUBER might possibly be identical with the HUBER mentioned in EASA-2177, where he is described as "double-dealing and possibly collaborating with the Soviets". Later CONSTANTINESCU was requested to procure additional items for UDBa; he therefore contacted one Herbert EDER whom he knew from Rumania, and who presently operates a commercial patents agency in Hamburg. EDER delivered the items directly to CONSTANTINESCU in Salzburg and received his payment from CONSTANTINESCU through one Herwath SCHEINER with whom CONSTANTINESCU had left the advance given him by the UDBa.

D. Through GROSSCHOPF, CONSTANTINESCU also maintains contact with one Bohumil LAUSMANN, former Czech ministre who is presently working for the TITO government as an economic adviser. According to several CIC reports, LAUSMANN is authorized to issue Yugoslav visas in special cases, and frequently visits Salzburg where he meets GROSSCHOPF. Another intimate Czech acquaintance of GROSSCHOPF is one Frantisek MACHACHEK who is also a former Czech official now living in Exile. In the summer of 1953 GROSSCHOPF visited Paris together with MACHACHEK and stayed at 30 Rue Milton, Paris IXe, France; but it is not known what transpired during this visit. Presently GROSSCHOPF plans to immigrate to South America with MACHACHEK and expects to leave in the beginning of 1954. In preparation for her immigration, she is now attempting to find a person who can replace her as an informant for the UDBa. It is known that she has thus approached an individual who is a CIC informant who reported the approach to CIC. The CIC informant has been instructed by GROSSCHOPF to consider the offer; if he decides to accept, he is to contact LAUSMANN when the latter visits Salzburg and introduce himself as a friend of "Hlapec", which is the cover name assigned to GROSSCHOPF by the UDBa. This particular lead will be investigated further and additional information will be forwarded.

E. It is highly probable that CONSTANTINESCU, through GROSSCHOPF, is in contact with, or at least is being tapped by, Soviet intelligence through GROSSCHOPF's numerous connections with Soviet agents. One of these is a Colonel EMILIANOV whom GROSSCHOPF is supposed to have met through the above-mentioned GLASER. EMILIANOV is alleged to be a section chief of the Russian intelligence in Vienna and meets GROSSCHOPF at the Imperial Hotel where she frequently stays when she visits Vienna. According to a report from the Austrian police, EMILIANOV dispatched GROSSCHOPF to Yugoslavia in February 53 for an unspecified purpose. Another Soviet IS contact of GROSSCHOPF's is her brother, Erich ORTMAYER, who is a well-known Communist activist presently working as an intelligence informer for the Soviet Kommandantura in Urfahr, Austria. From 1934 to the end of the war he resided in Russia. Yet another of GROSSCHOPF's Soviet IS contacts is

✓ Hilda WACH who was arrested by CIC in July 48 as a suspected Soviet IS agent. WACH's name is also included in a British list of Soviet intelligence operatives in Austria, dated January 1949.

F. It is also possible that CONSTANTINESCU maintains a contact with Czech intelligence through Heinz OSTER who is a close friend of GROSSCHOPF. OSTER operates an import-export firm that engages in extensive East-West trading, and he is generally considered unreliable by his business associates. OSTER is in close contact with one Friedrich Wilhelm BECKHOFF of Freilassing who is generally believed to be connected with Czech intelligence. In the spring of 1952 OSTER was involved in a smuggling operation that resulted in the confiscation of his car by the German police. Herbert MALNER and Kurt AUNER of ZIPPER were allegedly involved in this smuggling ring, which also included one (fnu) KAINER who was arrested by the police and retained HOENIG, alias KOENIG (see Para 3 D, above) as his lawyer. In March 52 GROSSCHOPF and OSTER were seen boarding the direct coach between Salzburg and Trieste. Just prior to the departure of the train it was observed by a CIC informant that GROSSCHOPF received some papers from CONSTANTINESCU presumably for transmittal to the UDBa. In Trieste GROSSCHOPF was met by Major MICA and Captain VULETICH of UDBa (STTA-1211), who may be identical to the two Yugoslav officers who conferred with CONSTANTINESCU in Salzburg and whose names CONSTANTINESCU claims not to know. GROSSCHOPF's expenses in Trieste were allegedly borne by UDBa.

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B. Sometime after his arrival in Austria CONSTANTINESCU was introduced to one Manda CARAGIA (DIR-21087) who had been sent to the West as an agent for Rumanian intelligence. CARAGIA had been arrested in Vienna on her way to Paris, and had confessed to CIC interrogators that she was going to Paris on a mission for the Rumanian IS. She was turned over to the French Intelligence service and was placed in prison as an enemy agent but was later released due to the efforts of her husband, U.S. 1st Lt. MOEVS, whom she had met and married in Rumania where MOEVS was stationed immediately after the war. CARAGIA was later divorced from MOEVS and remarried a French diplomat stationed in Innsbruck. After her release from prison by the French CARAGIA was allegedly involved in an affair with a U.S. Army major, (fnu) NEAGOE, from whom she stole some classified documents which resulted in the major's dismissal from the service (see letter, Army Attache, Ankara, Turkey, dtd 14 Mar 51, Subj: Petre BOGDAN). It is not known whether CARAGIA is still connected with Rumanian intelligence, but CONSTANTINESCU is still in contact with her and occasionally obtains information from her. Recently CARAGIA's mother managed to escape from Rumania and joined her daughter in Innsbruck. CONSTANTINESCU was thus able to obtain a little up-to-date information regarding conditions in Rumania.

H. CONSTANTINESCU has been in frequent contact with one Colonel (fnu) TITES who is a notorious Rumanian intelligence peddler. TITES maintains contact with American intelligence and French intelligence through Mircea POPA, employee of Radio Free Europe. He is further alleged to be in contact with Bonn intelligence through one Johann Florian MUELLER.

I. CONSTANTINESCU's connections with the professional Austrian intelligence fabricators seems to be confined to Willy HOETTL and Anton BOEHM. One of CONSTANTINESCU's specific missions for the UDBa was to establish contact with HOETTL in whose services Yugoslav intelligence was interested. CONSTANTINESCU met HOETTL on at least three occasions at the Hotel Austria in Gmunden, Austria. CONSTANTINESCU's connection with BOEHM goes back to the time when they were both working in the AUNER/MALNER group. Since then CONSTANTINESCU has remained in touch with BOEHM for the purpose of exchanging information with him.

J. It has previously been mentioned how CONSTANTINESCU became associated with French Intelligence through General RADESCU and Colonel OPRAN. For a number of years he continued working for the FIS directly; he was eventually dropped because of his close ties to Yugoslav intelligence. A number of persons, however, continue to serve as links between CONSTANTINESCU and French IS. One of these is Dr. Ion EMILIAN, who previously worked for CIC in Linz, Austria, and presently is French agent. At the time when UDBa commissioned CONSTANTINESCU to procure radios for them, CONSTANTINESCU contacted EMILIAN and asked him for help in this task. Allegedly EMILIAN told CONSTANTINESCU that he would pass the request on to his French superiors, but it is not known whether EMILIAN was successful in procuring the radios for CONSTANTINESCU. CIC informants report that CONSTANTINESCU at that time also requested assistance in procuring the radios from one DIMITRESCU, who may be identical with one Vasile DUMITRESCU who is reported to be a French agent and an associate of General GHEORGHE in Munich, Germany. CONSTANTINESCU also maintains frequent contact with Mircea POPA, employee of RFE in Munich, who is a known French agent and who was instrumental in selling the French IS the fabricated intelligence reports of Joseph HOPFEN. CONSTANTINESCU maintains an additional indirect contact with FIS through Walter POPAN who is also a known French agent. In September 1953 CONSTANTINESCU turned over to POPAN a number of Rumanian identity documents and requested that POPAN get these documents reproduced in an unspecified number by the FIS ([

K. In 1948 CONSTANTINESCU was approached by a fellow Rumanian emigre, one Karl BALACZEANU who told CONSTANTINESCU that he had been approached by one Peter MUELLER who had identified himself as being a Soviet agent and had asked if BALACZEANU was willing to work for the Soviets. CONSTANTINESCU at that time reported this to his superiors, MALNER and AUNER, but these merely stated that the matter was of no interest to them and ordered CONSTANTINESCU to break off his connections with BALACZEANU. In spite of this order, however, CONSTANTINESCU remained in contact with BALACZEANU. In 1950 CONSTANTINESCU reported the BALACZEANU incident to an agent of CIC who, however, could not take any further action due to the fact that he was unable to identify Peter MUELLER. In 1950 BALACZEANU was joined by a fellow Rumanian refugee and close friend of CONSTANTINESCU, Alexander ALBU, whom MUELLER also recruited as an agent for the Soviets. In 1951 ALBU was also recruited by French intelligence and continued to work for them through 1951 and 1952. Through KUBARK [] it became known that

AEBU had told his French case officer of his recruitment by a Soviet agent but had identified the agent as one Peter SCHAEFFER (not Peter MUELLER). AEBU had met Peter SCHAEFFER in the apartment of Karl BALACZEANU who appeared to be a good friend and co-worker of SCHAEFFER (see OFPA-2419). CONSTANTINESCU is known to have been in contact with BALACZEANU as late as June 1953 and might through him maintain yet another contact with Soviet IS. Attempts will be made to further investigate the relationship between CONSTANTINESCU, AEBU, BALACZEANU, and Peter MUELLER, alias Peter SCHAEFFER, in particular since it is highly probable that Peter MUELLER, alias Peter SCHAEFFER, is identical with one Ferdinand SCHAEFFER, confessed Soviet agent.

The CONSTANTINESCU/LENGYEL Relationship

5. CONSTANTINESCU became acquainted with Bela LENGYEL in April 1952. He met LENGYEL at the home of Joachim VACARESCU, Schwimmshulka 92, Graz, Austria, where LENGYEL presently resides. VACARESCU has reportedly been sent into Yugoslavia by LENGYEL. He is also believed to be in contact with the Horia SIMA group and the British IS. When CONSTANTINESCU told LENGYEL of his (CONSTANTINESCU's) connections in Rumania and of his attempts to contact RFE in Salzburg, LENGYEL advised CONSTANTINESCU that LENGYEL might have an assignment for CONSTANTINESCU at some time in the near future. About one week later LENGYEL visited CONSTANTINESCU at the latter's home in Salzburg and worked out the details of CONSTANTINESCU's employment. CONSTANTINESCU was told by LENGYEL that the latter had connections with NATO and was working for the Americans. CONSTANTINESCU later discovered through his own local sources that LENGYEL was in contact with one Count Anton RADVANSKY, who CONSTANTINESCU believed to be working for the French IS. CONSTANTINESCU further established that LENGYEL was also in contact with Polish elements and was probably in contact with the British IS. In the fall of 1952 LENGYEL told CONSTANTINESCU that he wished to send two-way radio equipment into Rumania to be used in the event of emergency. In March 1953 LENGYEL delivered to CONSTANTINESCU one complete radio set, model RS-6, consisting of four pieces, which later was proved to be KUBARK issue. (DIR-21768) LENGYEL allegedly did not give CONSTANTINESCU specific instructions as to the disposition of the radio, nor did LENGYEL appear interested in what CONSTANTINESCU did with the set. LENGYEL merely instructed CONSTANTINESCU to pass the set on to a reliable person in Rumania. LENGYEL further promised to provide CONSTANTINESCU with another set at a later date for CONSTANTINESCU to pass on to another reliable resident agent in Rumania. LENGYEL then gave CONSTANTINESCU the signal plan that goes with the set; CONSTANTINESCU however thought that the signal plan was impractical. He claims, therefore, that he worked out a signal plan himself which he submitted to LENGYEL for approval. LENGYEL allegedly has not as yet returned CONSTANTINESCU's plan. Soon after receiving the radio set from LENGYEL, CONSTANTINESCU turned the set over to one of his UDBa contacts who was visiting him in Salzburg. CONSTANTINESCU claims that he later picked the set up from his UDBa contact in Yugoslavia and gave it to a Rumanian named "Dusan", who in turn sent the radio into Rumania via a Danube riverman.

6. The second radio which LENGYEL turned over to CONSTANTINESCU was never actually seen by CONSTANTINESCU as it was delivered to CONSTANTINESCU's apartment in Salzburg while he was in Graz. On 30 September 53 CONSTANTINESCU was arrested

by the Austrian Gendarmerie in the Graz railroad station. He was preparing to leave for Marburg, YUGOSLAVIA, and was carrying documents containing information about the following:

- A. Activities about the Horia SIMA group in Western Europe
- B. Airfields in Rumania
- C. A conference concerning the Danube area which had been held in Germany by Hungarian, Rumanian, and Czech emigrants
- D. A report on the Rumanian Institute in Munich, Germany

CONSTANTINESCU's luggage was also confiscated by the Austrian Gendarmerie and was found to contain the following:

- A. A collapsible rubber boat
- B. Two diving suits with oxygen equipment
- C. Drugs against tiredness and other medical supplies
- D. Two gun silencers
- E. A Belgian automatic pistol, caliber 7.65, without ammunition

The Austrian Gendarmerie's attempts to interrogate CONSTANTINESCU ended in failure. He was then turned over to the British who, on 6 October 53, transferred him to U.S. custody. On the day following CONSTANTINESCU's arrest in Graz, his apartment in Salzburg and that of his girlfriend, Maria GRABOWIEKI, were searched by CIC agents. This search revealed the second RS-6 radio set and two suitcases full of documents. These documents were photographed by CIC and then turned over to KUBARK for retention; they will be forwarded to Headquarters under separate cover.

The HOPFEN/LENGYEL Relationship

7. Through his assistant, Laszlo SZENTGEORGY, alias LAIMER, LENGYEL also issued two radios to Josef HOPFEN. These radios were apparently issued with the vague instructions that HOPFEN smuggle them into Rumania to some trustworthy person and inform this person that the radios were only intended to be used in wartime. In addition to the radios, HOPFEN was issued a complete cipher plan, but apparently no signal plan. Some time after the issue of the radios, HOPFEN notified LAIMER that he had managed to dispatch them to Rumania with the instructions that they were not to be used until the advent of war. The issue of two radios from LAIMER prompted HOPFEN to notify HARTE of the "existence" of a radio network in Rumania that was available to HOPFEN. When HOPFEN was arrested on 11 October 53, these radios and the cipher plans were found in his home.

The LENGYEL/ESPY Relationship

8. On 29 September 53 Bela LENGYEL was interviewed by CIC, Salzburg, concerning his connections with CONSTANTINESCU. LENGYEL stated that he had hired CONSTANTINESCU to gather intelligence for him and that CONSTANTINESCU's reports were highly evaluated by LENGYEL's superiors. LENGYEL admitted having given

CONSTANTINESCU two two-way radio sets to be sent into Rumania. He claims that he got these radios and three others from James ESPY, political advisor to the Commanding General, USFA. LENGYEL stated that he had been in contact with ESPY's intelligence organization for about three years. He had received briefings and passed intelligence reports through a cut-out, Anton RADVANSKY, who is the owner and editor of the Hungarian refugee newspaper, "Hungaria", in Munich. RADVANSKY, who maintains a permanent residence in Paris, 33 Rue de Granelbut spends most of his time in Munich, Germany, met with LENGYEL about once a month in Salzburg to effect the transfer of reports between LENGYEL and ESPY. In February 53 RADVANSKY introduced LENGYEL to ESPY, but LENGYEL was instructed to contact ESPY only in case of emergency. According to statements made by LENGYEL, he received a total of five radios from ESPY through RADVANSKY; two of these were transmitted to HOPFEN through SZENTGYORGY alias EAIMER, two were issued by LENGYEL personally to CONSTANTINESCU who apparently took one of these to Yugoslavia, and the final is still in the possession of LENGYEL in Graz.

Sources of Information

9. The exact sources of the information contained in this report are listed in conjunction with the chart showing the connections between the various individuals mentioned. The sources (i.e. reports) have also been entered in parentheses where applicable in the body of this report. It is further pointed out that much of this information has been confirmed by [] and [], who are well versed in the Austrian intelligence scene, and by [] insofar as Rumanian operations and personalities are concerned. Some of the French agents mentioned in this report are further known to [] through his liaison with French intelligence officers in Paris and Innsbruck.

Special Note

10. On 28 July 52 CIC informant 3766-T reported through Informant 3795 that Margarete GROSSCHOPF mentioned that an old friend of hers from the CSR who is now an American citizen is about to arrive in Salzburg. GROSSCHOPF stated that the man is a U.S. foreign service officer who was then stationed in Argentina and who is expected to be transferred to Austria.

Conclusions

11. Further investigation is not contemplated except in so far as is possible through agents of this base and through study of information available to G-2 and CIC. Additional interrogations of the individuals involved is not planned at this time. If any other specific action is desired it is requested that this base be notified.

[] [] []

[] Comments:

Most of the principal personalities mentioned in this dispatch have been well known for years to U.S. intelligence agencies in Austria as fabricators and/or intelligence dealers of a dubious and suspect nature. Primarily through a local KUBARK-inspired campaign G-2 USFA agencies severed their connections with the various "mills" as represented by these individuals. This resulted in a general raising of the standard of the local U.S. intelligence effort above that previously obtained. The recent discovery that these same individuals are now and have for some time been recipients of substantial backing by U.S. intelligence has without doubt caused a severe blow to local KUBARK prestige, at least as far as USFA is concerned, despite the fact that KUBARK in Austria was in fact uninformed on the operation. Our inability to explain after the fact has not aided us in our attempts to alleviate this situation.

HRK
HRK

9 November 1953

Attachments:

Chart w/explanatory list
List of names

Distribution:

3 - EE w/ 2 atts in dupl.
3 - Vien w/2 atts in singl
2 - Chrono
1 - Salz CE w/atts in singl.

1. With regard to the second reference, CONSTANTINESCU was queried and revealed the following concerning the five persons listed below?

- A. Nicolai BACIU - established contact with CONSTANTINESCU in 1948 and requested assistance for the escape of one (fnu) NICESCU, a petroleum engineer then held in a Yugoslav prison. BACIU is now allegedly connected with RFE in New York.
- B. Gheorghe FLORESCU - former lawyer and major in the Rumanian Army; currently employed in Camp Bøder, Salzburg. CONSTANTINESCU first met FLORESCU while in a Rumanian prison in 1946. FLORESCU was later released and arrived in Vienna in 1948 with a legal Rumanian passport. FLORESCU contacted a Mr. NEAGOY of CIC, Vienna, and offered information about resistance movements in Rumania; he further offered to return to Rumania to gather information. CONSTANTINESCU states that FLORESCU is believed to be in contact with Soviet intelligence by the Iron Guard.
- C. Herwart SCHEINER - see body of report
- D. Ion VANCU - CONSTANTINESCU claims that he does not know an Ion VANCU personally but knows of one who had been recruited by the Iron Guard and who had been sent on a mission to Rumania by CIC, Linz. On his second mission into Rumania VANCU was arrested; however, he did not mention his arrest to his control officer in Austria. This led to the belief in emigre circles that VANCU had been doubled by the Rumanian IS. VANCU made several more trips into Rumania and was then sent by the Iron Guard to either Italy or Belgium.

2. In addition to the names mentioned in the body of this report, CONSTANTINESCU has admitted being in contact with the following persons. All of these persons are presumably engaged in intelligence activity of one form or another. Those names which are followed by an address are ones which were taken from the list of correspondents which was found among CONSTANTINESCU's papers:

1. Constantin ABELES ✓
2. Dumitru AMZAR ✓
3. Draza ANDJELKOVIC ✓
4. Dr. Vasile ANDREI ✓
5. Juliu ARON ✓
6. Lt. Col. (fnu) ATANASIU ✓
7. Richard AUERBACH, Hamburg-Fu, Buebenkamp 336 ✓
8. (fnu) BADARAU ✓
9. Comandor BAILA ✓
10. Olivio BALDEANU ✓
11. Else BLIEBERGER, Maxglaner Hauptstrasse 2a, Salzburg ✓
12. Romulus BOILA ✓
13. Vasile BOLDEANU ✓
14. Traian BOROBARU ✓
15. Raul BOSSIE ✓

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16. Maria BRAESCU ✓
17. Rosa BRAIER, Vienna IX, Liechtensteinstrasse 63/13 ✓
18. Vintila BRATIANU ✓
19. Adrian BRATIANU ✓
20. Erich BUCHINGER ✓
21. N. BUSNIOCEANU ✓
22. Miroia BUTARI ✓
23. Nicolae CARANFIL ✓
24. Mircea CARP ✓
25. Petri CARP ✓
26. Professor CARSTOIU ✓
27. Stefan CHEUDI ✓
28. Hans CHIOREANU, Vienna I, Biberstrasse 19/I ✓
29. Major (fnu) CHINTESCU ✓
30. General Platon CHIRNOAGA ✓
31. Vasile CLURIAC, Barrack 18/12, Camp 1001, Wels ✓
32. Horatiu COMAMCIU ✓
33. Stefan COSNIOVICI ✓
34. Johann CONSTANTINESCU ✓
35. Leontin CONSTANTINESCU ✓
36. Brutus COSTE ✓
37. Alex CRETEANU ✓
38. Carol DAVILA ✓
39. Professor DECEI ✓
40. Mircea DIMITRU ✓
41. (fnu) DJURARA ✓
42. Constantin DRAGAN ✓
43. Tiberiu DRAGOS ✓
44. Mircea ELIAVE ✓
45. Professor Gheorghe ENE, Paris ✓
46. Petuc FAGEROESAN, S/T Julia C', c/o Agence Pomme, Part de Bonc, France ✓
47. Mihail FARCASANU ✓
48. Dr. Werner FICHMANN, Neu-Harr, Grasbeuenerweg 4 ✓
49. Hans FIELDER ✓
50. Major Gheorghe FLIESCU ✓
51. Richard FRANASOVICI ✓
52. Peter FRANKE ✓
53. Wilhelm FRANKE, Salzburg, Rainerstrasse 7/2 ✓
54. Grigore GAFENCU ✓
55. Florian GALDAU ✓
56. Hie GARNEATA ✓
57. Dionsie GHERMAN ✓
58. Mata GHICA ✓
59. Gheorghe GHITEA ✓
60. Adriana GEORGESCU-COJMVICI ✓
61. Petri GHEORGHESCU ✓
62. Rica GEORGESCU ✓
63. Al. GREGORIAN ✓
64. Benvenuto von HALLE ✓
65. J. HARTMANN, Vienna III, Landstrasser Hauptstrasse 40 ✓

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66. N. HERESCU ✓
67. Matei HOJBOTA ✓
68. Inge HOLZLEITNER ✓
69. Vasile IASINSKI ✓
70. Colonel Dian IVANOVICI ✓
71. Matheus JAEGER, Glasenbach/Salzburg, Schiesstandstrasse 100 ✓
72. Freda KLEIN, Bucharest, Rulievi 15 ✓
73. Anna KUEPLER, Frankenmarkt 3 ✓
74. (fnu) KUNJA ✓
75. Franz KUPELWIESER, Vienna II, Arnezhofstrasse 10/29 ✓
76. General Petre LAZAR ✓
77. Pamfil LEICARU ✓
78. Victor LINDER ✓
79. Dr. Horst LEONHARDT, Dentist, Salzburg, Hofstallgasse 8 ✓
80. Nicolai LEONTE ✓
81. Colonel Ion LUPOAIE ✓
82. Major MAFTEI ✓
83. Nicolai MALAXA ✓
84. P.B. May and Co., Trieste-London-Malte. Trieste, Punto Franco Veachis. Magazzino 2 (Krieglstiener) ✓
85. Geroge MERGL ✓
86. Desideriu MILLER, Gheorgiu Dog 105, Petrasani, Rumania ✓
87. Victor MOLDAVAN ✓
88. Ion-Florian MUELLER ✓
89. Colonel Traian MURESANU, Innsbruck, Kaiser Josefstrasse 11/4 ✓
90. Duschon MUTITSCH, Caritas Siedlung, Elsbethan, near Salzburg ✓
91. Andreas NAGY, c/o Olof Sudbrack, Rotaria N2, Apt 6, Urb. La Laz, El Paraiso, Caracas ✓
92. Andrei NAGY, Camp Glasenback, Barrack 8, Salzburg ✓
93. Grigore NANDIS ✓
94. Spiridon NEATE ✓
95. Andrei NICOLA, Parkstrasse 27/II, Munich ✓
96. Barbu NICULESCU ✓
97. Sarbu NIKOLAI, Beograd ✓
98. Nichita OBREJA ✓
99. Dr. Gheorghe PALADE ✓
100. Professor Em. PANAITESCU ✓
101. Constantin PAPANACE ✓
102. Colonel Mircea PATIU ✓
103. General PETRESCU ✓
104. Nina PETROSCU, Pvt. Malinkovski 33, Cluj, Rumania ✓
105. Vladimir PETROVICI ✓
106. Augustin POPA ✓
107. Leu POPA ✓
108. C. POPESCU ✓
109. Ion POPINCEANU ✓
110. (fnu) PREDESCU ✓
111. Ion PROTOPOPESCU ✓
112. Traian PUIU, Salzburg, Rennbahnstrasse 8 ✓

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113. (fnu) RADOVAN ✓
114. I. RATIN ✓
115. George RANTU ✓
116. Mihai RANTU ✓
117. Major Werner ROSSLER ✓
118. Octavian ROSU ✓
119. Stefan Ludwig ROTH ✓
120. (fnu) RUGINA ✓
121. Lt. Col. RUSSEL ✓
122. Anton SAMS, Strobl ✓
123. Constantin SASSU ✓
124. Nicolai SAVULESCU ✓
125. Maria SCHOEN, Grein/Danube, Upper Austria ✓
126. Oskar SCHUSTER ✓
127. Alexander SELBY, Badgastein, Hotel Europe ✓
128. Dr. George SELBY, c/o Bank of New South Wales, 47 Berkley Square, London W 1 ✓
129. Nicolae SERBU ✓
130. Gheorghe SERDICI ✓
131. Gheorghe SERLEANESCU ✓
132. Mrs. (fnu) SPENGLERS, Hotel Hofwirt, Salzburg ✓
133. (fnu) SIFKA ✓
134. N. SMARANDESCU ✓
135. Dr. Constantin SPOREA ✓
136. Dr. Basilio STANCOLESCO, Cologne, Poste restante ✓
137. Jani STANESCU, alias MARGARIT ✓
138. Ion STANINIS, Mostwast Enkert, 3-Post Greidig ✓
139. Magda STEINER, Gaisbergstrasse, 13/II, Salzburg ✓
140. Aurel STOJAN ✓
141. Captain (fnu) STOJEANESCU ✓
142. Hie-Vlad STURZA ✓
143. Nicolae TANASE ✓
144. Alex TANASI ✓
145. Dr. Constantin TEODORA ✓
146. Ion TEODORESCU-FABET ✓
147. Dumitru TEODORESCU ✓
148. Samoila TOADER, Donisan, Satumare (Radanti) ✓
149. Colonel Ion TOMOROVEANU ✓
150. Volkmar TONTSCH ✓
151. Masile M. UDSEA, Friedrichshafen ✓
152. G. USCATESCU ✓
153. Dr. Petre VALINAREANU, Rome ✓
154. G. VASILACHE ✓
155. Virgil VELESCU ✓
156. Virgiel VENIAMIN ✓
157. Constantin VISORIANU ✓
158. Serban VOINEA ✓
159. Friedrich ZAPFE, Bergheimstrasse 15, Salzburg ✓
160. Dr. Fr. ZELKL, Vienna VIII, Florianigasse 51/8 ✓
161. (fnu) ZIKELLI, Graz ✓
162. Jancu ZISSU ✓

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References keyed to numbers on chart:

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