

a security standpoint. The assignment of military security responsibilities to a civilian agency is unique among Soviet Bloc services. The UKR is concerned primarily with defensive counterespionage and with personnel, document, communications and installation security. There have been no cases directed against USAREUR or USAREUR intelligence agencies in the past several years which could be definitely traced to the UKR.

(e) The Soviet Intelligence Advisory System is unique to the SIS and was developed to direct, control and exploit Satellite intelligence services. Both the RU and the KGB have separate advisors assigned to their military and civilian Satellite intelligence counterparts. The advisors channel all pertinent intelligence information collected by the Satellite intelligence services to the parent SIS. In East Germany, Soviet advisors refer sources of unusual potential or importance to the SIS for exploitation. However, it is unknown whether the referral system is universal throughout the European Satellites. In contrast to previous years, there have been no recent rumors of Soviet advisors being withdrawn from Satellite intelligence services. In 1960 it was reported that the Soviet advisors to Polish Military Intelligence (Z-11) were withdrawn in 1956 and replaced by liaison officers. This was a change in name only since the liaison officers continued to perform the same duties as their predecessors and were equally powerful. Soviet intelligence advisors are also still assigned to the Czech and Rumanian intelligence service and continue to exercise considerable influence in operational and political matters. No reports have been received on the status of Soviet intelligence advisors assigned to other Satellite countries, but it is presumed that there has been no change.

(f) SIS collection capabilities in West Germany are considerably enhanced by the presence of the three SMLM in West Germany. There are three missions in West Germany accredited to the US, British and French forces. The SMLM to USAREUR has offices in Frankfurt/Main and currently has 10 officers and 4 enlisted men. Mission personnel make regular tours in the area corresponding to the former US Zone of Occupation in West Germany to observe and report on US forces. There can be little doubt that the SMLM are valuable adjuncts to the RU since the officers and enlisted men are trained military observers, travel extensively and can collect voluminous information. However, their efforts are restricted to overt operations. In 1960, as in previous years, there

were no indications of the SMLM engaging in clandestine espionage operations.

(g) There were no important SIS organizational changes reported in 1960. The decentralization of the Interior Ministry (MVD), which allegedly took place in 1958 but was not announced until 1960, does not influence SIS clandestine collection capabilities since the MVD consists primarily of overt security forces. The only significant change in top SIS functionaries was the replacement of KGB chief Serov by Aleksandr Shelepin, which allegedly occurred in 1958 but was not reported until 1960.

(h) During 1960 known SIS high-level operations were restricted to a penetration of the West German Transportation Ministry and several abortive attempts to recruit US personnel. A number of low-level SIS operations were uncovered during 1960 involving observation-type agents; the majority of these operations were attributed to the RU. The most noteworthy aspects of the operations were the emphasis on refined methods of communication and loose handling procedures. The only innovation noted during 1960 was the appearance of "experts" among agent handlers who specialized in debriefing agents on subjects such as missile sites and landing strips. Generally, the modus operandi displayed by the RU in operations uncovered in 1960 was poor except for radio communications. Emphasis was placed on production rather than security. KGB operations were fewer in number but were conducted in a more professional manner. Apparently there was no shortage of funds or technical equipment, and SIS handling of agents appeared competent. The Czech and East German services displayed greater professionalism in a larger number of operations than the SIS. There were no general indications of an intensified drive to recruit sources by the SIS, and apparently agent assets in West Germany remained constant. The total number of SIS agents in West Germany is estimated at approximately 500, the majority of whom are controlled by the RU. Probably 30 to 40 percent of the total agents are operating either part or full time against USAREUR targets.

(2) Recent Significant Activities

(a) SIS operations against USAREUR forces were largely confined to collecting OB information. Typical

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of this activity was a complex of RU agents neutralized in July 1960 in West Germany. The seven agents who were apprehended had a basic mission to collect OB and to report on maneuvers. Principal targets were Army and Air Force elements stationed in the West German states of Rhineland-Pfalz, Hesse and northern Bavaria, where the majority of USAREUR units and critical installations are located. Information was collected through observation, from public news media and from scavenging of military trash dumps. The operation ran for almost six years. One of the agents was a member of the West German Communist Party (KPD) before it was banned, and two others were members of the Communist Youth Organization (FDJ) which was similarly banned in West Germany. The modus operandi displayed in the operation was generally comparable to other RU operations in West Germany. There was the usual stress on clandestine radio communications. The agents were controlled from an RU operational base in Erfurt, East Germany. Emphasis was on production, and security was generally lax. The RU handler in this operation, a lieutenant colonel, was not particularly competent and was indiscreet in handling his sources. There was no indication that the agents of this complex had access to classified information, but they presumably did collect extensive OB information by the means described above.

(b) In addition to conducting operations from bases in East Germany, there were two cases uncovered in West Germany involving agents dispatched as resettlers from the USSR. The KGB was probably the responsible service. The basic mission was penetration of Soviet Bloc refugee elements in West Germany. In addition one of the agents was instructed to report on Allied and West German missile sites, air bases and maneuvers. Information was to be obtained by observation. This additional assignment levied on an agent against an unrelated target suggests that a high priority has been placed on this type of information. It is also possible that assignments of this nature have been given to all SIS agents operating in areas where such targets exist.

(c) In mid-May 1960 Swiss authorities expelled two Soviet Embassy officials for attempting clandestinely to collect information on the Swiss Army and US missile sites in West Germany. The two officials were arrested while meeting with a sub-source. The operation was still in its initial phase and there was no indication that

classified information was compromised. The SIS did not appear too competent in this operation, which resulted in a considerable amount of adverse publicity. However, SIS losses were slight since the two Soviet handlers were protected by diplomatic immunity. This case is the first indication in recent years of SIS third-country operations from a Western base against USAREUR.

(d) A final development of interest in 1960 is Soviet exploitation of Western defectors for propaganda purposes. This action was presumably taken in retaliation against the West for publicity given to Soviet Bloc defectors. The role of Soviet intelligence in this propaganda effort has not been clearly established. As yet there is no conclusive evidence that the SIS instigated or were otherwise involved in the defections. However, the defectors were undoubtedly debriefed in detail by the SIS, and Soviet intelligence may have been instrumental in having them exploited for propaganda purposes. This conclusion is based on the fact that the head of the KGB, Aleksandr Shelepin, who signed the indictment against the U-2 pilot downed in the Soviet Union on 1 May 1960, has already demonstrated an appreciation for the value of publicity.

(3) Probable Courses of Action

The SIS will maintain agent assets in West Germany at present or slightly increased levels. The majority of operations against USAREUR will continue to be conducted from bases in East Germany. No increase in third-country operations from bases in Western Europe is anticipated. The RU will continue to conduct clandestine operations to determine imminence of hostilities and to collect OB information and military technical data. Use of clandestine communications will continue to expand to eliminate the necessity of agents traveling to the Soviet Bloc. This will result in increased use of couriers and one- and two-way radio communications. The rate of expansion in use of clandestine communications will depend largely on the political climate. If a separate peace treaty between the USSR and East Germany is signed and the anticipated closing of the East-West German border becomes a reality, the SIS will be forced to rely almost exclusively on couriers and two-way radio in directing agents in West Germany. Otherwise, no radical change in SIS modus operandi is expected. The SMLM will continue overt collection of information on USAREUR forces and will not act as clandestine collection centers.

The status of the military liaison missions will depend entirely on whether a separate peace treaty is signed by the USSR and East Germany, in which case the missions will be abolished. No change in the status of the Soviet intelligence advisory system is anticipated.

b. The East German Intelligence Services (EGIS)

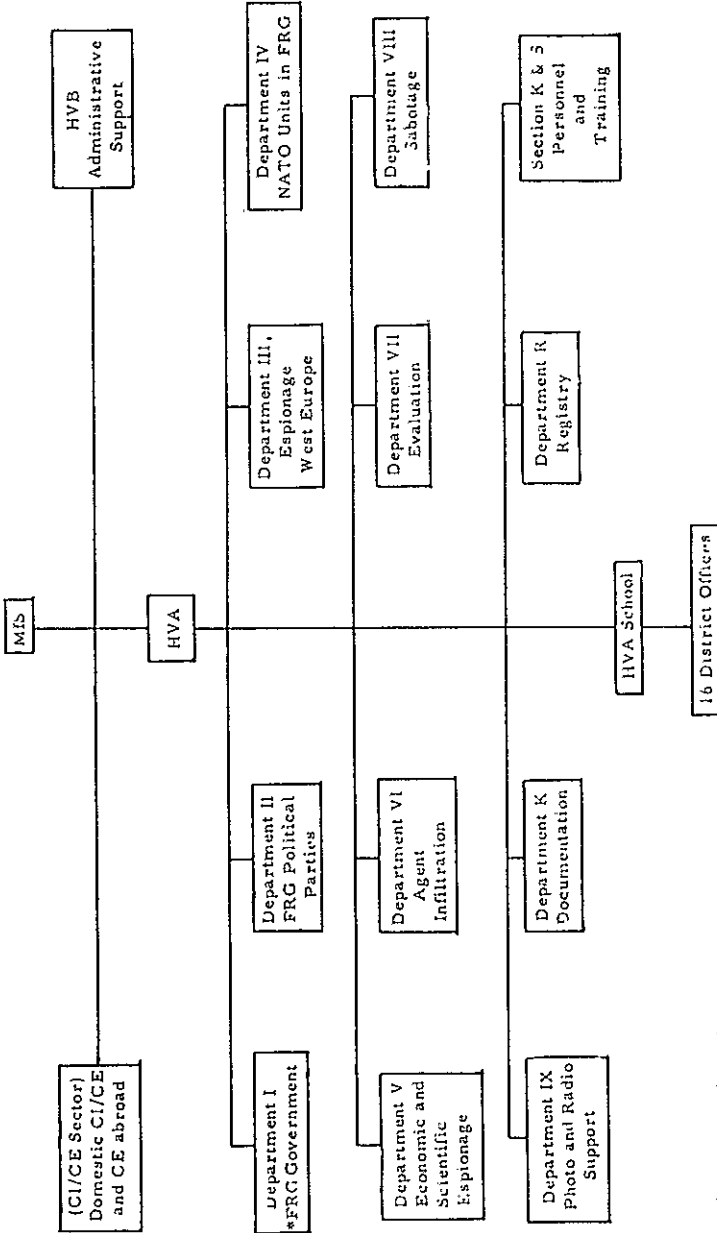
(1) Status and Capabilities

(a) Typical of Soviet Bloc intelligence organization, the EGIS is divided into civilian and military services with a small guard element. Largest of these is the Ministry of State Security (MfS), the civilian agency concerned with political, economic and military intelligence collection. Through its Main Administration for Intelligence (HVA) (see Figure No. 40), the MfS has displayed a capability of conducting high-level penetrations of NATO staffs and government ministries. It also collects information on missile sites and nuclear weapon storage depots and provides broad low-level coverage of Allied CB in West Germany. Through its Counterintelligence Sector (see Figure No. 41) the MfS fulfills its responsibility to provide security within East Germany and also conducts counterintelligence operations against USAREUR. Earlier reports of a reorganization within the MfS have been confirmed by more recent information which indicates that all HVA departments concerned with administrative and housekeeping functions have been consolidated with their counterparts in the Counterintelligence (CI) Sector in a new MfS Main Administration B (HVB). It is not known whether this change was the result of internal political factors, pressure from Soviet advisors, fiscal considerations or other causes. The significance is that full control of the HVA appears to have shifted back to the MfS. A West German security agency has estimated the total personnel strength of the MfS at 13,500. Of this number approximately 3,000 are stationed in the headquarters and district offices in East Berlin. The remainder are distributed among the 15 other district administrations and more than 200 county offices throughout East Germany.

(b) In general the mission of the MfS CI Sector is to provide security for the East German state and all its political, governmental and economic agencies. To accomplish this task the MfS maintains a massive network of informants in government offices,

MINISTRY OF STATE SECURITY

(HVA)



*Federal Republic of Germany

Figure No. 40

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MINISTRY OF STATE SECURITY

(Counterintelligence Sector)

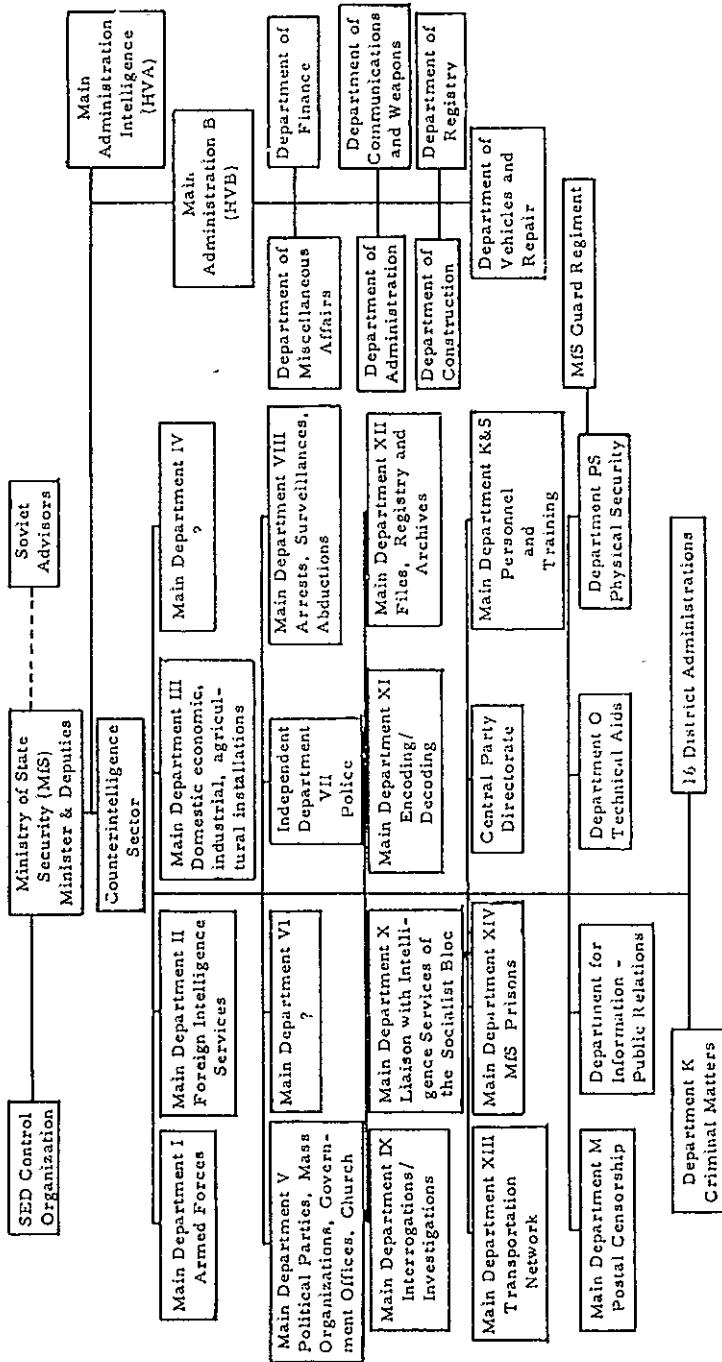


Figure No. 41

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industries, business enterprises, educational institutions and even in jails and prisons. This network is administered by the MfS headquarters in East Berlin through its district offices for Greater Berlin, Cottbus, Dresden, Erfurt, Frankfurt/Oder, Gera, Halle, Karl-Marx-Stadt (Chemnitz), Leipzig, Magdeburg, Neustrelitz, Potsdam, Rostock, Schwerin, Suhl and Wismut. Due to its extensive control of the East German citizen, the MfS can easily demand and obtain cooperation in maintaining its extensive informant network.

(c) The HVA, through its operational bases located at all the MfS district offices and with the help of MfS counter-intelligence operations, fulfills its mission of intelligence collection abroad. The MfS can supply the HVA with sources who have shown themselves to be capable internal security informants. After further training, if required, these informants are dispatched to West Germany with positive collection missions. Another source of agents is the Leipzig trade fairs which have been used by the MfS to spot and to recruit agents. Westerners who travel or wander into East Germany, with or without official permission, are also carefully screened and exploited. For example, it was reported that any member or employee of an Allied agency who is detained by Soviet Zone customs police units must be turned over to the MfS immediately for exploitation. Minor infractions of the law, either real or concocted by the MfS, are frequently used to pressure potential sources into accepting recruitment. Money is also a widely used lever in HVA recruitments, particularly among West German and Allied personnel who are in financial straits. In the past year the HVA has improved its agent training to a significant degree. Agents equipped and trained for secret writing, microphotography and one-way radio communications were noted in increasing numbers. This has improved agent security, since the combination of these technical aids reduces the need for regular personal contact between agent and handler in East Berlin or East Germany. It has also undoubtedly added to the timeliness of HVA agent reporting. Because of the lack of diplomatic recognition of the East German regime by the governments of Western Europe, the HVA, as well as the other East German intelligence services, does not have "legal residencies" such as diplomatic and consular missions or trade and tourist agencies in Western Europe to use as cover for intelligence operations. However, this is balanced by obvious operational advantages, especially the location of HVA operational bases adjacent to West Germany, and the availability of sources and lack of effective security controls in West Germany.

(e) Administration 12 (V-12) (see Figure No.42) is the military intelligence agency of the East German Army (EGA). This agency, formerly known as the Administration for Coordination (VfK), was reported to have received the official designation of V-12 in 1959. V-12 has appeared most often in low-level operations directed against military targets in West Germany and is responsible for considerable order of battle information. The total personnel strength of V-12 is estimated at approximately 400. In contrast to the MfS, the agency maintains only four operational bases in East Germany. These are located at Erfurt, Magdeburg, Leipzig and Schwerin. Since it does not have the internal security functions of the MfS, the V-12 does not usually use intimidation or threat of legal action in its agent recruitments. However, this does not represent a major disadvantage to V-12, since the usual absence of intimidation induces agents to accept recruitment on something approaching a voluntary basis. Such agents are less likely to defect to the West than those MfS agents recruited under pressure.

(f) The volume of known V-12 cases directed against USAREUR during the past year is not impressive when compared with the number attributed to the MfS. However, V-12 activity is increasing both in number of operations and in professional quality. Agent operations are increasingly well financed. V-12 makes extensive use of secret writing systems and microphotography in its clandestine operations. In addition to its clandestine agent activity, V-12 devotes extensive effort to the analysis of the Western daily press, periodicals and technical publications. Two departments of Main Department B are assigned this task, and the V-12 places high value on the information obtained.

(g) The Reconnaissance Department (AA) of the East German Border Police forms a third intelligence service. Although its mission is largely of a counterintelligence nature, it has responsibility for the collection of intelligence in a strip of West German territory normally 50 kilometers deep along the zonal border and along the West Berlin border. This positive mission includes covert operations directed against West German border police and customs units as well as Allied military forces stationed or active near the border. Nominally the East German Border Police are subordinate to the Ministry of Interior, but in practice MfS operational control of the agency, particularly of the AA, is almost complete.

MINISTRY OF NATIONAL DEFENSE

(Administration 12)

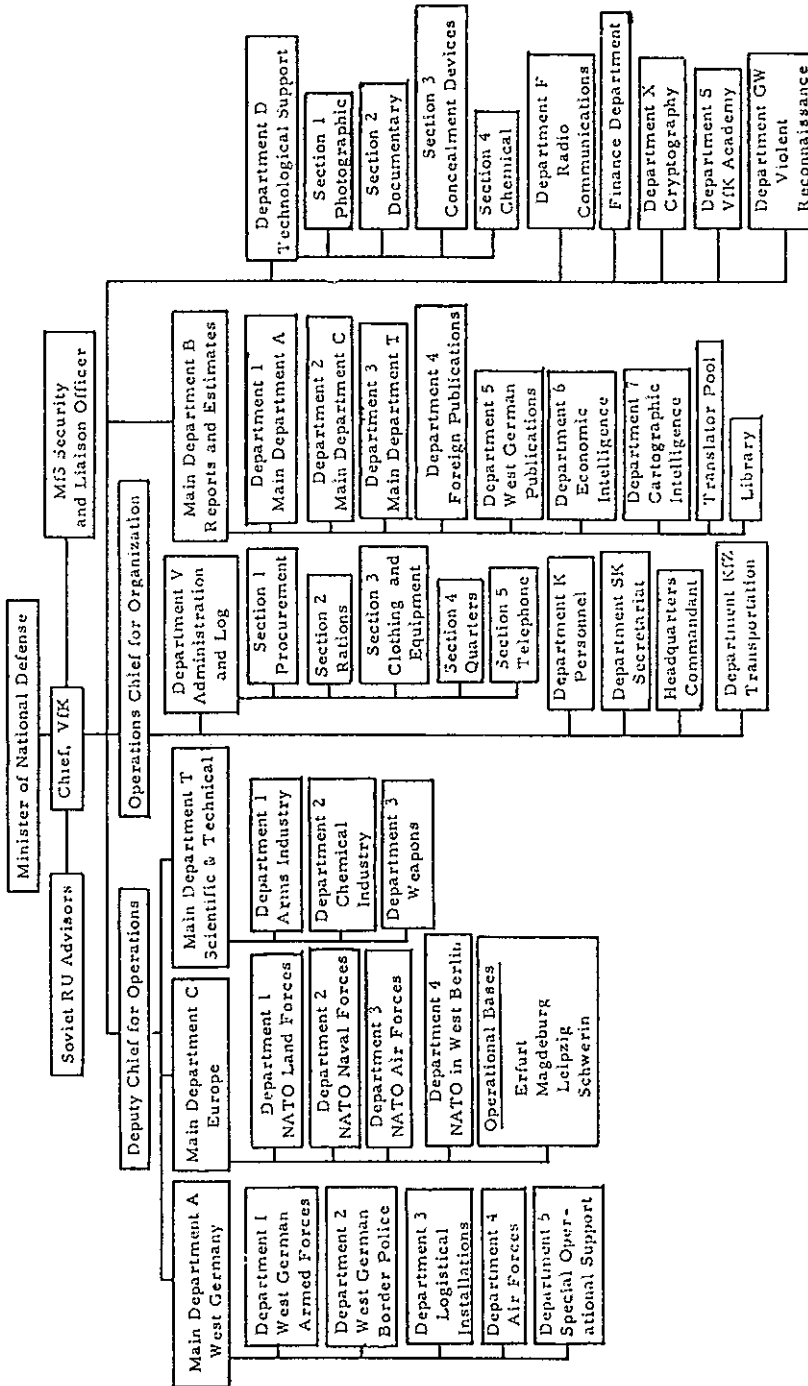


Figure No. 42

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The MfS supplied the original cadre for the AA and has since controlled the assignment of new personnel. AA personnel investigations are carried out by the MfS. AA officers are trained by the MfS and must obtain MfS approval before attempting the recruitment of a person for espionage activity. Further, any person apprehended crossing the zonal border illegally in either direction is given an initial interrogation by the AA and, if thought to be of intelligence interest, is turned over to the MfS. AA personnel strength is estimated to be approximately 220, of whom nearly all are engaged in operational activity. AA is divided into four subdepartments with the titles West, DDR (East Germany), Border and Administration. Subdepartment West is responsible for counterintelligence and positive collection operations in West Germany and in West Berlin. Subdepartment DDR is responsible for defensive counterintelligence operations within East Germany. Subdepartment Border is believed to handle coordination and support of illegal border crossing operations of the EGIS and other Satellite intelligence services. Subdepartment Administration handles personnel, supply and report dissemination matters. Little is known of AA modus operandi and agent assets. One agency has estimated that the AA controls approximately 1,000 agents, of whom approximately 300 are active in West Germany, but these figures have not been confirmed. It has also been reported that the AA restricts its agent recruiting effort to residents of the border zone and to travelers with access to AA targets beyond the border.

(h) The activities of the East German services, viewed as a combined effort against the Allies, have shown steady operational improvement and technical refinement in the past year. Targeting emphasis on major NATO headquarters, West German ministries, new advanced weapon sites, atomic ammunition storage facilities and key communications installations indicates that the East Germans have achieved almost complete coverage of Allied OB in West Germany through low-level observer agents and analysis of the Western press, and that they are now in a position to concentrate on more critical facilities. Recent EGIS EEI also show refinement. The demand for classified information, for Western military and technical publications often specifically named, and for detailed information on Allied field exercises, tactics, alert procedures and state of combat readiness is indicative of this trend. From known EGIS successes, current targets and EEI appear operationally realistic and are within the capabilities of the EGIS. Agent assets alone, which include an estimated 5,000 resident sources in West

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Germany, can satisfy a massive volume of requirements. The EGIS are capable of sustaining this level of agents in spite of the annual neutralization of 2,000 to 2,500 East German agents by Western security agencies.

(2) Recent Significant Developments

(a) The recruitment by the MfS of Bundeswehr soldier Peter Kuhm provides an example of EGIS capabilities to conduct operations against high-level targets. Kuhm was assigned to a cryptocenter in the Ministry of Defense in Bonn. It has been established that some of the material he delivered to the MfS was classified NATO SECRET. In another significant operation against a high-level target, the EGIS were able to recruit a messenger employed by the West German Federal Ministry of the Interior. It has been reported that the messenger compromised material classified as high as NATO SECRET. The second penetration of the West German Ministry of Defense to be discovered in 1960 was the case of Rosalie Kunze, a secretary in the offices of the Naval General Staff in Bonn. Kunze was recruited by the MfS in East Germany in 1954 and was dispatched to West Germany with the specific mission of finding employment in the Defense Ministry. She was employed in October 1956, and from that time on submitted regular reports to an MfS resident agent. Kunze is reported to have handled material classified German SECRET and NATO SECRET beginning in 1956, and from March 1958 until her arrest she had access to German TOP SECRET information. In September 1960 she attended the maneuver FLASHBACK as secretary to the Deputy Chief of the Bundeswehr Naval Staff. Shorthand notes on this maneuver, which were to be turned over to the resident agent, were confiscated at the time of her arrest. The discovery of the Kunze operation led to the arrest of Kurt Kuehn, stock clerk in the Adjutant General Division of USAREUR Northern Area Command in Frankfurt, Germany. Kuehn was recruited by the MfS in 1957 while on a trip to East Germany and reported regularly from that time until his arrest in October 1960. Although Kuehn did not have access to classified material, military information of intelligence value was available to him in the course of his work. He stated that he delivered photocopies of from 160 to 250 US Army technical manuals. As a result of Kuehn's efforts, the MfS came into possession of a mass of unclassified publications in the chemical, ordnance and signal fields.

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(b) More typical of recent EGIS activity was the mass employment of low-level, observation-type agents against USAREUR installations and units. Such operations do not normally produce information on sensitive targets but as a whole provide the basic information on strength and deployment required by the Soviet Bloc. One case of this nature which indicates the significance of observation missions involved Rolf Merkle, a salesman in Munich who reported on USAREUR and Allied targets in southern Germany from 1956 to 1960. Although he had no access to sensitive information, he was able to provide detailed reports on units, installations, maneuvers, road systems and other targets of military interest. His value to V-12 is indicated by his pay of more than 20,000 West German Marks (DMW). The Merkle operation lacked the operational refinements common to many MfS cases and as such may be considered typical of V-12 cases.

(c) In general the EGIS have shown a steadily increasing improvement in targeting, EEI and modus operandi during 1960. There has been increased emphasis on specific USAREUR targets and an insistence on higher level information on these targets. Growing attention to the recruitment of Allied personnel, as well as the demand for classified information and detailed reports on advanced weapons, alert procedures, technical publications and field exercises, have characterized this operational refinement. A higher incidence of training in codes, one-way radio and secret writing systems has undoubtedly contributed significantly to the security of EGIS agents as well as to the timeliness of their reporting. There is also no evidence of a decline in EGIS agent recruitment. East German services, particularly the MfS, have shown an ability to maintain agent asset levels.

(3) Probable Courses of Action

The MfS reorganization was apparently accomplished without any reduction in the efficiency of the HVA. This factor, together with the operational refinements noted above, indicate the HVA will achieve still more professional competence in the future. Indications are that the V-12, with adequate financial support, will continue to improve its espionage capability and to approach gradually the MfS in effectiveness. The V-12 may also attempt to enter the field of high-level penetration of Allied military staffs, thus

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far the exclusive domain of the MfS. The situation with regard to the AA of the Border Police, under continued MfS control and guidance, will probably remain static. The position of the EGIS within the community of Soviet Bloc intelligence services may be expected to remain dominant in operations in West Germany. The natural advantages of the East Germans in these operations, as well as EGIS ability to continue professional development, will assure maintenance of this position. Although each of the Satellite intelligence services is only a part of the total Soviet effort directed toward the West, the EGIS, viewed as a component of this effort, will continue to be the most serious single threat to USAREUR in the coming year.

c. The Czech Intelligence Services (CIS)

(1) Status and Capabilities

(a) Of primary interest are the two Interior Ministry agencies, the State Security Service (Statni Tajna Bezpecnosti (StB)) (see Figure No. 43) and the Border Guard Intelligence Section (Pohranicni Straz Zpravodajstvi Oddeleni 1-2 (PS)) (see Figure No. 44), and the Military Intelligence Directorate (Zpravodajska Sprava (ZS)) (see Figure No. 45) of the General Staff, subordinate to the Defense Ministry. The Military Counter-intelligence Service (Vojenska Kontrarozvedka (VKR)), which is also subordinate to the Interior Ministry, has also been involved in foreign espionage but has not been identified in recent CIS operations. Confirmed CIS strength figures are not available, but estimates based on defector information indicate that the StB foreign espionage components have a possible strength of approximately 1,050, the PS, 380 and the ZS, 1,540. Each service has Soviet advisors located at both Ministry and Directorate or Main Administration levels. The CIS maintain excellent relations with intelligence services of the Satellite countries bordering Czechoslovakia. Particularly close contact has been reported between the CIS and the EGIS. This includes joint control of cases, coordination of investigations and EGIS assistance in obtaining documentation and cover stories for CIS agents. The CIS are responsible for the covert and overt collection of information on potential enemies of Czechoslovakia. The StB collects political, scientific and economic intelligence, but in West Germany it is

CZECH INTELLIGENCE SERVICE

State Security Service
(Statni Tajna Bezpecnost: - StB)
Ministry of the Interior

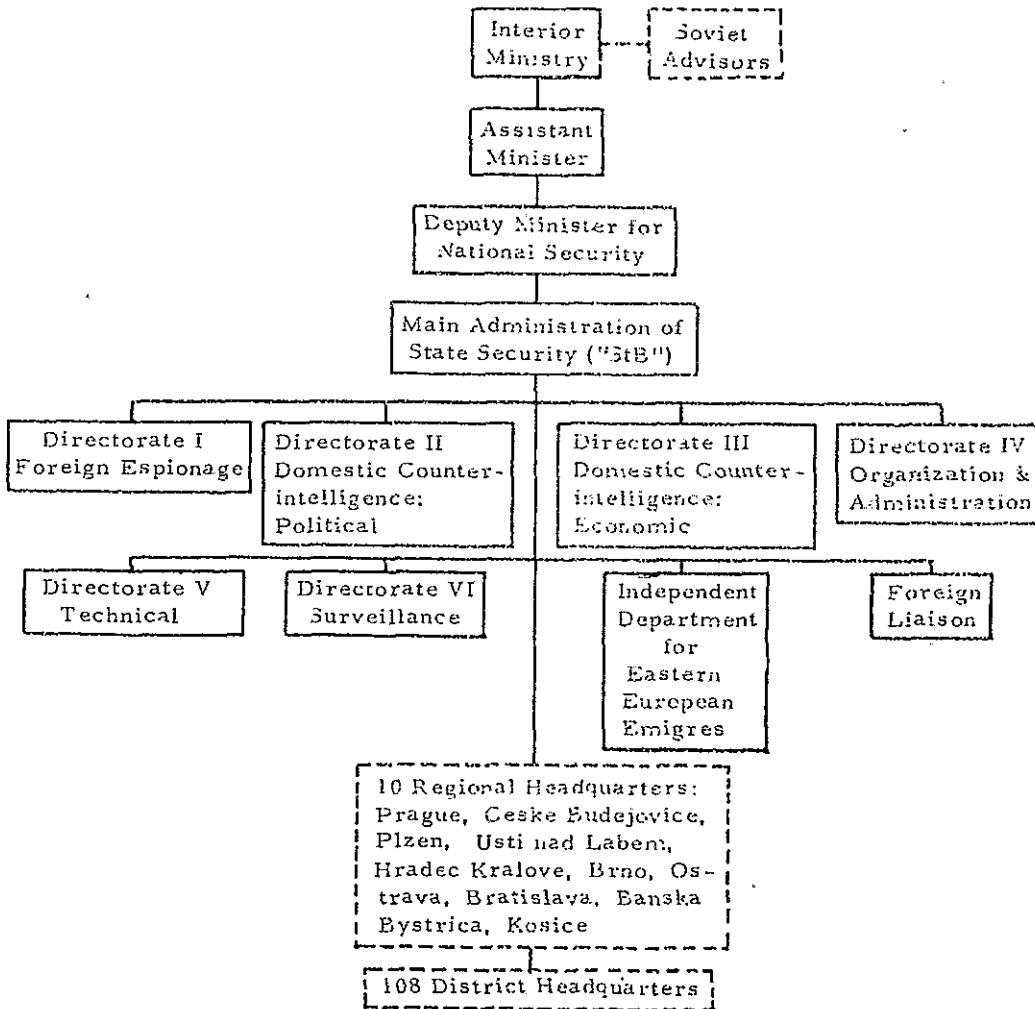


Figure No. 13

CZECH INTELLIGENCE SERVICE

Border Guard Intelligence Section
(Pohraniční Stráž Zpravodajství Oddělení 1-2)
"PS"
Ministry of the Interior

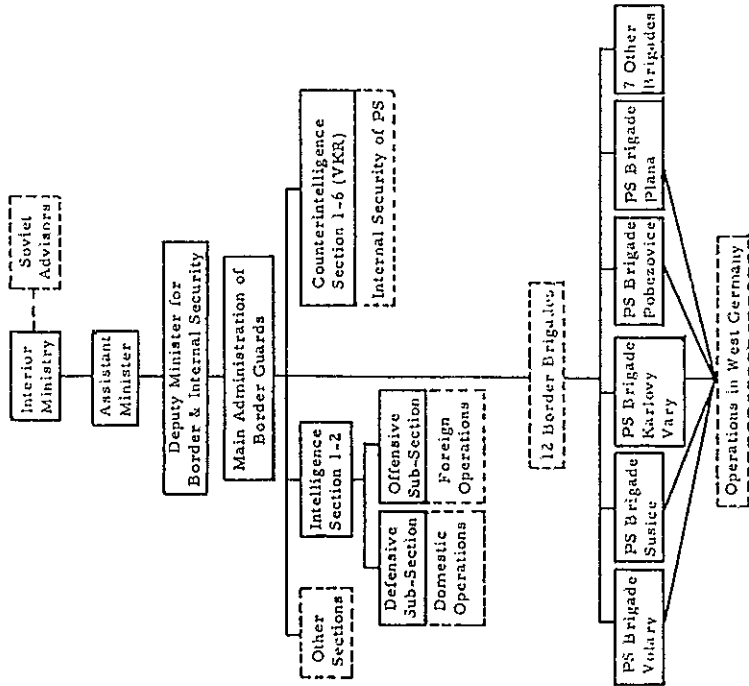


Figure No. 44

Military Intelligence Directorate
(Zpravodajská Správa - ZS)
Ministry of National Defense

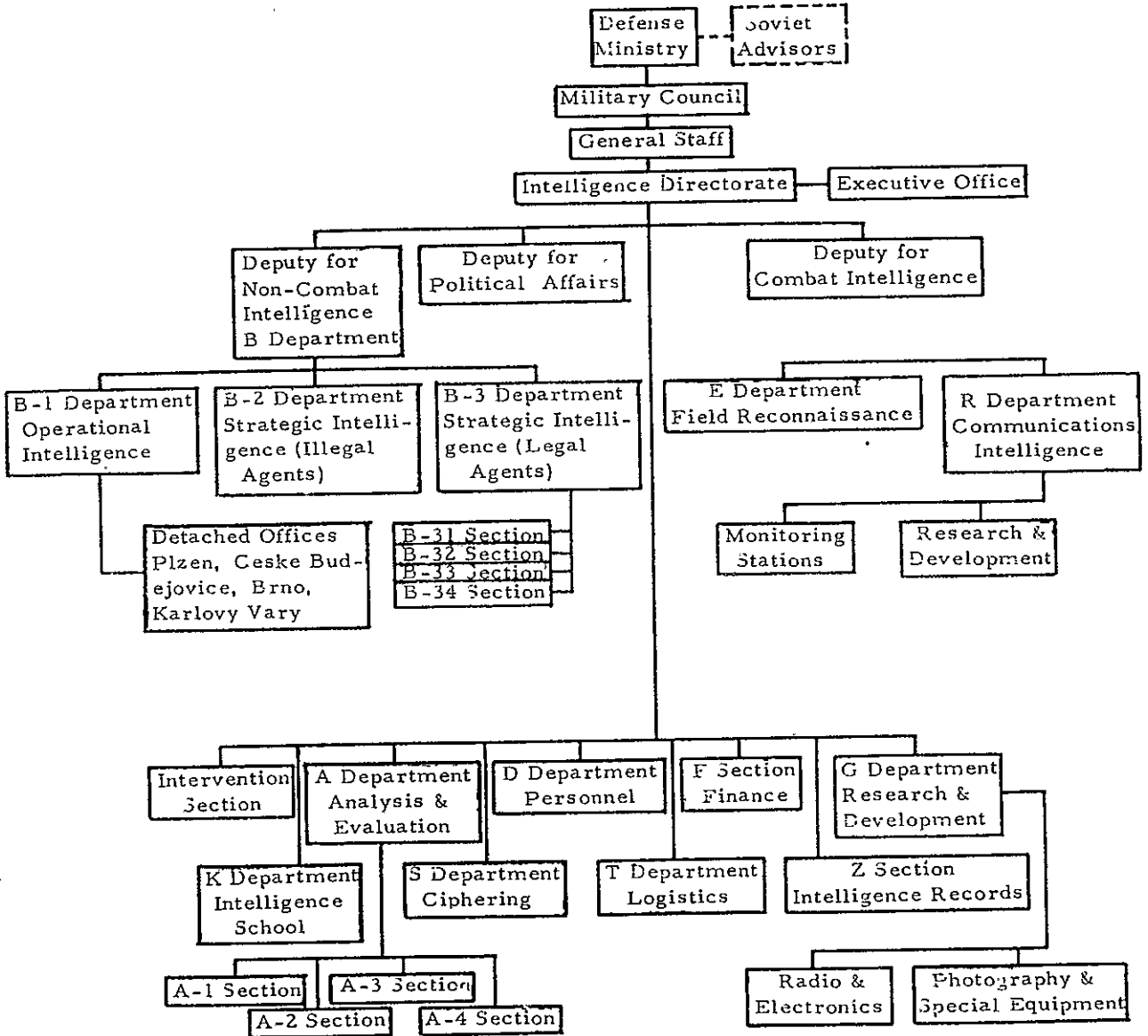


Figure No. 45

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largely concerned with counterintelligence, with only a limited interest in military intelligence. The ZS conducts operations against foreign armed forces and industrial, economic and political targets. The PS has both collection and counterintelligence responsibilities up to 50 kilometers from the Czech border. CIS personnel are well trained and many have had 10 or more years of operational experience. Membership or candidate membership in the Communist Party and the attendance of Party political functions are mandatory. Loyalty toward the regime is high, and defections have been limited in recent years. Varying levels of CIS training are available in Czechoslovakia, and CIS personnel also attend training courses in the USSR.

(b) The CIS have extensive base facilities with Prague as the main headquarters. CIS home bases often used in connection with activity in West Germany are in Prague, Karlovy Vary and Plzen, although operations have originated from many other towns throughout Bohemia and Moravia. CIS foreign bases are world-wide and are established as legal residencies in Czech diplomatic, military, trade and cultural representations. According to defector information, a primary purpose of Czech representations in Western countries is the collection of intelligence. Up to 40 percent of the personnel assigned to such offices perform intelligence duties. Those CIS foreign bases of immediate concern to USAREUR are the Czech embassies in Vienna, Bern and East Berlin; the consulate in Salzburg, Austria; the military mission in West Berlin; and the trade delegation with offices in Frankfurt/Main and Hamburg, West Germany. Additional CIS legal residencies of interest to USAREUR are in the Czech embassies in Rome, Paris, Athens and Brussels. CIS personnel also operate abroad in illegal deep-cover. Others travel abroad legally, disguised as trade or cultural representatives.

(c) Seventy-nine CIS cases were reported in West Germany during 1959, approximately half of which pertained to USAREUR. Thirty-three CIS agents with missions against USAREUR were identified during the first 10 months of 1960. Eight of these had been active for periods ranging from four to six years. Although the CIS has the capability of conducting a relatively high volume of operations in West Germany, the number of agents currently active is probably less than 200. The level of CIS activity in West Germany since 1948 has usually

been higher than other non-German Satellites despite many agent neutralizations each year. For example, of 157 hostile espionage agents convicted by the Office of the US High Commission for Germany courts before 1954, 101 were CIS agents.

(d) Agent recruitment operations are normally directed at individuals who have relatives or other ties in Czechoslovakia. Consequently the majority of CIS agents identified in West Germany have been of Czech origin, primarily refugees and ethnic or Sudeten Germans. The widely publicized 1960 case involving a West German parliamentarian stressed the fact that he had relatives in Czechoslovakia. CIS emphasis on the use of agents with relatives in Czechoslovakia is not necessarily based on ideological motives. CIS concentration on such targets is probably attributable to the realistic consideration that these persons are more readily approachable and that better control can be exercised over those who accept recruitment. With few exceptions known CIS agents have accepted recruitment either for financial reasons or because of coercion. CIS recruitment approaches are usually preceded by detailed investigation, the final approaches are well executed and subsequent agent handling operations are expertly performed. Following recruitment agents invariably sign certificates of cooperation and receive some degree of training. Agents recruited in Czechoslovakia may undergo intensive training, but those recruited in West Germany normally are trained for only a few days during a meeting in a third country. Agent training abroad may continue at intervals throughout the course of an operation. Training is generally conventional depending on missions assigned, but careful attention is always given to clandestine communications. Communications feature secret writing sent through the ordinary mail, use of codes, one-way radio messages, dead-letter drops and couriers. Meetings between agents and agent handlers are frequently held in third countries, primarily Austria, Switzerland and East Germany. Operational aids used in connection with communications have included a letter-drop container which explodes when opened incorrectly, hollow instruments used to hide photographic film in transport and invisible ink carbon papers. CIS finances are apparently more than ample, and agent payments are generally the highest among Soviet Bloc services.

(2) Recent Significant Activities

(a) Recent CIS operations against USAREUR have most commonly involved counterintelligence objectives. In those cases which included positive intelligence targeting, EEI were usually limited to acquisition of documents, telephone directories, and information on troop movements and training, and spotting and assessing of personnel. The most comprehensive strictly military intelligence operation reported contained requirements on functions, strength, disposition and movements of major commands; alerts of these units; and types and location of atomic cannon, rockets, missiles and atomic warheads.

(b) Two widely publicized cases in 1960, one involving a terrorist mission and the other representing an extremely high-level penetration, indicated the wide range and capabilities of CIS operations. In early 1960 a CIS official assigned to the Czech Consulate in Salzburg, Austria, gave a Czech agent two saltcellars filled with a poisonous compound and instructed him to place them on certain tables in the Radio Free Europe (RFE) dining room in Munich. According to the CIS official, the saltcellars were exactly like those used in the dining room, and the substance would cause illness but would not result in any serious harm. Nevertheless, tests of the compound indicated that it had lethal qualities. The CIS official had stated that the purpose of the poison was to disrupt RFE operations. In the second case a West German parliamentary deputy, Alfred Frenzel, was identified in November 1960 as having been a CIS agent for six years. Through his membership on the parliament's defense committee, Frenzel had access to classified military information including plans for the build-up of West German defense forces through the year 1961. The CIS had sent two officers, a major and a captain, to establish an illegal residence in West Germany as Frenzel's immediate contact and courier. A preliminary report indicates Frenzel passed to the CIS hundreds of pages of classified West German defense documents. The Frenzel case is among the most serious espionage cases uncovered in West Germany since World War II. The CIS had not recently indicated a capability for higher level operations. However, CIS involvement in the Frenzel case is indicative of a capability to exploit and conduct important penetration operations.

(3) Probable Courses of Action

CIS activity against USAREUR will continue to emphasize counterintelligence activity, based on Czechoslovakia's rigid concentration on internal security against threats from indigenous and foreign sources. A moderate rise in the incidence of CIS positive military intelligence activity is nevertheless expected to occur. Current CIS recruitment-type operations are indicative of the CIS's desire to employ medium-level source assets in the USAREUR area, and the CIS spotting and assessing of Allied personnel and employees may result in a number of approaches. No appreciable changes in CIS modus operandi are anticipated, but continuing CIS operational sophistication will make detection of their operations difficult. In 1961 the CIS will make more extensive use of one-way coded radio communications, improved secret writing methods and concealment devices with attached explosives for conveying messages.

d. The Polish Intelligence Services (PIS)

(1) Status and Capabilities

(a) The PIS are composed of the Ministry of Internal Affairs (MSW) and Z-II of the Armed Forces General Staff. The MSW, through its Department I, collects political, economic, scientific, technical and military information. Department II of the MSW is primarily responsible for counterespionage operations abroad. Its foreign operations are directed against organizations operating against Poland from outside the country. Except for its East Berlin residency, Department II has no permanent representation abroad and normally uses Department I staffs and facilities. It can, however, dispatch agents for limited missions abroad as the occasion warrants. The Polish Secret Police (Urząd Bezpieczeństwa (UB)) were ostensibly eliminated when Gomulka came to power in 1956. However, UB functions continued and were redesignated and distributed among other governmental agencies. The majority of the functions are now performed by Departments I and II of the MSW (see Figures No. 46 and 47). Military intelligence, including the technical and scientific aspects, is a Z-II responsibility. Counterespionage abroad is not a Z-II function; double agent operations are almost always conducted by Department II.

MINISTRY OF INTERNAL AFFAIRS

(Departments I and II)

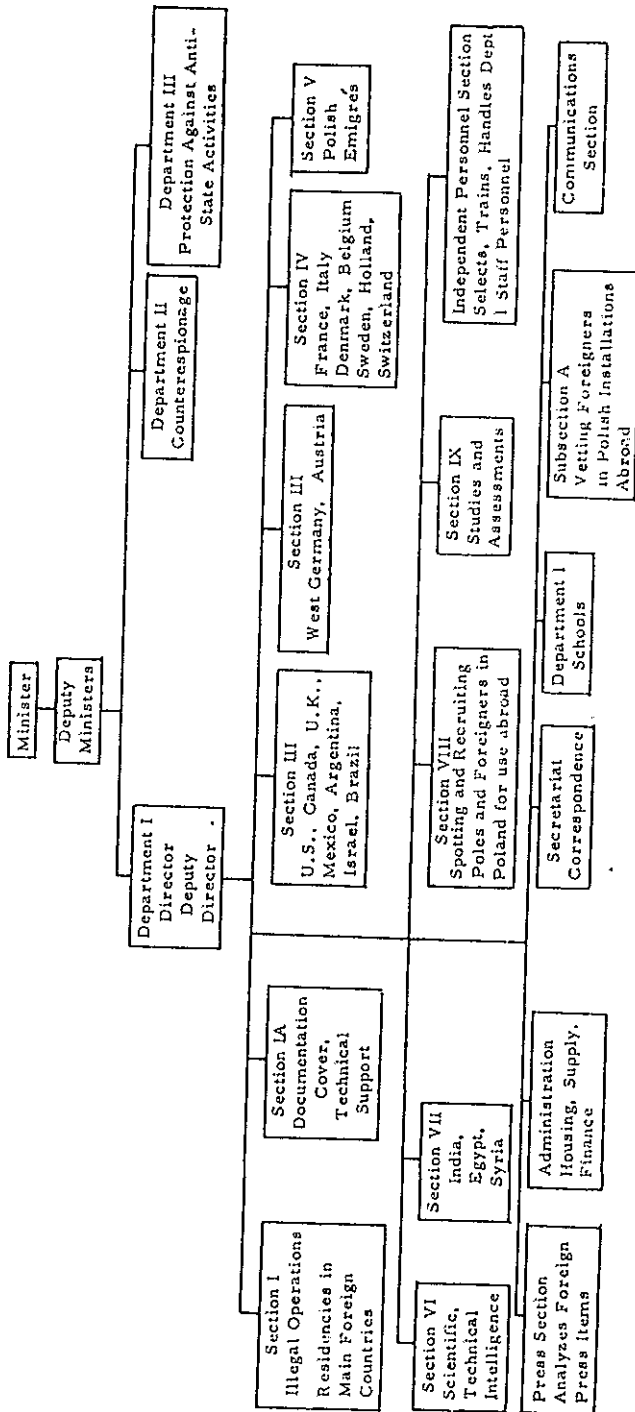


Figure No. 46

MINISTRY OF INTERNAL AFFAIRS
(Z-II)

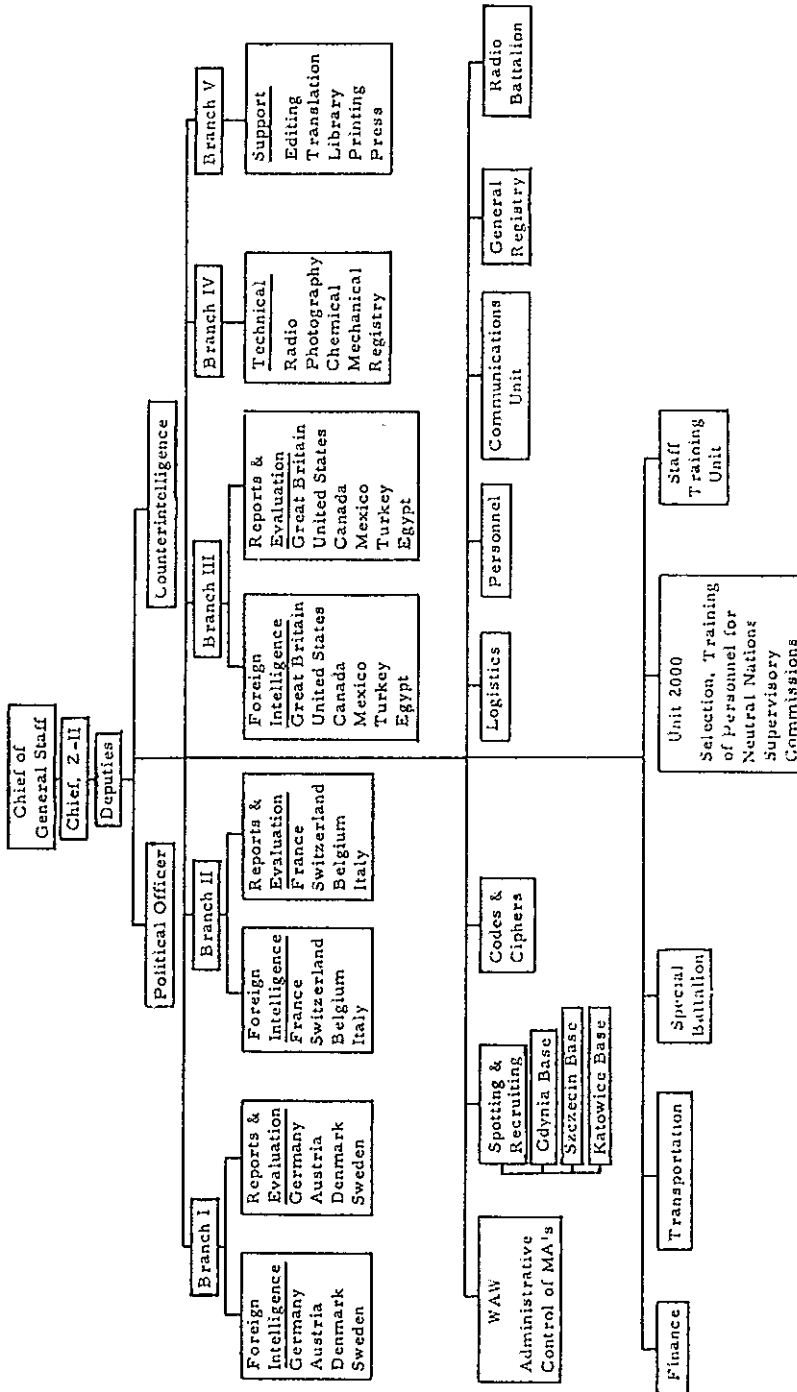


Figure No. 47



Unconfirmed information received in 1960 indicates that counter-espionage operations abroad are also being conducted by WSW, which is the Armed Forces General Staff component responsible for counterintelligence within the Polish Armed Forces.

(b) No significant changes were noted in 1960 in PIS operations which were again predominantly counterespionage in character. Poles with relatives or other connections in Poland were the principal targets of PIS recruitment in the USAREUR area. The precise size of this Polish community is not known, but an idea of its magnitude can be gained from the fact that an estimated 700,000 ethnic Germans were repatriated from the Polish-administered German territories in the period 1955-58. Many of these repatriates settled in West Germany. In the majority of cases where approaches were attempted, the PIS used intimidation or coercion. The most frequent method used was the threat of reprisals against relatives still in Poland. Repatriates to Poland, as well as travelers to the West, are required to cooperate with the PIS in return for favorable action on travel applications. Mail to and from Poland is censored, and all visa applications are screened for possible operational leads.

(c) Z-II modus operandi is patterned after that of the Soviet intelligence services and is indicative of the Soviet control exercised over Z-II until 1956. The Soviet personnel who were in control at all echelons of Z-II command were recalled after 1956 and a liaison officer assigned. The Soviet services still have access to all Z-II information and activity through this liaison officer. Indirect control of Z-II activity is accomplished by Soviet levy of requirements in a specific area or field. This control is not continuous and is only invoked in the case of Soviet interest in a particular area or target. Despite the Soviet background and occasional examples of operational sophistication PIS operations are characterized by a general lack of refinement. Many agents are assigned extremely general missions, often of a training nature. In the majority of cases, provisions for future contact with the agent are vague and inadequate. The PIS frequently appear more concerned with the establishment of the agent in the target area than in the immediate accomplishment of the mission. This lack of concern for the time element suggests that the PIS possibly make use of the "sleeper" agent for future activation.

