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The CIA's Worst-Kept Secret

Newly Declassified Files Confirm United States Collaboration with Nazis

by Martin A. Lee

"Honest and idealist ... enjoys good food and wine ... unprejudiced mind ..."

That's how a 1952 Central Intelligence Agency assessment described Nazi ideologue Emil Augsburg, an officer at the infamous Wannsee Institute, the SS think tank involved in planning the Final Solution. Augsburg's SS unit performed "special duties," a euphemism for exterminating Jews and other "undesirables" during the Second World War.

Although he was wanted in Poland for war crimes, Augsburg managed to ingratiate himself with the U.S. CIA, which employed him in the late 1940s as an expert on Soviet affairs. Recently released CIA records indicate that Augsburg was among a rogue's gallery of Nazi war criminals recruited by U. S. intelligence shortly after Germany surrendered to the Allies.

Pried loose by Congress, which passed the [Nazi War Crimes Disclosure Act](#) three years ago, a long-hidden trove of once-classified CIA documents confirms one of the worst-kept secrets of the Cold War – the CIA's use of an extensive Nazi spy network to wage a clandestine campaign against the Soviet Union.

The CIA reports show that U.S. officials knew they were subsidizing numerous Third Reich veterans who had committed horrible crimes against humanity, but these atrocities were overlooked as the anti-Communist crusade acquired its own momentum. For Nazis who would otherwise have been charged with war crimes, signing on with American intelligence enabled them to avoid a prison term.

"The real winners of the Cold War were Nazi war criminals, many of whom were able to escape justice because the East and West became so rapidly focused after the war on challenging each other," says Eli Rosenbaum, director of the Justice Department's Office of Special Investigations and America's chief Nazi hunter. Rosenbaum serves on a Clinton-appointed [Interagency Working Group](#) committee of U.S. scholars, public officials, and former intelligence officers who helped prepare the CIA records for declassification.

Many Nazi criminals "received light punishment, no punishment at all, or received compensation because Western spy agencies considered them useful assets in the Cold War," the IWG team stated after releasing 18,000 pages of redacted CIA material. (More installments are pending.)

These are "not just dry historical documents," insists former congresswoman Elizabeth Holtzman, a member of the panel that examined the CIA files. As far as Holtzman is concerned, the CIA papers raise critical questions about American foreign policy and the origins of the Cold War.

The decision to recruit Nazi operatives had a negative impact on U.S.-Soviet relations and set the stage for Washington's tolerance of human rights' abuses and other criminal acts in the name of anti-Communism. With that fateful sub-rosa embrace, the die was cast for a litany of antidemocratic CIA interventions around the world.

The Gehlen Org

The key figure on the German side of the CIA-Nazi tryst was General Reinhard Gehlen, who had served as Adolf Hitler's top anti-Soviet spy. During World War II, Gehlen oversaw all German military-intelligence operations in Eastern Europe and the USSR.

As the war drew to a close, Gehlen surmised that the U.S.-Soviet alliance would soon break down. Realizing that the United States did not have a viable cloak-and-dagger apparatus in Eastern Europe, Gehlen surrendered to the Americans and pitched himself as someone who could make a vital contribution to the forthcoming struggle against the Communists. In addition to sharing his vast espionage archive on the USSR, Gehlen promised that he could resurrect an underground network of battle-hardened anti-Communist assets who were well placed to wreak havoc throughout the Soviet Union and Eastern Europe.

Although the Yalta Treaty stipulated that the United States must give the Soviets all captured German officers who had been involved in "eastern area activities," Gehlen was quickly spirited off to Fort Hunt, Va. The image he

projected during 10 months of negotiations at Fort Hunt was, to use a bit of espionage parlance, a "legend" – one that hinged on Gehlen's false claim that he was never really a Nazi, but was dedicated, above all, to fighting Communism. Those who bit the bait included future CIA director Allen Dulles, who became Gehlen's biggest supporter among American policy wonks.

Gehlen returned to West Germany in the summer of 1946 with a mandate to rebuild his espionage organization and resume spying on the East at the behest of American intelligence. The date is significant as it preceded the onset of the Cold War, which, according to standard U.S. historical accounts, did not begin until a year later. The early courtship of Gehlen by American intelligence suggests that Washington was in a Cold War mode sooner than most people realize. The Gehlen gambit also belies the prevalent Western notion that aggressive Soviet policies were primarily to blame for triggering the Cold War.

Based near Munich, Gehlen proceeded to enlist thousands of Gestapo, Wehrmacht, and SS veterans. Even the vilest of the vile – the senior bureaucrats who ran the central administrative apparatus of the Holocaust – were welcome in the "Gehlen Org," as it was called, including Alois Brunner, Adolf Eichmann's chief deputy. SS major Emil Augsburg and gestapo captain Klaus Barbie, otherwise known as the "Butcher of Lyon," were among those who did double duty for Gehlen and U.S. intelligence. "It seems that in the Gehlen headquarters one SS man paved the way for the next and Himmler's elite were having happy reunion ceremonies," the *Frankfurter Rundschau* reported in the early 1950s.

Bolted lock, stock, and barrel into the CIA, Gehlen's Nazi-infested spy apparatus functioned as America's secret eyes and ears in central Europe. The Org would go on to play a major role within NATO, supplying two-thirds of raw intelligence on the Warsaw Pact countries. Under CIA auspices, and later as head of the West German secret service until he retired in 1968, Gehlen exerted considerable influence on U.S. policy toward the Soviet bloc. When U.S. spy chiefs desired an off-the-shelf style of nation tampering, they turned to the readily available Org, which served as a subcontracting syndicate for a series of ill-fated guerrilla air drops behind the Iron Curtain and other harebrained CIA rollback schemes.

Sitting ducks for disinformation

It's long been known that top German scientists were eagerly scooped up by several countries, including the United States, which rushed to claim these high-profile experts as spoils of World War II. Yet all the while the CIA was mum about recruiting Nazi spies. The U.S. government never officially acknowledged its role in launching the Gehlen organization until more than half a century after the fact.

Handling Nazi spies, however, was not the same as employing rocket technicians. One could always tell whether Werner von Braun and his bunch were accomplishing their assignments for NASA and other U.S. agencies. If the rockets didn't fire properly, then the scientists would be judged accordingly. But how does one determine if a Nazi spy with a dubious past is doing a reliable job?

Third Reich veterans often proved adept at peddling data – much of it false – in return for cash and safety, the IWG panel concluded. Many Nazis played a double game, feeding scuttlebutt to both sides of the East-West conflict and preying upon the mutual suspicions that emerged from the rubble of Hitler's Germany.

General Gehlen frequently exaggerated the Soviet threat in order to exacerbate tensions between the superpowers. At one point he succeeded in convincing General Lucius Clay, military governor of the U.S. zone of occupation in Germany, that a major Soviet war mobilization had begun in Eastern Europe. This prompted Clay to dash off a frantic, top-secret telegram to Washington in March 1948, warning that war "may come with dramatic suddenness."

Gehlen's disinformation strategy was based on a simple premise: the colder the Cold War got, the more political space for Hitler's heirs to maneuver. The Org could only flourish under Cold War conditions; as an institution it was therefore committed to perpetuating the Soviet-American conflict.

"The agency loved Gehlen because he fed us what we wanted to hear. We used his stuff constantly, and we fed it to everyone else – the Pentagon, the White House, the newspapers. They loved it, too. But it was hyped-up Russian bogeyman junk, and it did a lot of damage to this country," a retired CIA official told author Christopher Simpson, who also serves on the IGW review panel and was author of *Blowback: America's Recruitment of Nazis and Its Effects on the Cold War*.

Unexpected consequences

Members of the Gehlen Org were instrumental in helping thousands of fascist fugitives escape via "ratlines" to safe havens abroad – often with a wink and a nod from U.S. intelligence officers. Third Reich expatriates and fascist collaborators subsequently emerged as "security advisors" in several Middle Eastern and Latin American countries, where ultra-right-wing death squads persist as their enduring legacy. Klaus Barbie, for example, assisted a succession of military regimes in Bolivia, where he taught soldiers torture techniques and helped protect the flourishing cocaine trade in the late 1970s

and early 1980s.

CIA officials eventually learned that the Nazi old boy network nesting inside the Gehlen Org had an unexpected twist to it. By bankrolling Gehlen the CIA unknowingly laid itself open to manipulation by a foreign intelligence service that was riddled with Soviet spies. Gehlen's habit of employing compromised ex-Nazis – and the CIA's willingness to sanction this practice – enabled the USSR to penetrate West Germany's secret service by blackmailing numerous agents.

Ironically, some of the men employed by Gehlen would go on to play leading roles in European neofascist organizations that despise the United States. One of the consequences of the CIA's ghoulish alliance with the Org is evident today in a resurgent fascist movement in Europe that can trace its ideological lineage back to Hitler's Reich through Gehlen operatives who collaborated with U.S. intelligence.

Slow to recognize that their Nazi hired guns would feign an allegiance to the Western alliance as long as they deemed it tactically advantageous, CIA officials invested far too much in Gehlen's spooky Nazi outfit. "It was a horrendous mistake, morally, politically, and also in very pragmatic intelligence terms," says American University professor Richard Breitman, chairman of the IWG review panel.

More than just a bungled spy caper, the Gehlen debacle should serve as a cautionary tale at a time when post-Cold War triumphalism and arrogant unilateralism are rampant among U.S. officials. If nothing else, it underscores the need for the United States to confront some of its own demons now that unreconstructed Cold Warriors are again riding top saddle in Washington.

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