



Federal Bureau of Investigation  
United States Department of Justice

AR-100/ND3 (AM-76)  
AR-2/EF30

Washington, D. C.

1942 SEP 5 PM 12 06

SEP 4 1942

PERSONAL AND CONFIDENTIAL  
BY SPECIAL MESSENGER

CONFIDENTIAL

Rear Admiral H. C. Train  
Director  
Office of Naval Intelligence  
Navy Department  
Washington, D. C.

Dear Admiral Train:

Reference is made to your letter of July 31, 1942, (your serial number 01909216) with which you transmitted notes prepared by your Division with respect to the possible connection of German submarines U-202 and U-701.

For your additional information concerning these submarines, I am attaching hereto a memorandum reflecting further information obtained from the saboteurs who were recently apprehended. This information refers both to the possible connection between U-202 and U-701 as well as other general information.

Sincerely yours,

*J. E. Hoover*  
John Edgar Hoover  
Director

Enclosure

FOR DEFENSE



The Source of this information shall NOT be DISCLOSED to anyone outside the Naval Service.  
O. N. I.

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Authority NND 813017

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MEMORANDUM

U-584  
JOK

An inquiry of the surviving German saboteurs has definitely revealed that the first submarine to depart from Lorient, France, departed during the night of May 26, 1942. The number of this submarine, which transported one group of saboteurs to a point near Ponte Vedra Beach, Florida, was believed to bear number 584. The second submarine carrying the German saboteurs departed during the evening of May 28, 1942. This submarine was U-202.

capt  
JOK

noted on  
capt  
JOK

On May 25, 1942, when the two groups of German saboteurs were departing from Paris by train for Lorient, they were accompanied by Lieutenant Walter Kappe. At the station in Paris the saboteurs were introduced to a German Naval officer believed to be a captain, whose name could not be recalled and who, it was explained, was to accompany them to Lorient to handle the arrangements concerning the submarines the saboteurs were to use. It appears that this Naval officer was known to Joseph Schmidt, the German saboteur who did not depart from Lorient with the other saboteurs because of illness. Schmidt told one of the other saboteurs that this Naval officer was connected with the Naval Intelligence and that he had formerly been in the German Merchant Marine and had traveled to the United States on numerous occasions. This Naval officer stopped at the same hotel in Lorient with the two sabotage groups and Lieutenant Kappe. At a conference held at this hotel on May 26 the places where the two sabotage groups were to be landed in the United States were decided upon and were pointed out on a map of the United States. The leaders of the two sabotage groups had been asked for their preference as to where they wanted to be landed in the United States and their selections were agreed to by the Naval officer.

During a conference held at the hotel on May 26, 1942, a dispute arose as to the inclusion of gold notes among the American currency supplied to the German saboteurs. The German Naval officer took part in the discussion as to the use of this money but expressed the desire not to become involved in the dispute as he was at Lorient to see his own group off.



During the night of May 26, 1942, the Naval officer took Lieutenant Kappe and one group of saboteurs to the submarine base, informing them that they were to leave that night. This officer and Kappe returned to the hotel sometime later. The Naval officer left almost immediately, stating that he had to go back to the harbor to see his own group off, which he mentioned consisted of two Naval officers who were leaving Lorient by submarine that night. This Naval officer was seen the next day and it is definitely known, therefore, that he did not leave Lorient on the submarine carrying the two Naval officers. One of the saboteurs in the second group, which was still at the hotel, heard this officer in conversation with another German Naval officer, vice. and heard him repeat that he was at Lorient to see two Naval officers.

101-700  
JOK

off in a submarine and that these two men were to be landed somewhere in New Jersey, close to New York City, and that their orders were to proceed to New York City and observe Allied shipping leaving the Port of New York, which they were to report back to Germany by short wave radio.

*U-202  
card  
SOK*

It has been definitely determined that there was a silhouette of a porcupine cut out of aluminum or some similar metal attached to the conning tower of the submarine U-202. The name "Innsbruck" was painted on the front of the conning tower.

It will be noted that the survivors of the Argentine SS RIO TERCERO which was sunk on June 22, 1942, indicated that a white porcupine had been painted on the starboard side of the conning tower. However, a description was obtained of Lieutenant Linder from the saboteurs who were on his submarine, which does not coincide with the description of the submarine commander furnished by the said survivors of the above vessel. None of the members of the crew of the U-202 met with the description of the officer described by the survivors of the RIO TERCERO.

*L. Linder  
card  
SOK*

The description of Linder as given by the saboteurs is as follows:

Age - 39 (It is believed this age is correct as one of the saboteurs came from the same town, Augsburg, Germany, as Linder did.)

Height - six feet

Weight - 200 pounds

Eyes - blue

Hair - dark brown

Build - Heavy, stout

Features - Reddish skin, strong jaw, good teeth, full lips, small ears set close to the head, wore a heavy beard and mustache which was grown en route to the United States.

Speaks some English.

No information was obtained indicating that the submarine bringing the Naval agents to the United States was number U-701, nor was any information obtained relative to Captain Horst Degan, the Commander of the U-701.

*U-202  
SOK*

Additional information was obtained with respect to the course followed by the submarine U-202 to the United States. It was indicated that the submarine proceeded due southwest from Lorient to a point just north of the Azores in which area they sighted a Portuguese vessel. At this point the submarine made a sharp turn toward the northeast and traveled in a direct line toward Labrador. Upon reaching the

- 3 -

vicinity of Labrador the weather became cold. The submarine at this point turned south and traveled down the coast of Newfoundland and when in the vicinity of Nova Scotia, moved into coastal waters, still going in a southerly direction. When opposite Long Island the submarine turned due west and proceeded for a distance of about two hundred miles to the point on Long Island where they landed. On the trip from Labrador to Long Island extremely foggy weather was encountered.

Captain Linder informed one of the German saboteurs while en route to the United States that the German Navy has approximately 600 submarines at the present time. He stated that about 200 of these submarines are kept on the fighting front at all times and that 200 are constantly en route to and from Europe replacing submarines on the front. The other submarines are in drydock in France or Germany, undergoing repairs, obtaining supplies, and allowing the crews to have furloughs.

With respect to submarine warfare it was pointed out by German agents that Germany's problem at the present time is not the building of submarines but the lack of trained men and the period of time necessary to train good submarine crews. It was indicated that during 1941 there was a noticeable reduction in submarine activity in the Atlantic due to the scarcity of trained crews. For some time the crews of all submarines returning to German bases were divided and on the next trip the crew of the submarine would be composed half of experienced sailors and half inexperienced men. Information was obtained that the submarines travel to and from their bases alone, but after arriving at their bases they take up predetermined positions and keep in constant radio communication with other submarines in that area. In this way one submarine is able to transmit information to nearby submarines in the same area. This was described by Captain Linder as the "wolf pack" system.

Inquiry failed to reveal any information to indicate that the German submarines received any messages from secret stations in the United States relative to the departure of any vessels or convoys.

\*One of the German saboteurs stated that he was acquainted with a German espionage agent named George Huffman, who had been stationed in Lisbon, Portugal. In a conversation with Huffman sometime ago Huffman advised that there was a short wave radio station operated by the Germans near Lisbon where information was received from German agents in foreign countries concerning all types of activities. Huffman stated on one occasion detailed information had been received by this German radio station relative to the location of the sailing

card  
LJK

701-200  
LJK

- 4 -

port and a description of the route of a convoy. However, Huffman did not indicate whether this information was relayed from Lisbon to the U-boat commanders at sea or whether this information had also been received directly by the submarines while they were at sea.

The following ports were named by the German agents as the more important Naval stations where submarines are repaired:

France - St. Nazaire, Lorient, Brest, and Bordeaux  
Germany - Kiel, Luebeck, Rostock, Stralsund, Elbin,  
Stettin, and Danzig.

Op-16-B-7(G)  
A8-5/QQ/ND3 (AMAG)  
CONFIDENTIAL  
Serial No. 02128616

CONFIDENTIAL

SEP 15 1942

MEMORANDUM for Mr. Tamm.

Subject: MARGUERRE, (first name unknown), Lt. Col.,  
Head of the Scientific Department of the  
Lehrregiment.

This will refer to the enclosure of a letter  
from Director J. E. Hoover to the Director of Naval Intelligence  
dated September 3, 1942, concerning additional information ob-  
tained from eight German saboteurs recently apprehended.

Op-16-B-1

On page 4 of the enclosure, the name of one  
Lt. Col. MARGUERRE is reported to be a technical specialist  
and the head of the Scientific Department of the Lehrregiment.  
In this respect, please note that information received from a  
reliable informant indicates that there was a Captain by this  
same name on the Great German General Staff (Department III b)  
who was directly implicated in the conduct of sabotage operations  
in the United States during the last war. It is believed that  
Lt. Col. MARGUERRE is probably identical with the former Captain  
MARGUERRE. The activities during the first World War of Captain  
MARGUERRE are described in detail by Captain Henry Landau in his  
book The Enemy Within which accurately describes certain German  
sabotage activities in the United States during the years 1917  
and 1918.

Op-16-B-7(G)

*msk* *W.S.W.*  
Wallace S. Wharton,  
Commander, U.S.N.R.

Mr. E. A. Tamm,  
Federal Bureau of Investigation,  
Department of Justice,  
Washington, D. C.

Dictated Sept. 15, 1942  
Dictated by Lt. Belin  
Typed by E. Bender

CONFIDENTIAL

DECLASSIFIED  
Authority NND 813011



United States Department of Justice  
Washington, D. C.

As-100/NO 3 (Amgs)  
1942 SEP 4 AM 6 19

SEP 3 1942

CONFIDENTIAL  
BY SPECIAL MESSENGER

CONFIDENTIAL

Director of Naval Intelligence  
Navy Department  
Washington, D. C.

Dear Sir:

There is being transmitted herewith a memorandum containing additional information obtained from the eight German saboteurs who were recently apprehended.

I thought this information would be of interest to you.

Very truly yours,

*J. E. Hoover*  
John Edgar Hoover  
Director

Enclosure

cc: Brigadier General Hayes A. Kroner  
General Staff  
Chief, Military Intelligence Service  
War Department  
Washington, D. C.

FOR DEFENSE



BUY  
UNITED STATES  
SAVINGS  
BONDS  
AND STAMPS

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O. N. I.

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United States Department of Justice  
Washington, D. C.

RECEIVED  
GENERAL ROOM

SEP 3 1942

1942 SEP 4 AM 8 54

The following information was obtained from a confidential source who has provided reliable information in the past. It is being furnished to you for your information and is being classified as confidential because of its nature and the source from which it was obtained. It is being furnished to you for your information and is being classified as confidential because of its nature and the source from which it was obtained.

**Dear Sir:** There is being transmitted herewith a memorandum containing additional information obtained from the eight German saboteurs who were recently apprehended.

I thought this information would be of interest to you. It is being transmitted to you for your information and is being classified as confidential because of its nature and the source from which it was obtained.

Enclosure  
cc: Brigadier General Hayes A. Kroner  
General Staff  
Chief, Military Intelligence Service  
War Department  
Washington, D. C.

The Source of this Information shall NOT be disclosed to anyone outside the Naval Service.

DECLASSIFIED  
Authority NND 813011



2EB 3 1245

1942 SEP 4 AM 8 55

MEMORANDUM FOR THE DIRECTOR  
OFFICE OF THE CHIEF OF BUREAU OF INVESTIGATION

RECEIVED  
MAIL ROOM

MEMORANDUM

1942 SEP 4 AM 8 55

Further inquiry of the German saboteurs with respect to plans for landing of additional agents in the United States from German submarines has determined that the most ideal spot for landing agents is a sandy strip of beach at a place where deep water can be found close to shore. A rocky stretch of coast would not be considered as it is too dangerous for the submarine, since the hull of the submarine might be punctured in such a landing. The best locality for such a landing would be a deserted stretch of beach near an inhabited locality so that a sudden approach of strangers would not cause any undue suspicion. A beach is preferred near thickly wooded areas, in order to afford the agents a place to hide immediately after their landing. The eight German saboteurs who were landed were instructed to explain to anyone questioning them after their landing that they had been either fishing or bathing. One of the saboteurs mentioned that if Germany ascertains fishing is restricted on the beaches, the subterfuge of bathing would most likely be used.

One of the saboteurs indicated that as a result of the apprehension of the two groups of German saboteurs, the Germans probably would not attempt another landing of agents in the United States, realizing that the coast line is now well guarded. This individual suggested that any additional landings would be made in Mexico.

Questioning of the saboteurs failed to elicit any information which would indicate that shore lights assisted the submarine in spotting merchant vessels. In this regard, one of the agents recalled hearing Captain Linder of Submarine U-202 make a statement as the agents were being landed at Long Island, that it was the first time he, Linder, had ever seen the shores of the United States. Captain Linder's original instructions were to approach the shore during the daytime and observe conditions at the place selected for the landing before an attempt was made to land the saboteurs. This was not done, however, in connection with the landing at Long Island, because of the heavy fog which prevailed in that locality at the time the landing was to be made.

With respect to possible future landings of German agents from German submarines in the United States, it was suggested that the German Army Intelligence had planned to send such a group to the United States as early as July, 1941, but because of a number of difficulties encountered, principally the objection of the Gestapo, which desired to use its own agents for such activities in the United States, considerable time was lost. Permissio

*Handwritten notes:*  
Germany  
Army  
Intelligence  
Pol. info

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was finally granted to Army Intelligence to handle sabotage activities in the United States. One of the German saboteurs who was apprehended stated it was his understanding that the question of whether any further groups would be landed in the United States would depend upon the success or failure of the first two or three groups sent to this country. Due to the apprehension of the two groups of saboteurs, it is possible that the High Command of the German Army will be held responsible, in which case Heinrich Himmler, the head of the Gestapo, who is a keen rival of Admiral Canaris, who is in charge of Intelligence for the German High Command, will take this opportunity to prove that Army Intelligence is unable to successfully handle sabotage and espionage in other countries. It was pointed out that if Himmler succeeds in obtaining control of espionage and sabotage activities in foreign countries, Gestapo agents coming to this country will undoubtedly use entirely different methods of entrance and can be expected to be better equipped and trained than were the men sent over by Army Intelligence.

It was also suggested as a possibility that the Army Intelligence might be clever enough to place the blame for the apprehension of the German saboteurs on Captain Linder, the commander of the submarine, for not strictly complying with his instructions. If this effort is successful, Army Intelligence will try to send additional groups of saboteurs to the United States.

Information was obtained from one of the German saboteurs relative to the organization of the Lehrregiment which is a unit including all persons assigned to special duty in the German Army on order of the High Command. This unit is known as Lehrregiment, Brandenburg ZbV800 and is apparently engaged in training agents and soldiers for espionage and sabotage activities behind enemy lines and in neutral countries. The actual base for this regiment is in the town of Baden near Vienna. The main training camp is located at Messeritz which is located near the towns of Frankfort, Oder, and Landsberg. The name of this camp is Regenwurm-Lager, which in English means Rain-Worm Camp. The purpose of the camp, its name and the nature of the training given are one of the most guarded secrets of the Intelligence Department of the German Army. The regiment is officially known as a pioneer unit which would be equivalent to the Engineers in the United States Army. The designation of the pioneer unit is a black insignia on the shoulders of the German Army uniform. Only one of the eight German saboteurs was assigned to this camp and he was there for only a few days. The other apprehended saboteurs had no knowledge of this regiment and several were not certain they were in the German Army.

Mud-worm  
or Fich-  
worm.  
Term  
"Rain-  
worm" is  
used in  
only a  
few  
places.

It was stated that in order to keep the identity of this regiment and its training and purpose secret, the villages surrounding the camp have been completely evacuated and the camp is actually a two-hour walk from the railroad station in the town of Messeritz. These towns are used by the troops

Ink  
Germany  
Pr. No.  
Secret  
State  
palace  
-  
alotop

in their training. Army patrols systematically cover this area to prevent anyone from approaching the camp, which is partly surrounded by a stone wall and consists of a great number of stone buildings. The buildings are spread widely over the camp and are cleverly camouflaged in order to prevent them from being discovered from the air. The commander of the camp is a Colonel who gives out the orders of the day. However, he has nothing to do with the type of activities the men engage in after leaving the camp.

The men for this regiment are carefully selected from all parts of the Reich and countries presently associated with the Reich. Men in this regiment also come from occupied countries, neutral countries, and enemy countries, such as India, Ukraine, Syria, and Egypt. Most of the men in this regiment are under forty, but there are a few exceptions. Every man who goes to the camp is classified and a registration card is prepared in duplicate, one copy being maintained in the main administration building and the other in his company file. This card contains the usual personnel information and includes education and training, occupation or business and experience, ability as a linguist, and whether the foreign languages they know were learned in Germany or by residence in a foreign country in which that language is spoken. The card also indicates whether the individual has any travel experience in foreign countries. Additional information is obtained such as knowledge of photography or drawing, ability in sports, and to indicate any experience in driving automobiles, airplanes, motorcycles, railroading, boxing, shooting, sailing, et cetera. This record also contains the life history and photograph of a member of the regiment, his military experience, and a complete record of his relatives and their addresses. The members of the regiment are classified and assigned to certain companies in accordance with their abilities and experience. Men who had a knowledge of the United States were concentrated in the Third Company of the Third Battalion of this regiment.

Companies of the Lehrregiment may have up to 600 or 700 men. However, the full complement is never collected in one place or present at the camp, but as a matter of fact each company usually has a maximum of forty or fifty men at the camp at any one time, the rest of the men in the company being away from the camp on special assignment. It was stated that on an index card for each member of the Lehrregiment is a notation as to his assignment. One of the saboteurs knows that on the bottom of his card was the word "Pastorious" which meant that he had been assigned to the sabotage group known as the Franz Daniel Pastorious group to come to the United States. Another index card was seen at this camp bearing the notation "Unteruehuien SOS" which, in English, means "Undertaking SOS," which is probably a code name for some project where this man is engaged in either espionage or sabotage activities. It was reported that when a member of the regiment completes an assignment he returns to the camp and stays for a short time until reassigned on a new mission. It

Pastorius - ? after the  
 founder of Germanium -  
 Philadelphia - Pa.

Unternehmern

is believed that the principal object of the training in this camp and perhaps similar camps in Germany is sabotage. It is known to one of the apprehended German saboteurs that a number of the men from this regiment were sent to the Russian front in groups of four or five. These men would join a regiment on the Eastern front wearing the uniform of the particular regiment they were assigned to. The mission of these men was to penetrate the Russian lines at night for the purpose of blowing up bridges and railroad stations behind the lines.

It was reported that there is a branch of this regiment at Brandenburg, Germany, known as the Feldzeugmeister-Kaserne, where a limited number of men are stationed who are receiving military and technical training. There is also located at this place a huge storeroom of civilian clothes which are of foreign origin. This camp was not visited by any of the apprehended saboteurs.

*Canaris is head of German intelligence*

According to one of the saboteurs, Admiral Canaris is the head of all Intelligence for the German High Command. A Colonel Schmidt, located in Berlin, is one of the ranking officials of the Army Intelligence Section. Lieutenant Colonel Marguerre is a technical specialist and is the head of the Scientific Department of the Lehrregiment. Under Colonel Marguerre are Major Hotzel, Captain Astor, and Lieutenant Walter Kappe. Colonel Marguerre appears to be in charge of the factory which makes the various sabotage devices and other equipment which was furnished to the saboteurs for use in the United States. He is also in charge of the laboratory where Doctors Walter Koenig and Gunther Schultz (previously named as Helmut Schultz), instructors at the sabotage school at Quentz Lake, are employed doing experimental work and perfecting new sabotage devices. Lieutenant Walter Kappe interviewed the recruits for sabotage activities in the United States and apparently decided whether the recruits could be used by the Lehrregiment. Kappe also appeared to be in charge of the training at Quentz Lake. It was stated that Gunther Schultz is believed to be a member of the Lehrregiment. The two doctors teach at the sabotage school at Quentz Lake from Monday to Thursday. On Thursday evening, they leave, apparently to work in a laboratory.

*JK  
card  
all  
names*

One of the saboteurs stated that while at the sabotage school he was shown pictures of smoking pipes, walking sticks, and a suitcase which are new sabotage devices. The pipes and walking sticks are incendiaries and operate on the same principal as the pen and pencil sets which the saboteurs brought to the United States. The suitcase is reported to contain certain chemicals in the lining which will cause ignition in some manner unknown to the informant. It was stated that this suitcase is cleverly constructed so that an ordinary examination would not reveal its true nature. Suitcases of this type were intended for use in starting fires in railroad stations. The manner in which this device functions was not revealed.

*375*

*There was a Captain by this name on the Great German General Staff (Dept. III B) who was directly implicated in the conduct of sabotage operations in the U.S. during the last war. Apr 16-22*

Information was obtained indicating that Doctors Schultz and Koenig received letters from sabotage agents working in various foreign countries requesting additional equipment while they were instructing at Quentz Lake. It was indicated, however, that the two groups of German saboteurs who came to the United States in June, 1942, were the first German saboteurs to come to this country.

At the Lehrregiment camp near Messeritz, one of the saboteurs saw a number of Indian troops being trained. He also reported that former members of the German diplomatic corps in Iran were also receiving training at this camp in the spring of 1942.