

NAVY DEPARTMENT
Office of the Chief of Naval Operations
OFFICE OF NAVAL INTELLIGENCE
WASHINGTON

In reply refer to No.
Op-16-B-7
(SC)A8-2/EF30
A8-5/EF30/EG
Serial No. 0376016

December 20, 1940

CONFIDENTIAL

From: Chief of Naval Operations
(Director of Naval Intelligence)

To : Commandant, Navy Yard, Washington, D.C.;
Commandant, First Naval District;
Commandant, Third Naval District;
Commandant, Fourth Naval District;
Commandant, Fifth Naval District;
Commandant, Sixth Naval District;
Commandant, Seventh Naval District;
Commandant, Eighth Naval District;
Commandant, Ninth Naval District;
Commandant, Tenth Naval District;
Commandant, Eleventh Naval District;
Commandant, Twelfth Naval District;
Commandant, Thirteenth Naval District;
Commandant, Fourteenth Naval District;
Commandant, Fifteenth Naval District;
Commandant, Sixteenth Naval District.

Subject: German Intelligence and Propaganda Organization
for the United States.

Reference: (a) CNO Conf. Letter Op-16-B, (SC)A8-5/EF30
A8-5/EF30/EF Serial No. 0279816 October 26,
1940.

Enclosure: (A) Schematic Diagram of the German Intelligence
Organization for the United States (Plan
No. B-7-1 (German)).
(B) General outline of key activities and personnel
of the German Secret Service and Propaganda
Systems in the United States and contiguous or
related territories.

*reminiscent of return
to B-7. Dec-28-40
MC*

I, Based upon information available enclosure (A) is believed to be the general picture of the German Intelligence and Propaganda Services in the United States. It does not portray all of the units or organizations either associated or affiliated with these efforts but does indicate the main activities and the relationship of important personalities. In many instances general secret service work, the collecting of Intelligence information, sabotage and propaganda are closely inter-related and it would be impossible to completely disassociate these activities due to the nature of the organizations participating. Units mentioned in the diagram are known to be, or have been, active in collecting Intelligence information and/or disseminating propaganda. There are undoubtedly other elements engaged in this work. It is hoped that the District Intelligence

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Officers will be able to collect more complete information concerning those agencies which are already known and uncover others. It has been alleged that the American-German League (German Bund) and possibly the foreign organizations of the NSDAP will go under cover and disassociate themselves from their connections with the consular and other official services. It seems unlikely, however, that this will be more than gesture, as all available information indicates that officials of the consular service are too important in the scheme of organization and operations to be completely eliminated therefrom. It is probable that German Naval Officers are in this country incognito attached to various activities, for service in connection with the collection of military (naval) information, and it is highly desirable to locate these individuals wherever possible.

2. In general the organization and operations of the German Government and the National Socialist (Nazi) Party are closely interlocked, and it is sometimes difficult to disassociate these various factors and segregate them into their constituent parts. Officials of the Government are almost invariably Party Members, and often officials of the Party. The higher their grades in one capacity the more important their position in the other organization, is the usual rule. For example: Dr. Goebbels of the National Ministry of Enlightenment and Propaganda will disseminate official German "Information" through Governmental and quasi-official channels, and at the same time acting as a high officer of the Nazi Party will utilize all facilities to prepare and disseminate party and other pertinent ideological propaganda, etc., through the National Socialist Organization, and in the case of the United States, the Foreign Organization of the party. Dr. Bohle, the leader of this Foreign Organization is in addition a functionary of the Foreign Office where he has facilities to combine his official work and party activities to the best advantage.

3. The fact that Germany has a one-party political system, which party dominates the government, greatly simplifies actual operations in the field. In addition it permits important personages to deny that the German Government is sponsoring certain activities, and to claim evidences of these activities indicates only Party (or "political" and "cultural") work; or in some cases, such as the operations of the American-German League, that they are purely domestic in nature. In this particular case both the German Government and the Nazi Party deny any connection with the American-German League (Bund), although ample information exists which indicates that the Nazi Party has control over it, and it has been reported that members may not be admitted to the Bund until they have been approved by the Foreign Service of the Gestapo. In general it may be stated that military, naval, commercial and

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political intelligence, propaganda and sabotage operations, and the preparations for civil disorder within the United States, are portioned out amongst a number of official and Party activities, although the actual control of this work rests in the hands of a very limited group of Old Guard Nazis who are also the chief functionaries of the State in their particular departments.

4. Technical military and naval matters are controlled by the Abwehrabteilung (Abw.) which is the centralized military, naval and air intelligence bureau of the Wehrmachtsamt (Defense Office), but the German system of delegating almost completely independent authority to subordinate executives in the field, and only demanding results, regardless of the particular methods and tactics which they choose to employ, is such that the organization below the very highest groups is extremely fluid, readily changing to suit new conditions, and therefore making it difficult to outline complete diagrams of the lowest Echelons. These are subject to rapid modification whenever, in the judgment of the subordinate executive immediately in charge, such changes appear desirable.

5. In the German system, the abilities and qualifications of the individual are considered of importance and receive greater consideration than does his actual position in any service or agency. Thus we find that important secret service executives, with the power of making independent decisions, are frequently secondary officials of diplomatic, consular and commercial or other units. Secretaries, attaches, consuls or vice-consuls and branch managers, etc. will often be the active chiefs of all or some part of the secret service and/or propaganda organization in their area, and while they are nominally subordinate to higher officers of the consular and diplomatic service, etc., they are usually in complete control so far as these undercover activities are concerned.

6. Enclosure (B) is actually a brief outline of the key activities of the German Intelligence and Propaganda Services as they directly affect the domestic interests of the United States. Enclosure (B) should be consulted with the purpose in view of expanding the information contained therein and checking the authenticity and reliability of the whole effort.

7. It is desired that each District Intelligence Officer draw up without unnecessary delay a detailed schematic diagram of the German Intelligence and Propaganda activities within his District, emphasizing the information already available as contained in Enclosures (A) and (B), which are within

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his respective area, as a base from which to start. In other words, expand the present diagram and information. Each district organization should include:

- (a) Names and addresses of undercover agents, paymasters, and "letter boxes".
- (b) Names of subversive units or elements with their respective leaders, location of each, etc.
- (c) Names and addresses of agents and subversive elements with their respective leaders in contiguous foreign territory, such as Mexico and Canada.

8. Serious effort should be made, wherever possible, to differentiate between activities of the Foreign Organization of the Nazi Party, and activities directly promoted by the German Government, and it is also important to definitely establish the actual position or rank of the various individuals involved. In the past informers' statements that so and so was "The Chief of all Nazi activities in this area" or "Head of the Gestapo" have been taken too literally. Such statements should be carefully checked to determine the actual status of the individual. It is only natural that informers should attempt to make their information seem important by describing such persons as high officials of the party or Government Service but there is no reason for the Intelligence Service to accept these evaluations on their face. For example: It is believed that the Gestapo in the United States is actually a rather small, although highly efficient, organization and it seems improbable that there are as many "chiefs" and "leaders" as have from time to time been mentioned.

9. Quasi official German organizations should include such organizations as the Trans Ocean News Service, Fortra, Inc., German Chambers of Commerce, Business Men's and Political Clubs such as the various German Clubs and Deutsches Haus establishments, cultural institutions and societies, or even purely social clubs, etc. Most German commercial efforts may be regarded with considerable suspicion and it is particularly desired that the names of all German firms operating in this country, together with a list of their branch offices, the key personnel, banking affiliations and the depositry of their funds, be compiled.

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10. Four copies of each detailed schematic district diagram, together with such lists or cards as may relate thereto should be forwarded to the Office of Naval Intelligence.

11. In connection with the investigative activities which are necessary to the proper accomplishment of the above tasks it is especially desired that full and appropriate cooperation be maintained with the field services of the Military Intelligence Division and the Federal Bureau of Investigation, in order to avoid a duplication of effort.



W. S. Anderson,
By direction.

NAVY DEPARTMENT
Office of the Chief of Naval Operations
OFFICE OF NAVAL INTELLIGENCE

WASHINGTON

In reply refer to No.
Op-16-B
A3-1/EN3-10
Serial No. 0309816

November 13, 1940

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From: Director of Naval Intelligence.
To : Division of Naval Intelligence.

Subject: Section 16-B-7, Counter Espionage; Establishment of.

Reference: (a) O.N.I. Organization Diagram No. 1 dated December 5, 1939.

Enclosure: (A) Counter Espionage Section Instructions.

1. Section 16-B-7, Counter Espionage is hereby established.
2. The Counter Espionage Section will be made up of four subdivisions consisting of (a) German, (b) Italian, (c) Japanese and (d) Communist and Miscellaneous. Each subdivision will be headed by an Officer assisted by such Officer Assistants and clerical force as is considered expedient.
3. The general task of the Counter Espionage Section will be to: "Evaluate, classify, index, file, chart and disseminate information regarding espionage, sabotage, propaganda and subversive organizations of actual or potential enemy, enemy agents and sympathizers."
4. The task of the subdivisions will be to: "Evaluate, classify, index, file, chart and disseminate information regarding espionage, sabotage, propaganda and subversive organizations of (a) German, (b) Italian, (c) Japanese, and (d) Communists and Miscellaneous Nationals and Organizations."
5. Detailed instructions for each subdivision, shown in the enclosure, will not necessarily be included in the War Plan Directive.



W. S. Anderson,
Rear Admiral, U. S. Navy,
Director of Naval Intelligence.

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Distribution:

- (1) each District Intelligence Officer
- (1) each Branch and Section of ONI

ENCLOSURE (A)

COUNTER ESPIONAGE SECTION INSTRUCTIONS

Reference: (a) ONI-19 Articles 106, 138(b), 201(a)(2), 203 and 204.

(b) GO 26, ONI-19 Articles 107, 135, 137, 138, 142, 145, 170-180, 201(d), 204, 210, 388.

1. Sources of Information consist of (a) the central file of the Domestic Intelligence Branch, (b) files of the other Branches and Sections of the Division of Naval Intelligence, (c) incoming information from other Sections of the Domestic Intelligence Branch and other Branches and Sections of the Division of Naval Intelligence, (d) incoming information from District Intelligence Organizations, (e) incoming information from F.B.I., M.I.D., other Government Agencies, Civil Agencies and individuals, and (f) Special Investigations and studies instituted by other Sections of the Domestic Intelligence Branch and the District Intelligence organization.

2. Methods by which Information Obtained from Sources.

(a) Search of files of Naval Intelligence Division.

(b) Mail and File Room of Domestic Intelligence Branch.

(c) Routing from other Sections and Branches of Naval Intelligence Division.

(d) Investigations undertaken by "Investigating Section (B-3)" directly or through the District Intelligence Organizations.

(e) Subcharts prepared by District Intelligence Organizations.

3. Evaluation of Information. This function of the Section is the most important and difficult one to perform. It is evident that a proper evaluation must be made if the Naval Service is to profit by the information. Instructions regarding evaluation are set forth in the Articles of ONI-19 listed in reference (a) of this Enclosure.

4. Classification of Information. A suspect file will be maintained in accordance with the instructions contained in CNO letter Op-16-B, A8-5/QQ/ND, (SC)A8-5(4), Serial No. 0309316, of November, 1940 on the subject of Suspect Lists and Files. This will be carried out in a uniform manner by all Subdivisions under the general direction of the Officer in Charge.

5. Charting of Information. A uniform system of charting the information, consistent with the subject to be charted, will be adopted. It will, in general, consist of a Schematic Diagram headed by the Country of Origin in the case of Nationals and the Head Office in the case of

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Organizations. This Schematic Diagram will not necessarily include a detailed study of local organizations in Naval Districts. It is expected these will be supplied to ONI by Naval District Intelligence Organizations.

6. Dissemination. This is another most important function of this Section. The Naval Intelligence Service may obtain the finest and most complete information in the world but it will be of no value to the Naval Service unless it is promptly and properly disseminated to all the Naval Activities and other Government Agencies concerned. Each subdivision will, in its dissemination of information, route it to the proper Branches and Sections of the Division of Naval Intelligence, other Divisions of the Office of the Chief of Naval Operations, and interested Bureaus, Offices and Agencies of the Navy Department. Where forwarding letters are required to other Naval Activities outside the Navy Department and to Government Agencies, such letters will be prepared for the signature of the Director, Assistant Director or Head of the Domestic Intelligence Branch. The Head of the Domestic Intelligence Branch will be kept fully advised of any important information received, evaluated and disseminated. Additional instructions are contained in Articles of ONI-19 listed as reference (b) of this Enclosure.

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WASHINGTON

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In reply refer to:

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(SC)A8-5/EF30
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Serial No. 0279816

October 26, 1940

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From: Chief of Naval Operations
To : Commandant, First Naval District;
Commandant, Third Naval District;
Commandant, Fourth Naval District;
Commandant, Fifth Naval District;
Commandant, Sixth Naval District;
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Commandant, Eighth Naval District;
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Commandant, Twelfth Naval District;
Commandant, Thirteenth Naval District;
Commandant, Fourteenth Naval District;
Commandant, Fifteenth Naval District;
Commandant, Sixteenth Naval District;
Commandant, Navy Yard, Washington, D.C.

Subject: German Espionage, Intelligence, Propaganda and
Cultural Organizations in the United States.

Enclosure: (A) German Intelligence Network, Atlanta, Georgia.

1. Enclosure (A), prepared by the Sixth Naval District,
is forwarded for your information and file.

2. This is the type of information which should be
submitted by all Districts at the earliest possible date. It
is desired for all foreign countries involved in such activi-
ties.

3. To standardize storage, it is requested that
these charts be prepared on standard cross-section paper similar
to that manufactured by Keuffel and Esser Company, engraving
322, 12 by 12 to the inch.

W. S. Anderson

W. S. Anderson,
By direction.

CC: F.B.I.
M.I.D.

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