
This war criminal's odyssey
from German death camps to a California hospital
is a journey through the
murky shadows of cold-war spying—a world where
genocide may be forgiven
and years of loyal service betrayed.

NOT JUST ANOTHER NAZI

BY CHRISTOPHER SIMPSON

By the time he died in March of 1982, Otto Albrecht von Bolschwing had felt the immutable hand of retribution reach out to him from countless graves. He lay in a California hospital, his body ravaged by disease; his skin hung in flaccid folds off his arms and face, the classic image of a concentration camp prisoner. He was shrunken and emaciated, staring with listless yellow eyes at an approaching and certain death.

Some say the terrible form of his death

was appropriate, for Otto von Bolschwing was a Nazi war criminal, one of the men responsible for Nazi Germany's greatest crimes, the concentration camps and the Holocaust.

In a narrow sense, he had escaped justice: he never served a single day in jail for the crimes that sent his former associate, Adolf Eichmann, to the gallows. In the larger sense, his agonizing death exacted a form of justice the victims could never obtain for the past forty years.

PAINTING BY RICK McCOLLUM



The question of justice in Bolschwing's case is of some interest, for it was the United States that protected him from any prosecution. And that was because Bolschwing, despite his stature as a major war criminal, went to work for the CIA. In the end, the agency would betray him.

By then, Bolschwing had outlived his usefulness to American intelligence. But during the days when he worked for American intelligence, Bolschwing was an important part of post-World War II U.S. intelligence operations in Europe. In retrospect, these operations today seem overly dramatic, since they involved crash programs to develop a large secret guerrilla army to fight the Russians and the emergency dropping of agents by parachute into the Soviet Union. But the judgment was different at that time, when the Soviet domination of Eastern Europe, the Berlin blockade, and other events convinced the United States that war with the Soviet Union was imminent. That context is necessary to understand why this country would take the drastic step of recruiting and protecting a man with the odious reputation of Otto von Bolschwing.

Bolschwing, before his illness a tall, handsome man, came from an aristocratic Prussian family that traces its ancestry to the fourteenth century. In this country, he became a top executive with multinational companies, a man with easy access to the corridors of power in Europe and the United States.

Otto von Bolschwing used senior officers of the Chase Manhattan Bank as personal references, partied with international diplomats, and lunched regularly with ranking Republican Party figures, including a former New Jersey governor who watched over and encouraged Bolschwing's career at several key junctures. He eventually emerged as president of a California electronics firm engaged in classified research for the U.S. military.

Otto von Bolschwing was born a baron in 1909, and was trained to exhibit the formal gentility characteristic of Prussian nobility. He could be warm on occasion, but preferred to present a cool aloofness in both business and family relations. Many women found him charming, for a time. He had four marriages: one ended in suicide, three in divorce.

He was, more than anything else, a survivor. Supremely opportunistic, he profited from the Nazi extermination of Jews, then from the defeat of Nazi Germany itself. He survived a Gestapo prison, the postwar hunt for fugitive Nazis, and a string of traumas that would have broken most men. He was also a consummate secret agent who knew how to lie and how to keep his mouth shut—the two cardinal virtues of the professional spy. The CIA recognized his skills and after World War II put him to work on some of the most sensitive operations the agency has ever undertaken.

In the end, Bolschwing was laid low by a degenerative brain disease, prosecuted

by the U.S. Department of Justice for concealing his Nazi past, and—at least as he saw it—betrayed by the CIA, which he believed had promised to protect him from prosecution for his Nazi activities. It was a perfectly reasonable assumption. Bolschwing was one of a larger crew of Nazi intelligence agents and collaborators who had entered this country with the blessing of the CIA during the early 1950s. Some went to work for CIA-funded Radio Free Europe, some for the State Department, and some for the Pentagon, where they trained anti-Communist guerrilla units that were among the progenitors of the Green Berets. His case is similar in some respects to that of notorious Gestapo leader Klaus Barbie, the "Butcher of Lyon," who aided U.S. intelligence after the war in exchange for years of protection from prosecution as a war criminal.

Otto von Bolschwing told a lot of lies during his lifetime, including a number under sworn oath. Finding out the truth about

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his life is no easy matter. But he could also tell the truth, particularly when it was in his interest to do so. The stories told in this article, some of which come from Bolschwing himself, have been confirmed through records in his personal papers, documents obtained under the Freedom of Information Act, captured German war records, and scores of interviews with Bolschwing's intelligence colleagues, business associates, and family.

Otto von Bolschwing joined the Nazi Party in his native East Prussia on April 1, 1932, at the age of twenty-two. It was a logical decision, as he saw it. "I had land and property in Upper Silesia. I felt that there were only two choices open to me," he was to relate later. "One, either I lose my holdings through a Communist takeover, or two, I join the Nazi Party and hope that the Communist effort would be thwarted."

His first known brush with espionage was a role in the creation of an amazing secret alliance between the underground Zionist organization Haganah in Palestine and the Nazi SS, a pact that flourished for several years during the 1930s. Bolschwing was an importer in Jerusalem, spe-

cializing in trade under the Ha'avara agreements, which were special contracts between the Nazi government and the Jewish Agency for Palestine. Rich Jews were permitted to emigrate or to trade with Palestine (a British protectorate at the time) on the condition that the trade be conducted with authorized German companies and that valuable foreign currencies be exchanged for German marks. The Nazis enjoyed the added benefit, in their eyes, of getting rid of undesirable Jews and creating problems for the British, who were attempting unsuccessfully to head off Jewish emigration to Palestine.

Bolschwing befriended Theodor von Mildenstein, a key Nazi intelligence agent operating under cover as a journalist, who was in charge of anti-Jewish affairs for the Nazis in the entire Middle East. It was Mildenstein who was to induct Bolschwing into the secret cult of intelligence. In turn, Bolschwing later introduced Mildenstein to Feivel Polkes, a commander of the Haganah. The two men soon engineered a covert agreement under which the Haganah was permitted to run recruiting and training camps for Jewish youth inside of Germany. These young people, as well as certain other Jews driven out of Germany by the Nazis, were encouraged to immigrate to Palestine. Polkes and the Haganah, in return, agreed to provide the Nazis with intelligence information about the British in the Middle East. Captured German intelligence records claim that Polkes believed the Nazi persecution of the Jews could be turned to Zionist advantage by increasing Jewish immigration to Palestine.

Mildenstein then introduced Bolschwing to Adolf Eichmann. The relationship was apparently more than a casual one, for Bolschwing was to play a key role in arranging conferences between Eichmann and Polkes in Vienna and Cairo, contacts that established Eichmann as a "Jewish affairs expert" and laid the foundation for his later career as chief architect of the extermination of European Jewry. Bolschwing advised Eichmann on improved methods for the systematic expropriation of Jewish assets, recommending a program of government-sponsored terror to force Jews to flee from the Reich. (After the war, an advisory report written by Bolschwing for Eichmann fell into the hands of the East German government, which later turned over copies to the U.S. government to aid in Bolschwing's prosecution. Both governments refuse to make it public today. An expert source who has reviewed the documents, however, describes them as "a cold-blooded report of the sort one seldom reads even among Nazi documents. It bluntly recommended that terror be used to force Jews to leave" the Reich.)

Bolschwing was personally to test his anti-Jewish strategy a few years later, when he was appointed Nazi intelligence chief for Romania. In November 1939, Bolschwing accompanied several senior

Nazis on an inspection tour of Romanian oil fields, whose supplies were crucial to Hitler's war machine. Within weeks, he was appointed chief of the SD (the Nazi intelligence service) for Romania. His main assignment was liaison with the violently anti-Semitic Romanian organization known as the Iron Guard.

Bolschwing's principal contact within the Iron Guard was Constantin Papanace, who was finance minister in a coalition government divided between the overtly fascist Iron Guardists and a right-wing nationalist general, Marshall Ion Antonescu. During the period of Bolschwing's liaison with Papanace, a series of measures were instituted by the finance minister that bore striking similarity to the anti-Jewish campaign that Bolschwing had earlier proposed to Eichmann. Jewish commercial and agricultural property was seized across Romania, and the government condoned countless acts of minor terror against the Jews.

The Iron Guard was not content with its secondary role in the coalition government. On January 20, 1941, an attempted putsch to overthrow Antonescu was launched in Bucharest with the direct support of the SD office and of Bolschwing in particular, according to captured German war records. The revolt was accompanied by a hideous pogrom. Guardists stormed into the Jewish sector, burning synagogues, looting stores, and destroying residences. Hundreds of Jews were rounded up for execution. Some victims were actually butchered in a municipal meat-packing plant, hung on meat hooks, and branded with red-hot irons. One witness saw a girl of five hanging by her feet like a slaughtered calf, her body smeared with blood. At least 630 people were killed by the Iron Guardists, according to contemporary reports, with another 400 reported missing. "In the Bucharest morgue, one can see hundreds of corpses," a Nazi military attaché reported to headquarters. "But they are mostly Jews."

But Iron Guardists had seriously miscalculated and the revolt was suppressed, even as the pogrom continued. The Antonescu regime proved to be considerably stronger than the Guardists had anticipated. More important, the Nazi forces in Romania failed to intervene on their behalf, as they had been led to expect by Bolschwing and other ranking SD and Gestapo officers before the coup attempt. Instead, the German Foreign Ministry, which had been locked in an intense bureaucratic battle with the SS and SD for several years, attempted to make peace with Antonescu to secure Nazi interests in Romania. A Romanian government report for Antonescu stated that Bolschwing had helped plan and had personally participated in the Guardist's revolt.

In the wake of the failed coup, Bolschwing secretly hid thirteen senior leaders of the Iron Guard, including Papanace, Valearian Trifa, and top Guardist leader Horia Sima, in the German compound to protect them from Antonescu. He later arranged for them to be smuggled out of Romania aboard a German military ambulance. The German Foreign Office chief in Romania, Manfred von Killinger, was furious. In a report to Berlin dated February 26, 1941, he related, "SS leader Von Bolschwing was the first to call on me; he protested against the arrests of the Legionnaires [Iron Guard], tried to prove to me at once that the Legionnaires were in the right, and asked me to intervene . . . he concealed from me that he was hiding nine of the principal leaders in an extraterritorial building of the [German] legation. Only after I had been made aware of this by the Romanians did he admit this to me, pretending that he had not wanted to involve me. . . . [On the occasion when] Bolsch-

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wing had to confess this to me, he gave the impression of being absolutely prostrate and had tears in his eyes, although he is otherwise a brave man. I could not avoid the impression that he was deeply shaken. . . ."

He had good reason to be. The German foreign minister, Joachim von Ribbentrop, had been waging a behind-the-scenes battle against SS chief Heinrich Himmler for Hitler's favor, and the Romanian blunder by the SS and SD was just what Ribbentrop needed. Bolschwing's activities—painted as an SS plot to undermine Hitler's authority in foreign affairs—were reported directly to the Führer. Despite evidence that Bolschwing was acting under direct orders from SS headquarters in Berlin, it was he who took the blame for the failed coup. He was dismissed immediately as SD chief in Bucharest and shipped back to Berlin, where he was to spend months in a Gestapo prison. He was lucky to escape with his life, which he did mainly because of the intervention of SS chief Himmler.

He was released from prison in 1943 without explanation. He moved to Amsterdam and established the Bankvoor On-

roerende Zaken ("Bank for Real Estate") with the tacit approval of SD authorities in the Netherlands. Such banks were relatively common under Nazi occupation, for they were used to seize and liquidate real estate owned by Jews who had been shipped to concentration camps. "The use of such banks was a well-known way, even for amateurs, to enrich themselves at the expense of the Jews in all of the Nazi-occupied territories," comments Robert Wolfe, chief of the modern military records branch of the U.S. archives. "And Mr. Von Bolschwing was not an amateur. He was a professional."

By late 1944, the Reich was disintegrating. A number of leading SS officers had already opened secret surrender negotiations with U.S. intelligence. Bolschwing was later to claim that he, too, began secret collaboration with the Allies. It is clear that the SS had begun to doubt his reliability. In February 1945, an SS court stripped him of his rank and ruled that he was too "degraded" to remain a member of the organization. Bolschwing later claimed the reason for his expulsion was the Nazis' suspicion that he had joined the Resistance, but the truth is probably somewhat more ordinary. After getting divorced while he was still in the Gestapo prison, Bolschwing had married what the Nazis called a *mischling* (a "half-breed," or part-Jewish woman), an act that required considerable courage at the time, particularly considering his history of anti-Semitism. This alone was grounds for expulsion from the SS. Regardless of why he was expelled, it is clear that Bolschwing began active—one might even say enthusiastic—collaboration with the Allies at least as early as the spring of 1945, when American troops swept through western Austria.

In the personal papers Bolschwing left after his death is a tattered, handwritten letter from Lt. Col. Roy Goggin of the U.S. Seventy-first Infantry. It reads, "To whom it may concern: Otto von Bolschwing personally captured over twenty high-ranking Nazi officials and SS officers, and led patrols that resulted in the capture of many others." This was the beginning of an alliance with U.S. intelligence that was to become deep and abiding. "I agreed to obtain for them information concerning the movements and strengths of the German military, including German rocket research at Camp Schlatt," Bolschwing was to explain later. "After the German surrender, I continued working for the U.S. forces, first in the capacity of the military government, and then, starting in 1947, in intelligence activities with the U.S. forces. . . . I had continuous service with U.S. intelligence until my departure for [America] in January 1954."

In the earliest days after the war, he specialized in capture and interrogation of Nazi military men and intelligence agents, and was attached to the Investigation and Enforcement Bureau of the military government in Bavaria, according to security

passes and other documents found in his archives. Former SS general Klaus Barbie, meanwhile, was running an intelligence network for the Americans based at Augsburg, near Munich, according to his former agent-controller. Recently released French intelligence documents contend that the CIA hid Barbie from the French, who wanted to prosecute him for his role in the execution of 4,000 French civilians. Barbie successfully fled Europe in 1951, apparently with the help of the CIA.

Bolschwing continued to advance in the intelligence trade. "In 1947, 1948, and early 1949, I was assigned [by the CIA] to the Gehlen organization . . . primarily in offensive intelligence against the East Bloc," he was later to assert in a secret interview with investigators from the U.S. Air Force. Bolschwing was provided with money, a top-secret security clearance, and travel privileges throughout Europe. The Gehlen organization was composed of former members of German intelligence who had worked on the Eastern Front. They were funded by the Americans in the wake of World War II as CIA assets under their leader, Gen. Reinhard Gehlen. Gehlen brought the Americans voluminous records concerning the Soviet Union and Eastern Europe at a time when the U.S. had virtually no "inside" knowledge of those regions and—indeed—no central U.S. organization to process what little espionage information they had gathered on their own. Gehlen's experienced spy networks were America's principal source of intelligence on Eastern Europe until the mid-1950s, when the CIA began its own efforts. The Gehlen Organization became the Bundesnachrichtendienst (BND), the West German intelligence agency, in 1956.

Bolschwing lived well following his assignment to Gehlen. He was provided, at CIA expense, with an estate in Salzburg, cover employment, a false identity ("Otto Mair"), and a lucrative salary. Officially, Bolschwing worked for "Austria Verlag" in Vienna, a branch of the Austrian League for the United Nations, according to records found in his papers. He used that position—along with the help of active intervention by U.S. intelligence agencies—to apply for Austrian citizenship in 1948 and to win clearance for his Nazi activities from an Austrian denazification court. According to one Gehlen veteran—now an influential attorney living in the U.S.—Bolschwing was one of the highest-ranking non-American CIA employees in Europe after the war. His responsibilities included spotting and recruiting agents, the source asserts, and he specialized in cross-border operations, infiltrating spies into Eastern Europe.

There can be little doubt that the U.S. intelligence agencies that made extensive use of Bolschwing were aware of his record, including his role in the Bucharest pogrom. A mission by the Office of Strategic Services (OSS), code-named Operation

Bughouse, entered Bucharest in August 1944 and captured the German Foreign Ministry files nearly intact, including most of the correspondence concerning the 1941 coup attempt, along with extensive SD files. The seizure of these records was regarded by the OSS as one of the most important intelligence coups of the war, and they were extensively analyzed by a team of American experts. According to the official war report of the OSS, the records permitted the identification of more than 4,000 Axis intelligence officials and agents, about 100 subversive organizations, and some 200 firms used as commercial cover by Nazi agents. The files were transmitted to Allied headquarters, according to the OSS report, and were used extensively in the Nuremberg prosecution of Nazi war criminals. The Bughouse mission, it is worth noting, was led by Frank Wisner, who was later the administrator and moving force behind the cross-border missions undertaken by the



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CIA—with the help of Bolschwing—in the early 1950s.

There is another important bit of evidence concerning American awareness of Bolschwing's relationship with the Iron Guard leadership and the 1941 pogroms. According to a sworn deposition Bolschwing gave to the U.S. Justice Department in June 1979, he was utilized by U.S. intelligence *precisely because* of his Iron Guard connections. "In the summer of 1948, at the height of the civil war in Greece, I was asked by my American courier officer to make contact with the Romanians, who might influence the Greek situation," Bolschwing asserted. "In the course of that endeavor, I visited with Mr. Constantin Papanace [the anti-Semitic finance minister whose life Bolschwing had saved], who was residing under the presumed auspices of the Vatican in or near Rome. . . ."

By 1948, U.S. intelligence believed that it was only a matter of time before war broke out between the U.S. and the Soviet Union. The use of Russian occupation troops to consolidate Soviet power in Hungary, Bulgaria, Czechoslovakia, and Poland—each of which was presumably

to have been guaranteed free elections after the war—was regarded as proof. The Soviet 1948 blockade of Berlin, which crystallized the division of Germany into East and West and precipitated the Berlin airlift, was the final straw.

Wisner, the ex-OSS man then head of the CIA's program to mount operations against Eastern Europe, drew up plans for a systematic program of covert action—including the use of sabotage and assassination—against the Soviets. The rationale was simple and would be used frequently during the Cold War: the Soviets had enjoyed considerable success using similar measures in postwar Europe. The U.S., therefore, had to fight fire with fire. By 1948, Wisner was chief of the Office for Policy Coordination, as the CIA's covert-operations apparatus was then known. He traveled to Berlin and personally met with Gehlen during the height of the Berlin blockade. Wisner made it clear to Gehlen that the U.S. government had decided to sharply escalate the spy war in Europe. Gehlen's top priority was to be the establishment of a private army of anti-Soviet émigrés for clandestine work inside the U.S.S.R. and Eastern Europe. Within three years, more than 5,000 émigrés had been enlisted.

Gehlen's organization ran a special émigré school for sabotage at Bad Homburg, West Germany, and paramilitary training was provided for hundreds of émigrés from virtually every country in the Soviet orbit. Key officials in many of these émigré organizations had actively cooperated with the Nazis during the German invasion of Russia. The émigré guerrilla program soon became the primary focus of U.S. intelligence operations in Europe. Systematic airdrops of such émigrés into the U.S.S.R. and Eastern Europe began as early as 1949, and scores of highly trained agents were parachuted into the East over the next several years. Virtually all of these operations used a secret airfield at Thessalonica, Greece, as their staging point, although a few were landed by sea or infiltrated over the borders. This was by no means a halfhearted effort. The émigré agents, all of whom were volunteers, were provided with clothing, currency, and identity papers suitable for their targets, as well as arms, explosives, and secret radio transmitters. Tens of millions of dollars were spent on these operations, and the effort eventually became the largest single item in the CIA budget.

Bolschwing's exact role in these operations is unclear. It is known that he traveled repeatedly to Thessalonica at the behest of the CIA during this period, and that he maintained contact on behalf of the CIA with extreme right-wing Romanian organizations.

One former intelligence officer claims that he ran a covert-operations network in Hungary utilizing Jesuit priests and Catholic lay activists. Another source closely connected with Bolschwing during this period recalls that long black limousines

pulled up to the door of the Bolschwing estate. "This created quite a stir. It was a symbol of authority. U.S. Army officers and Jesuit leaders would step out, and Otto would go for long walks with them in the woods to discuss operations." It is clear, however, that virtually all of these cross-border operations ended in failure. The émigré organizations had been deeply infiltrated by Soviet double agents, who were aware of most airdrop operations before they took place. Even "successful" operations, the CIA was later to conclude reluctantly, were measured in the few days or weeks before the émigré agents were caught. They were usually shot.

Bolschwing left Europe precipitously at the end of 1953: Most Germans at that time found visas to the U.S. virtually impossible to obtain, and waiting periods of a year to eighteen months were the rule. Bolschwing, with the assistance of the American consul general in Berlin and Munich, received his in only a few days. It is tempting to speculate that the reason for this move was some dramatic piece of spy history. Was it some fallout from the East German riots of 1953? Soviet assassins on his tail? (He had, in fact, nearly been captured on one occasion at the Vienna airport, when Russian security forces surrounded his plane.) Perhaps it was betrayal by a double agent? The truth is more mundane: according to sources who knew him at the time, Bolschwing believed his wife was having an affair with his CIA-supplied bodyguard. Immigrating to America was a simple solution to a bitter personal problem.

Wisner, the ubiquitous chief of the CIA's covert action department, took a close personal interest in the immigration problems of anti-Communist refugees. It was Wisner, more than any other intelligence figure of the time, who was responsible for programs aimed at utilization of such Nazi "assets" as Bolschwing and Klaus Barbie, and it was Wisner who spearheaded the CIA's effort to permit immigration to the U.S. and South America of thousands of émigrés—some of whom were convicted war criminals—who were believed to be "of use" to the U.S.

When Bolschwing entered the United States with the assistance of the CIA in February 1954, he believed that his nine years of work for U.S. intelligence had won him an unofficial—but effective—amnesty. It was almost thirty years later when he discovered that he, too, was considered an "undesirable alien" by a new generation of U.S. government officials. Clearly, Bolschwing had outlived his usefulness.

Bolschwing's travel documents at the time he arrived in the U.S. were so full of inconsistencies that the U.S. immigration authorities must have been sleeping when they admitted him. His passport—actually a "Temporary Travel Document in Lieu of Passport" issued by the U.S. State Department in Berlin—contradicted his immi-

gration visa on at least five points. And he carried with him a false police report, probably obtained with the assistance of the CIA, which claimed he had never been arrested. He did have at least one thing going for him, however. His visa listed his destination as "Washington 25," a Department of State post office known to intelligence insiders as a mail drop for the CIA.

Bolschwing's first months in the U.S. were difficult, but he landed a job as an electrician in a General Electric plant, and he managed to support his family. But less than a year after stepping off the boat in New York harbor, Bolschwing was on his way up the corporate ladder. The Warner-Lambert Pharmaceutical Company (best known as the manufacturer of Listerine and Bromo-Seltzer) hired him as a tax and foreign-trade expert.

The work at Warner-Lambert seemed to suit him well, and it was not long before Bolschwing was named chief assistant to

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**Bolschwing's defense
—that he had expiated his
crimes through his
service to the CIA—remains
under court seal as a
result of a deal with the CIA.**

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the director of the company's international operations. It was in that post that Bolschwing came to the attention of Alfred Driscoll, the company's president, and Elmer Bobst, its chief executive officer. Both men were impressed with his skills and personality, and both would later write warm letters of recommendation for him. Driscoll financed Bolschwing's 1957 tour of Europe out of his private funds. Driscoll and Bobst, it is worth noting, also enjoyed close friendships with another man: then Vice-President of the United States Richard Nixon. Bobst, a self-made millionaire, was one of Nixon's earliest and most dedicated campaign contributors. He vacationed with the Nixon family (who referred to him as "Uncle Elmer") on many occasions, and it was Bobst and Driscoll who personally won Richard Nixon a lucrative job with a Wall Street law firm following his unsuccessful 1962 bid for governor of California—by guaranteeing his new employers a contract to represent Warner-Lambert, but only if they hired Richard Nixon to do the work.

Some Bolschwing business associates even say that he claimed to have met Richard Nixon on occasion, but that cannot be

proved. It can be proved, however, that Richard Nixon did do several important favors for two men who were deeply involved with the Iron Guard, the Romanian fascist organization that had played such a large role in Bolschwing's life. Nixon, for example, arranged for Bishop Valerian Trifa to offer the opening prayer at a session of the U.S. Senate in 1955, at a time when Trifa was locked in a political battle for control of the 1.6 million-member Romanian Orthodox Church in the U.S. Trifa, who is now facing deportation because of his war criminal record, is not just any bishop. In 1941, he was the youth leader of the Iron Guard and played a key role in the instigation of the Bucharest pogrom. On the eve of the massacres he delivered this radio message: "The Jews, even if they were hidden in the nest of the serpent, we will find them there and we will kill them." And Trifa, who was later to serve as a Gehlen organization informant in Vienna, was one of the group of top Guardist leaders whose lives Bolschwing had saved in Bucharest.

Nixon also went to bat for Nicolae Malaxa, a multimillionaire Romanian businessman who had made much of his fortune selling war material to Hermann Göring before the war. According to captured Nazi war records, Malaxa was the "financial mainstay" of the Iron Guardists, and his estate served as the Bucharest headquarters and ammunition depot for the Guardists during the 1941 revolt. Nixon waged a successful five-year battle to permit Malaxa to immigrate to the U.S., and personally introduced special bills in Congress and intervened on Malaxa's behalf with the Immigration and Naturalization Service.

Perhaps the connections among Otto von Bolschwing, the Iron Guardists, and the American industrialists and politicians after the war were nothing more than coincidences. But they are curious coincidences nonetheless.

Otto von Bolschwing's next move up on the corporate ladder came in 1963, when he went to work for the Cabot Corporation, a multibillion-dollar international conglomerate specializing in natural gas and chemical production. Cabot eventually made him managing director of the company's entire German operation, and Bolschwing was responsible for overseeing the construction of a large chemical plant near Frankfurt. Bolschwing, by then in his mid-fifties, had arrived. Senior members of the Cabot family, who closely control the Cabot Corporation, hired Bolschwing because they recognized him as a talented administrator. The Cabots, after all, are known for prudent investing. But here again, Otto von Bolschwing's intimate ties to U.S. intelligence didn't hurt him. Thomas Dudley Cabot, chairman of the board of the company, had been director of international security affairs at the Department of State in 1951, when the CIA's covert-action division was running its airdrop program with funds laundered

through the State Department. And Cabot was also former president of the United Fruit Company, which was the main corporate backer—and main beneficiary—of the famous CIA-sponsored coup in Guatemala in 1954. Another company director had chaired the President's Foreign Intelligence Advisory Board.

In 1969, Bolschwing took what he believed to be another step up the corporate ladder. He was hired first as a consultant and later as president of Trans-International Computer Investment Corporation (TCI), in Sacramento, Calif. He could not have known it at the time, but it was to be the beginning of the end of his career as a captain of industry.

Otto brought to TCI a remarkable talent for languages—he spoke five fluently—years of experience as an international trade expert in Europe, and, perhaps most important, powerful contacts within the banking and secret intelligence communities. His references were impeccable. One was Horst Werder, a senior attorney with the powerful international law firm of Baker and Mackenzie, who had known Otto since his earliest years of work for U.S. intelligence. There were directors of the Berliner Handels Gesellschaft, one of the largest banks in Europe, as well as the president of the Deutsche Bank. Senior officials at the Chase Manhattan Bank and the First National Bank of Boston were included, as was the president of the American Chamber of Commerce in Germany.

There were also other references that he could offer, references less well known in the world of high finance, perhaps, but powerful friends nonetheless. One was Everett C. O'Neal, supposedly an attaché at the U.S. embassy in Belgium, but in reality CIA chief of station in Brussels—at least, according to published reports in the U.S. And there was Victor Wallen, another career CIA officer. It was Wallen, according to one source with intimate knowledge of Bolschwing, who instructed him to falsify his citizenship and visa applications and to never reveal, under any circumstances, his relationship to the CIA (Wallen died in 1975).

TCI, Bolschwing's new employer, did classified electronics work for the government, but unfortunately for all concerned, it turned out that a substantial part of the funding for the company had been obtained through what the California district attorney termed "possibly the biggest stock fraud in state history." TCI filed for bankruptcy in March of 1971. Otto von Bolschwing never really recovered. The successful life that he had crafted so carefully since arriving in the U.S. began slowly to unravel.

He returned to his consulting practice for a time, but the lawsuits and other complications stemming from the TCI affair seemed never to end. Symptoms of a fatal degenerative brain disease began to make themselves apparent as early as 1975, when he began writing letters that appeared to indicate that he was slowly

losing touch with reality. His wife—his third—committed suicide following an illness.

In the summer of 1979, the final blow fell. A subpoena arrived from the U.S. Justice Department's Office of Special Investigations, assigned the task of prosecuting Nazi war criminals in this country. Otto von Bolschwing had been caught, and there was to be no rest in his final years. It was, as he saw it, the final betrayal of his service to the CIA and to the covert diplomacy of the U.S. government. In his view, he had done as he was told. He had fought first the remnants of the Nazi government of his own people, and later—when U.S. policy shifted—he had fought Communism in the East, often at the risk of his life. And there had been certain promises made to him—at least, he believed so—that his crimes during the war had been "forgotten."

After concealing his war crimes so long, after so many stories, after so many lies, it

Those who defend
Bolschwing argue that he
was double-crossed by a
government more interested
in political expediency
than in keeping its pledge.

is quite possible that Otto von Bolschwing himself had forgotten exactly what he had done during the war. His fictions had taken on a life of their own. The Gestapo prison story changed. Now, as he told it, he had been imprisoned on suspicion of anti-Nazi resistance, not because of his support for the fascist Iron Guard after it had been double-crossed by the Nazi government. His business and intelligence activities in Palestine before the war were no longer seen as profiteering at the expense of innocents. His reports to Eichmann on improved methods of persecuting Austrian Jews were long forgotten. Instead, his life was retold as a near heroic effort to help Jews escape Nazi persecution. It was all so long ago.

Others viewed the situation differently. Otto von Bolschwing was a war criminal. He had personally helped initiate a murderous pogrom, and had participated in the massive theft of Jewish property and in the planning of campaigns of terror against innocent people. Bringing charges against him—even as he lay on his deathbed—was not revenge, it was justice. Justice that was long overdue.

Bolschwing was indicted in May 1981

on charges that he had lied on his application for U.S. citizenship when he concealed his past in the Nazi Party, the SS, and the SD. His conviction could have resulted in his deportation from the U.S. and the possibility of war crimes trials in Germany, Austria, Holland, or Romania. The prosecutors' charges, of course, were made public. But Bolschwing's defense—that he had expiated his crimes through his service to the CIA, and, to be precise about it, that he had been instructed to lie on his citizenship application by U.S. government officials—was placed under court seal in California. It remains under seal today as a result of an agreement reached among attorneys for the defense, the prosecution, and the CIA. Copies of many of these documents, however, have been obtained during the preparation of this article. A settlement was reached, under which the terminally ill Bolschwing was permitted to surrender voluntarily his U.S. citizenship and remain in the U.S. until his death. It is quite likely that he was too sick at that point to understand what had transpired. He died in a California hospital a few months later. (CIA spokesmen, as is customary, would neither confirm nor deny that Bolschwing had ever been associated with the agency.)

Otto von Bolschwing's defenders—and there are more than a few of them—knew him during his service to the CIA, in his business career, or in his family life. They argue that Bolschwing was, again, double-crossed by a government more interested in political expediency than in keeping its pledge.

But to Walter Rockler, the former government attorney who headed the Department of Justice unit that prosecuted Otto von Bolschwing, the issue is clear-cut. "I don't care what he did after the war," Rockler asserts. "I know what he did during it."

Editor's note:

The article you've just finished reading raises many important philosophic issues, not the least of which is the question of what justice is really all about. At the time Bolschwing was recruited by U.S. intelligence agents, the necessity to take all precautions against the Soviet menace appeared to outweigh the distasteful prospect of employing a Nazi war criminal. Yet—by today's standards—such employment seems to be a stain upon our honor. We are very interested in our readers' feelings about this dilemma, a problem that has recently been dramatized by the government's protection of vicious criminals who testify against organized-crime figures. The question is: when—if ever—does one draw the line in dealing with criminals for the sake of society as a whole? And, is it right to condemn, with the benefit of hindsight, actions that were taken years ago in good faith? We will publish the most interesting and provocative responses in "Feedback" over the next few months. O—

Otto von Bolschwing; Ex-Captain in Nazi SS

SACRAMENTO, Calif., March 9 (AP) — Otto von Bolschwing, a former German SS captain who voluntarily surrendered his United States citizenship last year after a Justice Department investigation of his Nazi past, died Sunday in a Sacramento hospital. He was 72 years old.

Mr. von Bolschwing had been suffering from progressive supranuclear palsy, a rare and incurable brain disease.

Mr. von Bolschwing, who emigrated to the United States in 1954 and became a naturalized citizen in 1959, had contended that he was a double agent in World War II, aiding American Army intelligence units while holding sensitive high-ranking posts in the Sicherheitsdienst, the elite SD foreign intelligence arm of the SS, a quasi-military unit of the Nazi Party.

Because of Mr. von Bolschwing's deteriorating health, the Justice Department agreed to allow him to remain in the United States after he surrendered his citizenship last December.

After becoming a United States citizen, he had a wide-ranging business career. He served as a high-ranking official in international marketing at the Warner-Lambert Pharmaceutical Company and served as an international business consultant to TCI, an advanced technology concern in the Sacramento and San Jose areas that went bankrupt in 1971.