# DMITRIY LITVAK



"NOT NOT THE DIKK DIR NOT HE DE DR ' 195"

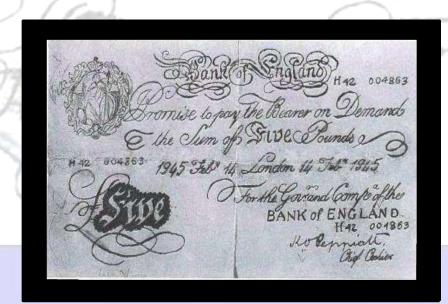
NAME AND DESTREE THE

The untold story of the largest in a history of paper money counterfeiting operation

In 2002, Lawrence Malkin interviewed Max Groen, who lives in Amsterdam, and mentioned that Moritz Nachshtern had written a book about the events taking place in Barak19.

Max was very happy and said:

- Did Moisha wrote the book? Well done! It has to be a REAL book!



On the photo: Drawing of a banknote of 5 pounds drawn by Moritz Nachshtern from his memory, after the end of the war.

A fragment of this drawing is used in the design of the cover of the book.

# DINCOLIE MKIRUDGIEM.'

MAL 40° IN JE JY

The untold story of the large

Dedicated to my parents

Riva and Aaron Litvak

# **PREWORD**

From Lawrence Malkin's foreword to Moritz Nachstern's book *The Counterfeiter. How a Norwegian Jew Survived the Holocaust:* In the Moss Arbeiderbad archive I found Pierre Vollebeck's review of the first edition of this book, dated 1949.

Its absolutely neccesary to everyone to read this book. Not only because it contains sensational facts of what happened in Barak19, but also because even today it is an absolutely realistic and **truthful description** of the events that occurred at that terrible time, which, unfortunately, many of us trying to forget.

I think that even today these words are no less relevant than when they were written - in 1949.

The human mind is very selective and tries its best to protect us from any unpleasant memories. Apparently, over time, people who are describing the events of the past trying to smooth out these events. Especially regarding the events taking place during the World War II.

The history, as a science, has one unsurpassed quality: *It doesn't have subjunctive mood.* 

Those who study it always follow, or at least should follow another immutable rule: **you** can't "write history", only "describe"it.

Those two postulates I followed when start writing my book.

There are many books and publications on this topic, written in many languages. The film, based on the memoirs of one of the direct participants of Operation Bernhard - Adolf Burger, received the Academy Award in 2008, for best foreign film.

I did not want to write "another story" to enforce my personal point of view. Instead, I tried to cite as many facts and memories as possible, even though most of them were contradictory and controversial. I let to each of you to answer on the perpetual

question:

### Who is right, and who is to blame?

Some of the facts are mentioned in passing (as I found them at various sources) – so, I would be grateful for any addition, clarification (or refutation) that I will include in the new edition.

I spent more than decade to research and painstaking work. Went thru hundreds of archival documents. All of that were impossible without the support and understanding of family and friends.

First, the words of gratitude to my wife Yelena, for her support and understanding. Few times when the writing of the book came to a standstill, only thanks to her, I undertook to continue the writing.

Since the almost documents were taken from the English-language sources, special words of gratitude to my children Tatyana and Arthur for hours wich they spent with me to help with translation.

Special words of gratitude for the help in collecting and verifying numerous facts and for the huge moral support to the members of the "Union of Bonists" (Союз Бонистов): Roman Leonov, Dmitry Arkhipov, Alexander Baranov, Alexei Gladkov, Gennady Kopeikin, Dmitry Levushkin, Alexei Avchukhov and Dmitry Nevmyvako.

Also, I want to express my gratitude to the members of the International Bank Note Society (IBNS): Garry Saint, Joe Boling, Pam West, Madi Bseico, Owen Linzmayer, Stefano Poddi, and the head of the *Spungen Family Foundation*, Daniel Spungen, for their research and numerous publications in this area, which were a truly "a well of knowledge" for me.

Special thanks to Kennet Faustman for a second chance.

Also, special thanks to Herbert Friedman, for his invaluable help in directing my perception of the facts of the events described.

Sincerely,

Dmitriy Litvak. New York, 2021

# **(**

## THE GUIDE

It seems that we are, the modern people, can investigate the past without any problem. Get the right word into the search engine, open the appropriate files - and you will be "overflowed with a rain" of archived pages and photos. But the thing is, this is not the past that took place. These are just its echoes, often reached us through the dusty filter of the "deaf phone" of many generations of our predecessors. Each of them understood, cherished, and retold it... in their own way, accompanied it with professional comments of a specialist, or, on the contrary, completely groundless remarks of a self-taught person. He decorated it, or in worse case reshaped it in his own way, tweaking the facts available to him under his own logics of events.

What happens then? Is the past, as we "read" about it, is not a true? To some extent, it is! But this does not mean that now we will have to question absolutely everything that fits into the capacious concept of the "past".

The said above should encourage us to take a more careful and unbiased attitude to the historical annals and eyewitness accounts available to us. Give them the opportunity to express all their pros and cons. And then cool their emotional fervor with a calm and critical view of things, pointing out the mistakes made and obvious inconsistencies in the interpretation.

This is how Dmitry Litvak approached the topic of "bygone days" in his book "Money of Uncle Kruger". He makes no attempt to convince us of his conclusions. He doesn't even draw the conclusions. He only lays out before us all the information known to him and invites us to make conclusisions by ourselves. To personally decide what is true in the described story, and what was "attached" to it on the way to the truth.

The story told by Dmitry is fascinating and at the same time extremely informative. It hasn't lost its intriguing charm over the past six decades. Moreover, it is no less relevant

today than it was happened.

The fact of "Operation Bernhard" still not remaining a mystery to us. Many books and articles have been written on this subject, as well as many documentaries have been made. But it would be a mistake to say that we know everything about it. History is reluctant to reveal its secrets.

The author has found his own approach to the search for truth. He introduces us to the main characters of this adventurous story, giving them the opportunity to tell their own truth. He restores before us the forgotten and forever lost backstage, and as a guide takes us to the places where the events of those distant days were played out.

When reading this book, it is difficult to escape the feeling that you yourself are present at the events described in it: interviews with witnesses or interrogations of the accused. It looks like if you are walking on the trail of counterfeiters and adventurers that has not yet had time to cool down. As if you are personally presenting at the shop were manufacture of unsurpassed quality counterfeits took place or when Nazi hiding compromising products and documents. As if you yourself descend into the cool waters of Toplitzsee and touch the buried "treasures".

The author remains faithful to his style of an outside observer to the end. And having completed his business, he leaves us alone with the feeling that it is too early to put an end to this whole story.

Rolf Meisinger

(Author of the series of books "Banknotes of the World")

Munich, 2009

<sup>1 &</sup>quot;Operation Bernhard" is a code name of a Nazi venture of producing counterfeited English banknotes in 1942-1945.

Despite the fact that book presented like an exciting spy novel, it containing a huge factual material and it is easy to read. The author managed to make a reading feels like a really fascinating story rather than a boring historical study.

### What's the secret?

Dmitriy Litvak, as an author, does not load readers with an abundance of facts and quotes. He leaves a room for imagination, allowing everyone to read the fascinating story of the *Operation Bernhard* - the largest criminal offense in recent history, committed by one state against another.

Dmitro Nevmyvako,

Chief Editor 'Izhitsa'

Odessa, Ukraine, May 2010.



Make money. If you can - be honest, If not, by any means – make money! Horace.

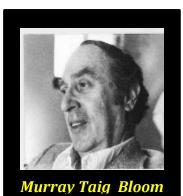
# **ETHE BEGINNING**

Our story started in 1952, when Murray Taig Bloom<sup>2</sup>, by the order of *Esquire* magazine, went to Mexico to collect material for an article about Trotsky's murderer.

The directions from the editorial board were brief and clear: *find out who really was the mysterious man who called himself Jacques Mornard.* 

#### Picture #1: Murray Taig Bloom

In Lecumberry, the suburb of Mexico City, in 1905 was built the prison, better known under its nick name — the "Black Palace of Lecumberry". Where exclusively dangerous and famous criminals were kept in special unit No.1. Among them were: General Pan Tsu Mo - the Chiang Kai Shea agent; Ramón Mercader del Río - better known as Jacques Mornard; Alfredo-Hector Donadieu also known as Enrico Semietro - a



counterfeiter from Marseille, who was engaged in espionage for Mussolini, and later was *a prisoner-counterfeiter* in one of the religious sects of Mexico; Luis Eduardo de Skellyis the heir to a noble family from Spain, who also was one of the biggest international forgers at that time.

## Picture #2: Jacgues Mornard



During his research Bloom met with Dr. Alfonso Quiroz Cuaron - a former professor of criminology, and now (in the 1950s) the head of the special investigations department of the Bank of Mexico. An internationally recognized expert in criminology, he was also an official representative of Interpol in Mexico, where he headed the local department for combating counterfeits. Dr. Cuaron personally interrogated Jacques Mornard in the Lecumbery prison.

<sup>2.</sup> Murray Taig Bloom (1927-2009, hereinafter - MB) - the founder of the Guild of Journalists of America. On his account - more than 650 articles in all magazines of America, from *Harpers* to *Playboy*. He was the author of 8 books. Hobby - collecting counterfeited banknotes.

Dr. Cuaron greatly helped Bloom in gatering information for his article. They spent hours of fascinating conversation about Jacques Mornard. At on one of days Dr. Cuaron invited Bloom on a tour to his small museum of counterfeit money. The museum was located within Bank of Mexico and behind his office. The exibition having forgeries produced by Enrico Sembietro, de Scelli and other counterfeiters, as well as their equipment and tools. The tour lasted until late night, and the conversation about these and many other forgeries continued until next morning...



<u>Picture #3</u>: Mexico, 50 Pesos - Counterfeited banknote made by Enrico Semietro.

Fascinated and intrigued by what he heard, Bloom literally "lit up" with this story and, as a true professional, began his own investigation.

In his research, he traveled around the world, met with many peoples, and worked in the national archives of the United States, Germany, England, Argentina, China, and Portugal<sup>3</sup>. During the World War II he served in the army intelligence service, and now his extensive acquaintances and business connections helped him.

Two years later, his first book was published. He wrote a fascinated story about one of the greatest financial scams in the world: how Alvar Reis, in the late 1920s, was going to buy (!) a Bank in Portugal.

This is followed by 2 more books (respectively 1957 and 1983), where Bloom talks about the most famous security printers and counterfeiters.

Both books contain a significant amount of information on *Operation Bernhard*, and both books reflect his point of view at the time of writing, so the presentation of some facts contradicts each other.

8

**<sup>3.</sup>** U.E. Baughman - Chief of the United States Secret Service; Robert F Grube - Special agent in charge of counterfeit files of SS; Lyle J. Holvestott - Archivist of the National Archives, USA; Robert A. Dillon – Treasury Department's Information Service; Giuseppe Dosi- Head of Italian Dept. of INTERPOL; J.H. Watson- Assayer of the Royal Mint (London); Albert L. Schomp- vice-president of ABNC... This is not a complete list of people to whom Bloom expressed his gratitude for his help in writing books.

This does not mean that Bloom, in one of his books, incorrectly describing the facts. On a contrary - its shows how based on his own research for 25 years, the author's understanding of facts has changed.

"Operation Bernhard" - is the code name of a Nazi endeavour of producing counterfeited English banknotes during World War II, and one of the aspects of this truly impressive and supreme "operation" was that none of its participants were punished.

\*\*\*

England of the 1800s had more counterfeiters than the rest of the world, and until 1832 had the harshest penalties for counterfeiting money. For example, only in 1817: three hundred thirteen men and women were hanged for counterfeiting money (coins and paper). But none of the counterfeiters involved in *Operation Bernhard*, who whithin three years produced more counterfeited banknotes than had been made in the history of mankind, suffered more than when they were its participants.

Bloom wrote in 1957: "While acknowledging the circumstance and scope of the "Operation Bernhard", the strange silence on this fact still remains in books and publications. Dozens of spy and anti-spy stories have found their happy embodiment in books and movies, only Operation Bernhard remains deprived of attention.

The man who can describe it from the inside, Bernhard Kruger, remains silent.

The victim, the Bank of England, never discusses fact of counterfeited banknotes in public.

The story remains untold..."

Between 1947 and 1949, the assistant commissioner of the Swiss Police Dr. André Amstein did the most in-depth and reliable study of the *Operation of Bernhard*. He interviewed hundreds of witnesses and has access to many classified materials in the archives of the United States, Germany, England, and France. He carried out a truly titanic work, but, unfortunately, his 200 pages report was classified.

Through my friends, I was able to read the contents of this report. Even with the use of police jargon and professional abbreviations - like: AKA (Also Known As) and FNA (First Name Unknown) this report is the most fascinating description of the events of the World War II, - said Bloom. <sup>4)</sup>

Speaking of results, Dr. Amstain did not exaggerate when he wrote that this was the largest operation in the history of mankind to make counterfeited money. And here's why:

- it was the largest operation by the number of counterfeits released,
- which lasted for the longest period,

<sup>4. (</sup>MB) #1 p.239-245

• it also had the largest distribution network (it is still unknown exactly in how many countries these notes were discovered),

- it engaged about 300 people at the same time (at the peak of production),
- it used the best industrial equipment ever used for counterfeiting.
- and finally, these were the most sophisticated forgeries ever created by human hands [author's note: you can argue with this statement – today, the superdollars have probably overtaken them in many respects, but please do not forget that this event happened more than 70 years ago.]

The only one thing in which *Operation Bernhard* wasn't nominated for "best of the best" - it's that the idea wasn't original...



"Making forgeries - it's a prehistoric art

of profitable cheating"

Claire Mc Kelway.

New Yorker, 1949

# **ETHE ORIGINS**

The great Machiavelli, back in 1531, wrote: *Although deception in any action is not welcome - in the art of warfare, it is on the contrary, not only permissible, but also strongly encouraged*, - had in mind the Duke of Galeazzo Sforza of Milan, who in 1470, during the war with Venice, was engaged in a massive issue of counterfeit money. Venice, and all its banks, was destroyed by this action.

\*\*\*

During the American Revolution, the British government was engaged in counterfeiting the banknotes of American States who fighting for their independence. Few years later it also instructed a private firm from Birmingham to start minting faked French louidors with a significantly low gold content in them.

On the territory of the United States, during the Civil War, we could find enough examples when both governments hired privateers to issue counterfeited money.

One of the best examples is the Winthrop Hilton case.

Hilton owned a small printing workshop in Manhattan. Encouraged by the success of another eminent counterfeiter of the time, Samuel Curtis Upham, about whom Congressman Henry Foote at the Confederate Congress said: *He alone did more damage to the Confederates than the entire Army of northerners.* 

From October 1862 to December 1863 Hilton was engaged in counterfeiting of Confederate money. He placed an advertisement in *Harpers Weekly* magazine, where he praised his product: *they [banknotes] are so similar to the original that no matter what you have the original or a fake [of its production] they will be accepted without any problems.* 

But, on December 16, 1863, the printing presses in Hilton's workshop were stopped. Group of federal officers, led by Marshal Robert Murray, arrested him, and seized one million dollars of Confederat's money.

Hilton was sent to Fort Lafayette Prison, in New York, and after him there went ... all its equipment, tools and clichés for making counterfeit money.

From that moment on, Hilton began to work for the government of the North.

The agents who recruited him did not suspect that back in the fall of 1862 Hilton was tracked down by Confederate agents who first recruited him and offered a contract to print real money for his government. [author's note: apparently that's why Hilton was not afraid to praise his goods in newspaper advertising].<sup>5</sup>

\*\*\*

During the French Revolution, London released millions of forgered French assignats to help the royalists to overtrow the young French Republic.

One night, a thief sneaked into an apartment of a wealthy Parisian and stole 25,000 assignats. On a very next day he returned 15,000 with a note: *This is fake money, be careful.* 

Napoleon, who was always quick to react to the realities of life, in 1805 ordered his chief of police Fouquet to find an engraver and printer to start producinf counterfeited English pounds [and later Russian assignations].

It is known that Napoleon financed his wars not only through indemnities, but also through the producing of counterfeited money of the enemies. By his order the Austrian, English, and later Russian assignations were forged in 1805-1812. The story how the printing plates were made, and counterfeited assignation were printed, the engraver of the main military directorate of France – Mr. Lal told in his memoirs.

At the beginning of 1810, Lal said, a stranger came to his house and asked him to make an exact copy of one text, the original of which was made in London. The work was completed in a week, and the customer was admired by its quality. Later, the same man brought him to the building where Police Dept was located, where he was offered to make copper clichés for printing notes of the Bank of England. And again, the engraver brilliantly coped with the task. After that, Lal was instructed to deal with clichés for printing Russian assignations. A month later, more than seven hundred clichés were already made.

The printing house was equipped in the house on Montparnasse Boulevard. It was a special room where the finished assignations were thrown on the floor covered with a thick layer of dust and turned in all directions with a leather panicle.

5.JOHN COOLEY (JC) #2 P.129-132

Lal wrote: "from this point they became soft and looked as if they had already passed through many hands." <sup>6</sup>

Hundreds of thousands of counterfeit pounds were distributed through neutral ports, such as Hamburg, to help French agents in England. But unlike the British, Napoleon took all possible security measures to keep in a secret the production of counterfeited money.

Documents irrefutably proving his involvment were presented in 1852 by the impoverished daughter of the engraver Millet de Montant (directly involved in this production) to the nephew of the Great Frenchman - Napoleon III.

To continue to keep this fact a secret, Napoleon III paid her a large sum of money, and continued to keep these documents in a secret until his death.

\*\*\*

All these are matters of long-forgotten days, but people don't always draw the right conclusions from the history lessons. So, on the eve of World War II, there was a group of people in the United States who also believed that counterfeiting the money of a military enemy was an excellent tactic.

On January 25, 1941, a resident of Manhattan, Henry Steinmetz, wrote in the New York Times: With their enormous capacity to issue banknotes, the British Ministry of Finance can easily issue several billion beautifully executed faked German Marks, scatter them from airplanes ... to cause sharp inflation, like the hyperinflation of the 20s, which many Germans remember ... and upset the entire German economy. Even if the experiment fails - it will not cost very much...

A few days later, Manfred Yzerman from Hudson continued this theme: You need to scatter food cards from airplanes... although, he continued, Mr. Steinmetz forgets one thing: the Germans, with their capacity for forgery, can easily make pounds sterling and scatter them over England... anything is possible.

In the early 1940s, to help the public recognize the forgeries, the American Secret Service began a campaign across America called 'Know Your Money'. Soon after, an article appeared in Life magazine in which it was said: apparently, soon Germany and Japan are going to sow panic in the United States by spreading a large amount of faked money.

13

<sup>6.</sup> www. fox-notes. ru (N3) "Notes of the Chief of the Secret Police"

On January 25<sup>th</sup>, 1940, at the front page of the New York Times was published: The Secret Service suspects the Nazis of producing counterfeit dollars that are found in Italy, Egypt, and the Balkans. Right after it was published the German Consul Hans Thomsen filed a note with complaint against the American government: Germany is not engaged in this, because ... it not at war with the United States.

The same "New York Times", back to February 24th, 1933, published an article about the FBI investigation against Dr. Burtan, who had an office on 58th Street in Manhattan, and Hans Dechov, who came to America under the pseudonym Count von Buelow and worked for the Soviet government. This article was reprinted throughout America.

<u>Picture#4:</u> The Hutchinson News, Kansas, February 24, 1933.



As a result of the investigation, it was found that 100.000 counterfeited \$100 bills were produced on the territory of the Soviet Union and distributed by Hans Dechov in Chicago.

A secret circular issued by U.S. Treasury in 1933 said: *This is a very dangerous type of counterfeited banknotes* [\$100] ... superbly executed, and very difficult to distinguish...<sup>7</sup>

Not far from them, in his assumptions, was the writer John Steinbeck together with his friend Nisley, who in November of 1941 came up with the idea of how to help destroy Nazi Germany. They were able to arrange a meeting with President Roosevelt, who liked the idea. He [Roosevelt] sent them for futher consulting with the Minister of Finance Morgenthau and the British Ambassador Lord Golyfax.

Unlike the President, they both didn't like the idea.

"It's illegal... I don't want to know anything about it" - Lord Golyfax reacted.

Morgenthau also said something, with irritation in his voice.

<sup>7.</sup> William Carson, Robert Crawley, and John Cooley (N2), pp. 235-237.

Perhaps, Lord Golyfax would not have opposed this idea with such zeal if he had known that from the German side Alfred Naujoks had already been appointed to implement it.<sup>8</sup>

<sup>8.</sup> Murray Bloom (N1) pp. 241-245

"Mr. Churchill, at least once, must believe my prediction (that):

The Great Empire will be destroyed."

From the speech of Adolf Hitler in the Reichstag, July 19, 1940.

# **EUNTERNEHMEN ANDREAS**

Berlin was one of the most progressive cities in Europe. So, the world's first traffic light was installed in Berlin, on Potsdamer Platz.

More that half a century before Hitler came to the power, Mark Twain: "for its energy, for its desire to match progress, and for its inventions in electricity and chemistry, later called the Second Industrial Revolution", compared this city to Chicago.

Germany at that time was the leading country in the world in terms of health care and knowledge about the physical structure of the universe. Many of the latest scientific and technical discoveries have been made and successfully applied there.

But Hitler constantly ignored, and sometimes even rejected, the most important scientific discoveries in the military field. Initially, the jet engine was rejected by him as unnecessary for the long-range flights. And only after the Nazi aviation began to lose its superiority in the sky, he gave permission to install these engines on the Messerschmidt-262.

The FAU missiles appeared only as a weapon of retaliation, which was very late for their mission of total terror.

To the delight of Western civilization, Hitleralso vetoed the development of nuclear weapons. He believed that for his theory of blitzkrieg it is useless, and very expensive ...

Instead, he relied on all sorts of crooks from science who could please them and present the goods with their faces. And, consequently, the entire leadership of the Nazi Party followed suit.

By inspiring the mass production of counterfeit foreign money, the Nazis pursued three main goals:

First: Hitler's Reich was in dire need of scarce raw materials and other materials for the war industry. They could only be obtained through neutral countries, and only for foreign currency, but since, for several years, the restructuring of the country's economy to prepare for the global war more and more narrowed foreign trade - the Reich's currency reserves were almost empty.

- Secondly: by means of paper weapons, the Nazi intended to undermine the economic power of many countries, and disorganize the world money market,
- Third, the Nazi Secret Service simply did not have the necessary amount of currency to maintain a huge army of spies and members of the fifth columns outside the Reich. And, as it turned out later, for their own enrichment.

And since there was not enough money in the budget, the Nazis had only one way out: steal it or counterfeit it... which they ended up doing.

Less than two weeks after the outbreak of World War II, when on September 18, 1939, in Berlin, in the building of the Ministry of Finance located on Wilhelmstrasse, 61 gathered the leaders of German espionage and finance.

The plan discussed in the Ministry of Finance was simple: Allow the Reichsbank to print millions of counterfeited [English] banknotes and then flood England with them in order to achieve the collapse of the enemy economy.

The only one who seriously objected was the director of the Reichsbank, Wilhelm: *The Reichsbank cannot be allowed to be reproached for making counterfeited money. To carry out these activities, a SPECIAL ORGANIZATION should be created.* 

Finance Minister Walter Funk, without firmness in his voice, also objected: please note that this is contrary to the international laws, and ... anyway this plan will not work.

Despite all the measures taken to maintain secrecy, two months later London learned about the outcome of this meeting. Its details were described in a letter dated November 21<sup>st</sup>, and adressed to Michael Palaret, chief of the English station in Athens. This letter was based on information received from the Russian immigrant Pavel Churapin. How he obtained this information was not reported.<sup>9</sup>

The letter was thoroughly checked by MI5 staff and was found to be a true.

This letter contained a transcript of the meeting:

- ... it was decided to produce 30 billion counterfeit Reichsmarks, and from one to two billion currencies of other states...
- ... distribution of them make through diplomatic missions...

<sup>9.</sup> William McKenzie (N5) pp. 113-133

... to ensure the successful advancement of the plan - the Minister of Propaganda immediately start a campaign on the accusation of England, that it had already been engaged in the issue of counterfeited money. <sup>10</sup>

### REICHARD HEYDRICH

Heydrich was the son of a provincial opera singer. His opponents, in order to annoy him, constantly spreading falsed rumors about his Jewish roots. One of these arguments was that the real name Heydrich's father, Bruno Heydrich, as stated in the Riemann Encyclopedia of Music of 1916, was Züss.<sup>11</sup>

That's why, in order to prove his racial purity, he so fanatically hated the Jews.

Schellenberg went to Heydrich to obtain his approval.

I want to get married, - he said, - but my mother-in-law is Polish...

When the marriage took place, Heydrich, having a strong drink, took Schellenberg under his arm, took him to the window and said:

- Do you think I don't know that your wife's sister married a Jewish banker? Schellenberg felt a void in himself, and his hands got sick.
- Don't worry, said Heydrich, and suddenly sighed.

At that time Schellenberg did not understand why Heydrich sighed. He realized this much later, having learned that the grandfather of the chief of the Imperial Security was a Jew who played the violin in a Viennese operetta.<sup>12</sup>

Wilhelm Hettl spoke of Heydrich: "He was undoubtedly an outstanding personality and a leading figure not only in National Socialism, but in the whole concept of a totalitarian state. Historically, he most likely can be compared with Cesare Borgia. Not only did he not have any Christian moral code, but he was also devoid of an elementary instinctive sense of decency. Not the state, but the power – his personal power - was his god. Human life had no value in the eyes of Heydrich, and if anyone stood on his way to power, he ruthlessly destroyed it. He sought power only for himself. He sought only his own thirst for power."

<sup>10.</sup> Lawrence Malkin(N6) pp. 3-8

<sup>11</sup> Israeli historian Shlomo Aronson, while working on his doctoral thesis on "Heydrich and the period of formation of the Gestapo and SD" (published in 1966), built a family tree of Heydrich on his father's side until 1738, and on his mother's side until 1688 and did not find Jews among his ancestors.

<sup>12</sup> Julian Semenov "17 Moments of Spring".

In March 1922, Reinhard Heydrich was accepted into the Navy as a midshipman and rose to the rank of lieutenant, but in April 1931 he was dismissed for misconduct.

In June 1931, Reinhard Heydrich joined the NSDAP and the SS. Through his friend Karl von Eberstein, he met with Himmler, to whom he expressed his proposals for the creation of an SS intelligence service. Himmler liked this proposal, and appointed Heydrich to create this service, which became known as the SD.

Hermann Göring was credited with a joke about him: H. H. H. H.

Himmlers Hirn heißt Heydrich [Himmler's brain is called Heydrich]

Soon, Heydrich became an important man for the Nazi Party, and his career rapidly went uphill. In December 1931 he was promoted to SS Obersturm-Bannführer and in July 1932 to SS-Standartenführer. At the same time, Heydrich changed the spelling of his name from Reinhardt to Reinhard.

The International Criminal Police (ICPC), the predecessor of Interpol, was organized in 1923. The main task of the created organization was the fight against international crimes and counterfeiters.

The ICPC headquartered was in Vienna until the Nazis took over Austria on April 12, 1938. On the same day, the current president of the ICPC Michael Scumble was summoned to the Building of the Austrian Government and arrested.

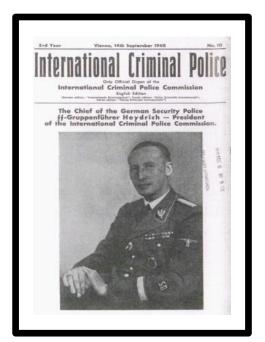
From that day onwards for the next 18 years, the Nazis seized the leadership of the ICPC.

Immediately after his appointment as president of the ICPC, Heydrich ordered to transfer from Vienna to Berlin the entire archive containing data on counterfeiters, but for some reason refused to make them available to the *Operation Andreas*. 13

#### Picture #5:

Official publication of the ICPC, 14/09/1940.

Decree appointing Reichard Heydrich as President of the ICPC (from the declassifying files of the US National Archives)



<sup>13.</sup> Matthew Deflehem (N7)

In 1936 Heydrich became convinced of how effective counterfeit money and documents can be. The Nazis, under his direct leadership, produced dozens of false documents that they hoped would undermine the military might of the USSR. These documents indicated that Marshal Tukhachevsky had received a promise to support from the German army in a conspiracy against Stalin. The Soviet government bought these documents for 3 million Rubles (\$750.000 at the time), and they served as the main evidence at the trial against Tukhachevsky. Timely identified by the GPU-NKVD, for receiving forged Rubles as a reward from their masters, together with Tukhachevsky, a "group of German spies" was shot.

MB: One of my friends who worked in the mid-30s in one of the counterintelligence units told me about the brilliant operation conducted by the American counterintelligence against the Soviet Union. Dollars that were paid through one of the banks to the Soviet trading company Amtorg were marked with invisible ink. Thus, it became possible to trace the path of these banknotes from the company to its employees, official and unofficial ...

Secret Soviet agents received paiments through the branches of Amtorg.

By the way, another, and apparently on of the major tasks, of the Trading Company Amtorg was the distribution of counterfeited American dollars (100 and 500 dollars 1928). This operation was supervised by the head of the Amtorg company – the GRU officer Felix Wolf.<sup>14</sup>

## **@**ALFRED NAUJOKS

Heydrich, who himself considered the plan to issue counterfeit banknotes an excellent idea, appointed Alfred Naujox, the head of the operation to issue counterfeit British pounds, the head of the technical group of the Reich General Directorate of Security - Alfred Naujoks (he was also appointed as an accountable SS officer for ... a brothel known as the "Kitty's Salon").<sup>15</sup>

Naujox was from Kiel. Since childhood, he had a reputation as a brawler and bully, and when he grew up, he constantly participated in all the skirmishes with the Communists.

**<sup>14.</sup>** Walter Krivitsky(N8) and John Coley (N2) (p.224). Walter Krivitsky was a Director of the Institute of Military Industry 1933-34, Head of the "Western" Department of the GRU of the USSR 1935-37. In 1938 he remained in the West. He was killed by a GRU agent on February 11, 1941, in New York.

**<sup>15.</sup>** "Kitty's Salon " was in the "Kunfürstemdam", district of Berlin. This place which was under the permanent control of the chief of the criminal police Arthur Nebe served diplomats and other high-ranking clients (Count Siano from Italy, Mr. Oshima - The Ambassador of Japan, etc.). The recording of their conversations and passports (stolen) were used for SS purposes.

In 1933, at the age of 18, he joined the SS, where he began working in the department under Heydrich.

After receiving an order from Heydrich, Naujox thoroughly took up the matter, but Albert was good only in one kind of action: to organize a murder (in 1934, in Prague's restaurant "Sagorshi" he killed the German anti-fascist Rudolf Formis), to kidnap (in November 1939, inVenlo, he kidnapped and took out of the Dutch border British officers Best and Stevens), or to start a war). In this field he had no equal, but to develop a complex technical operation he lacked neither intelligence nor knowledge.

Although, admittedly, he had one quality - he was always ahead of all and knew how to win the support of his superiors.

To work out this plan Naujoks select Wilhelm Höttle, a young historian from Austria, who work in the Balkan department of SS in Vienna.

## **@**WILHELM HÖTTLE

Höttle was tasked with developing a strategy for the production and distribution of counterfeited banknotes. Having carefully studied all the available information, Höttl paid special attention to the outcome of the meeting held on September 18, 1939, and the events taking place in Hungary in the 1920s.

Gustav Ernst Stresemann (10 May 1878 - 3 October 1929) was a German foreign minister from 1923 to 1929, developed a plan how to counterfeit Francs and Pounds. The Hungarian government undertook the implementation of the plan, and the operation itself was entrusted to the Hungarian prince Windischgrz. The operation was prepared carefully - one of its leaders, Colonel of the General Staff Jankovic, studied in Paris the technique of packaging banknotes by the French Bank. Transportation of counterfeited money was entrusted to diplomatic couriers.

Before the operation, banknotes were stored in the embassies of Hungary and several European countries. Jankovic himself was sent to Holland as a diplomatic courier with a forgery. In The Hague, he asked the bank to exchange

**<sup>16</sup>**. At Noon, on August 31, 1939. In Gleivitz, a few blocks from the building of the German radio station, Alfred Naujoks received cipher – The "Operation Himmler "should begin today at 20.00"... With true German punctuality, exactly at 20.00, he gives the order to a group of SS disguised by the Polish military - "To proceed in the implementation of..."

<sup>...</sup> Thus began the Second World War...

currency and among the real money he presented one fake one-thousand-franc bill. The bank's cashier recognized the fake and called the police...

The Hungarian Ambassador immediately informed his government about the incident, and all agents abroad were directed to immediately destroy the evidence.

The Bank of France recognized in this case a danger and sent its own detectives to Budapest ...

To deter the blow from the government, Windischgrz and his aides took the blame. In 1926, they were convicted, but served their sentences comfortably and after early release were again accepted into the ranks of the Hungarian army.<sup>17</sup>

Höttle said: I am not interested in producing counterfeited banknotes to finance any secret society, as was the case in Hungary. I want to destroy the Bank of England.

Operational control was assigned to another assistant to Naujox, Dr. Albert Langer.

## **©**ALBERT LANGER

When Hitler, in 1938, annexed Austria to the Reich, Langer joined the SS on the very first day the possibility was announced.

Langer believed that Naujox had invited him to Berlin to develop a new cryptological machine, but instead he spent the next year at Debulkestrasse, 6A, dealing with all the current issues of the operation to issue counterfeited English banknotes.

Langer, having a doctorate in physics and mathematics, since the WWI, collaborated with Austrian intelligence and reconnaissance, and in the period between the world wars was an instructor at the Austrian Police Academy. His specialty was secret codes, special cryptographic ink and ... fight against counterfeiting.

MB: One of my friends who knew him very well, characterized him as one of the strangest people I've ever met.

<sup>17.</sup> www. foxnotes. com (N3)

He [Langer] claimed to have read more than 20.000 books and could "restore" in memory any of the pages in full.

It wasn't just bluster - he really could do it. He also knew eight languages and was able to communicate fluently in them. He was terribly short-sighted - but refused to wear glasses, so he read everything from 10 cm ...

Naujox called Langer: My Walking Library.

When Naujox put on the table a detailed plan to produce counterfeited 5- and 10-Pounds English banknotes, Heydrich was astonished. Therefore, he immediately reported it to his boss Himmler, who, in turn, approved it on the same day.

The plan was to massively produce counterfeited English banknotes, which were later to be dropped from low-flying German bombers over major English cities. Naujox calculated that within a few months the English banking system would collapse, and after it the entire industrial and financial infrastructure.

"Without a single shot, and the loss of the lives of even one soldier of Greater Germany - England will capitulates."

This plan was called "Operation Andreas" - in honor of Andreas Figl, who in 1911 was able to decipher the code system of the Austro-Hungarian Army. (Although Langer, in his memoirs, claimed that the name was given to them by St. Andrew's cross located on the flag of England, and looked like "x"- the sign of cancellation on banknotes).

Unfortunately, Naujox was not a good student of the course of history. He, follows Langer's suggestion, borrowed this idea from the British themselves, who had previously scattered food stamps over the territory of Germany. When he wanted to expand the geography of this plan and offered to do the same with American dollars, Hitler personally rejected this idea. "Not to Dollars. We are not at war with the United States"-he scrawled in the margins of the memo

This story, described by Höttle in his memoirs in 1955, has been replicated by many authors, but historians cannot find any confirmation of this fact.

Later, Höttl himself admitted that: some details based on real facts have literary processing.

In 1952, CIA officer Simon Graham wrote: *His [Höttle's] stories contain a mixture of truth, lies, and blatant falsification of facts.* <sup>18</sup>

<sup>18.</sup> Lawrence Malkin (N6),pp.25-27

The headquarters of "Operation Andreas" was located on Delbrückestrasse, 6A, about one kilometer from the "Kitty Salon", in a building that already had a history of counterfeiting - it was the training center of the technical department of the SS.

Operation Andreas' budget was 2 million Reichsmarks (about \$15 million in today's prices). 19

Langer undoubtedly had a solid body of scientific knowledge; however, the theory and practice are quite different things. Therefore, locked in the library, he studied the methods of printing, engraving, paper production and all the range of technical problems that could be needed in performing this task.

\*\*\*

- Be so kind, Alfred, please remind me: from whom did we get disastrous information for France about its military potential?

Naujox readily listed the names of the spies known to him.

- Nonsense!- Langer replied dismissively, - It's a trivia. In 1937, French General Chauvino published the book "The Possibilities of Invasion", accompanied by a preface by Marshal Pétain. It became a reference book for us. And what about England? Are you know? Don't worry I'll tell you. The famous English military historian Liddell Garth published the book "Defense of Britain" - there you can get enough information for the conduct of hostilities.

After a pause, Langer pointedly added:

- You don't bother yourself with superfluous knowledge, Alfred. And in vain. The keys to state secrets do not always have to be stolen, taken away, kidnapped in insidious ways, or obtained through the mass production of crappy locks. People with little bit intelligence knows that they can get it from scientists, historians, researchers, who care about their vanity more than about the interests of their own state.

Naujox was offended but said with restraint: In the salon of Lady Astor, a fan of our Fuehrer, any agent-trainee can find out what Churchill was talking about an hour ago, for this he only should not hide that he is our agent. In France, I can tell you the names of several ministers who received monthly payments from the special funds of Admiral Canaris. The reward which far exceeding their ministerial salary.

<sup>19.</sup> lbid., p.23

"Okay, I apologize,"- Langer backed down, - "I started this conversation with only one purpose. I want to boast of one acquisition. Or rather a gift. I received it from the author about three years ago, when I worked for the Autrian intelligence.

Langer got up, walked over to the table, and picked up the book and handed it to Naujox.

### William Algernon Churchill

Watermarks in Paper in Holland, England, France, etc., in the XVIII and XIX Centuries and their Interconnection

Amsterdam, M. Herzenberg & Co, 1935.

For a while, Nizhoks stood silently and stared at the book without taking his eyes off.

- It's, it's he started stammering it's the counterfeiter desktop bible!
- In some ways you're right. This is the most extensive study containing an alphabetical list of Dutch, British and French paper manufacturers. But most importantly, Langer opened the book by bookmark, Here is a review of 578 full-size watermarks sorted by topic and motif!

Naujoks continued to stand silently for a long time, but then gathered his thoughts said: This is a victory! Albert - you are a genius!

\*\*\*

The manufactoring of British pounds proved to be much more difficult than the Nazis had anticipated at the beginning. The biggest problem was the production of paper.

Since 1725, Portals has been the exclusive supplier of special paper to the Bank of England. Only once, during this monopoly, from the factory was the theft of paper.



In 1862, James Griffithtz, an engraver with the soul of a counterfeiter, stole paper needed "for his own production." He, like the Nazis almost a century later, tried to learn the secret of paper. First, Griffith softened it, then grinded, extracted ink and tried to thin the composition. Having

destroyed about 1500 banknotes - he stopped his search and could not make

paper like the one produced by Portals.

But he did not give up and hired London specialists - Ruby Tramine, Edward Barnet and Flash Eim. The team find to the Portals's worker Mr. Brown, who promised to get a few sheets of paper.

Griffithtz was only able to print a few hundred banknotes until the police grabbed him and his team.

The Nazis, of course, knew about this story, but they also understood that no one, even the most fortunate agents, would be able to get the right amount of paper. Only for the preparatory work and research they needed several trucks with paper.

The first thing they were able to learn was that the paper was made using a special variety of reed growing in the area of the former British colonies in Asia. But, after conducting hundreds of chemical analyses, they discovered that this secret component is an ordinary flax.

Several tons of linen were delivered through a shell company, from Turkey to Germany, but the paper that was made by hand still did not match the English original, until Naujox suggested first using linen fabric as a wiping material, and then washing it.

In the late 30-s the Krupp, Siemens, and some other factories, began to receive wiping material, the use of which the masters watched with unusual care. Every day they reported to the SS officer assigned to each shop whether a particular flap was missing.

The appearance of these scraps of wiping material was the beginning of the Operation Andreas<sup>20</sup>

Langer knew that the first authenticity test conducted by all English cashiers was a crunch test. The banknote was brought to his ear and crumpled with his fingers. The flax that is part of the paper gave it this peculiar sound. Therefore, to check his products Langer used blind people. They are having a heightened hearing.

Having received the desired sound, it remains to get the appropriate color.

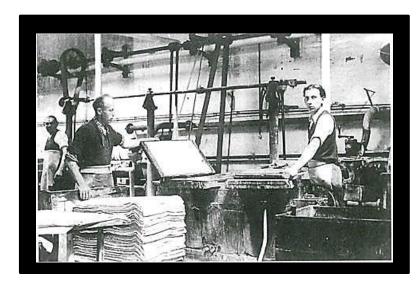
**<sup>20.</sup>** G.N.Polskoy, (N9), p. 85

Under the rays of a quartz lamp a geniue English banknote supposed to glow purple. It was also a standard test conducted at the time by English bankers. While the real banknotes glowed with a hint of lilac, the glow of German made banknotes was shifted toward to a pink hue.

After numerous experiments, Langer concluded that it was all about the water that was used in the production of paper. He was able to solve this problem by adjusting the acid-base balance of the water used.

But even after that, the paper continued to be produced by hand, which meant its catastrophic shortage for the needs of the Nazis.

After a long search, in a state of complete secrecy, it was decided to place an order at the "Spechthausen paper mill" in Eberswald, near Berlin.



### Picture #6:

Production hall at paper mill

Spechthausen in Eberswald. (From the declassifying files of the US National Archives)

But it was too early to celebrate the victory...

The watermark which consists of a series of parallel lines and covering more than half the surface of the banknote, was much more difficult to reproduce than previously thought.

As Langer found out, two types of watermarks were actually used:

- The "Casting Type" used wire mesh to perform wavy lines, and
- The "Pressing Type" used to perform other details and portraits.



<u>Picture #7:</u>
Watermark on the forgery 10 Pound

The glue used in the production of banknotes was made based on gelatin obtained from calf hooves. The paper was just soaked in it.

The protective elements were detected quite easily. The Nazis solved this problem in a very original way. They projected an image of the banknote in twenty-fold magnity on the wall and carefully studied it by several independent groups of engravers (the one-sided and monochrome printing of which British Pounds were made very helpful in this).

An additional line on the Britannica shield in the upper left corner, an additional curl around the Bank of England inscription, a small omission in the middle of the letter "I" in the word **FIVE** - these are just a few examples of the discovered security elements, of which there were about 150.





One of the tasks that Langer directly dealt with, was the decoding of banknote numbering systems, dating and the location of the "CastingType" watermark. Using his potential as a Doctor of Mathematics in cryptanalysis, he successfully solved this incredibly difficult problem.

Until recently, it was believed that the Nazis had their agent at the Bank of England, who helped decipher the numbering system. But in 1986, two collectors from England - Ian Fraser and Trayvor Jones - after many years of research were able to decipher this system on their own.<sup>21</sup>

Finally, when the formula of the paper was unraveled, all the work was moved to the Schleicher und Schull factory in Hanemüll.

The production of ink (also after successful decryption) was entrusted to the firm "Gebrüder Schmidt" from Berlin. "Rudolf Stanz" was commissioned by the 4th Department in the production of all the necessary printing equipment. Printing of counterfeited money was entrusted to the printing house "Albert Petrik".

In March 1941 the first experimental batch of printed products was produced.

The printing ink which was used to print English banknotes had German roots. This kind of ink was called "Frankfurt black ink", after the name of the area where the grape variety used in their manufacture grew. The main component of the ink – the grape juice - was boiled in flaxseed oil with the addition of coal dust (coal was also mined only in Germany). This helped the company "Gebrüder Schmidt" to make inks identical to English.<sup>22</sup>

<sup>21.</sup> Brian Bourke (N10)

**<sup>22.</sup>** Ibid., p.35

Lysimachus asked his friend, the comic poet Philippid:

- What to share with you?

Philippid said:

- Anything but your secrets!

(Plutarch. Quotes of kings and generals)

# **MILLIONS FOR SS**

The chief of the 6th Directorate Walter Schellenberg, who was responsible for the distribution of counterfeited banknotes, appointed on this mission Dr. Willie Fröben.

Before the war, Fröben worked in Tyrol and Italy. But, since by order of Hitler: "in the country of my best friend Mussolini", - all intelligence activities were banned - Fröben was transferred to Innsbruck, where he was assisned to the task of selling counterfeited British pounds.

Traveling in Italy and doing his business, he met Friedrich Schwend (in some documents of American intelligence - Fritz Wenceslaus Schwend).

Schwend, by birth Schwabian, after numerous life adventures, lived in prosperity in one of the best Italian resorts, in villa Abbasia.

Picture #9: Friedrich Schwend

Friedrich Schwend

Working as an auto mechanic, Schwend, in the late 20s, married the niece of the German ambassador to Italy, Baron Constantin von Neurath Baron was related to Eduardo Bunge, the founder of an international grain cartel "Bunge and Born".

After Eduardo's death, in 1933, Schwend received his share of the inheritance and began his business selling weapons, but quickly burned out.

In 1936, Charlotte Bange, Eduardo's widow, invited her beloved niece and her husband to stay in New York, but six months later, succumbing to the charm of Schwend, appointed him her chief financial adviser.

Representing her business, Schwend traveled around the world. He worked in

South America, was engaged in the supply of grain to Russia, many times visited China. In Harbin, he was engaged in the supply of weapons for General Semenov.

Schwend introduced Fröben to a group of large industrialists who were interested in buying foreign currency. Fröben also received a lot of information from them (let me remind you that he was one of the best specialists in espionage). Once he expressed his opinion to Schwend: *If we had received this information through the methods of political intelligence, it would have cost us millions* [i.e., it would have to be paid for].

Schwend thought for a second, pondering what he had heard. He had an idea in his head:

- We need to start issuing fake pounds for millions and use them to finance German intelligence!
- This is a brilliant idea,- Fröben supported, we need to report it urgently to Schellenberg.

Schellenberg was so convinced by Schwend's explanations that he appointed him as a head of the counterfeited money distribution department. Schwend agreed to cooperate, but not for free. By agreement of the parties, he received exactly one third of the total amount, minus all losses from possible confiscations and his expenses for tying additional agents.

In addition, Schwend received a new name: *Major Wendig, German Panzer Corps,* and to facilitate his frequent trips abroad, the official rank of Gestapo officer.

This was a necessary measure, as there were many SS officers remembering his recent time in prison and serving time for spying for America.

Schwend-Wendig sent his adjutant Rudy Rasch on vacation to Switzerland, and through the German Foreign Ministry informed the Swiss authorities that: *in the coming days, a rather suspicious person was going to cross the Border of Switzerland.* 

Rudy left for Switzerland. Customs officers, having examined the money available with him, did not find anything suspicious, and since the documents of the German official were in order, he was allowed to pass without delay.

Rudy had a good rest and having spent all Pounds (they were accepted for payment without any problems) and returned from vacation.

Convinced that the first stage of the test was successful, the Nazis proceeded to the

second, more complex stage.

A German businessman who maintains contacts with one of the Swiss banks entered this country with a special assignment. He had with him a large sum of counterfeited British pounds, as well as a letter from the State Bank of Germany (of course fake, executed in the 4th Department under the leadership of Kruger) asking his Swiss colleagues to check whether these banknotes were counterfeit. They were checked in Basel and reported that the concern of the gentlemen from Deutsche Bank was unfounded: the money was genuine.

Everything seemed clear, but there was another - the final, and the most difficult stage.

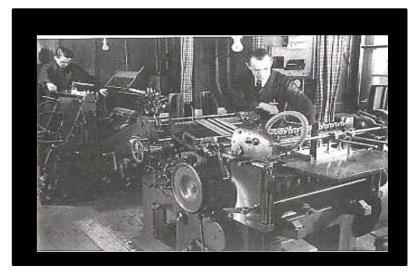
Here we will run a little ahead and refer to the chief of foreign intelligence Walter Schellenberg: many mathematicians [in fact, it was one Langer] with the help of complex formulas calculated the system of serial numbers of English banknotes, as a result, production was established so that we were one hundred or two hundred numbers ahead of the English bank...

So, the third stage.

Thanking the Swiss colleagues for their courtesy, the merchant asked them, just in case, to send the banknotes to London, to the Bank of England, for the final verification. The Swiss, however, did not send money, but asked British by telex: *did these banknotes of such and such series, numbers and signatures are real?* Soon the answer came: *yes, they were issued - this money is recognized as genuine.*<sup>23</sup>

Outwardly, it seemed that the presses involved in Operation Andreas were given the

green light, but this *Operation* began to slip ...



### Picture #10:

Machine used at Delbrückestraße 6A. From declassifying files of the National Archives of the United States.

<sup>23.</sup> G.N.Polsky, Secrets of the "Mint", 1996, M. Finance and Politics

A fundamental error was laid in from the very beginning. The ideology of Nazi Germany was concidering only one opinion - the opinion of Hitler. Whoever eho could please his ears and eyes be in favor. But, as soon as, the favorite stumbled, his place took a more agile. All the lower ranks also followed this fundamental principle.

Kitty, Heydrich's blonde girlfriend, was madame in a brothel that was called Kitty's Salon everywhere.

By order of Heydrich, Naujoks installed forty-eight microphones in all rooms of Kitty's Salon, which were connected to a remote control installed in the basement. Four technicians recorded all conversations around the clock.

One of the precautions was the ability to reconnect microphones mutted from the rooms...

Naujoaks often visited the basement to check on how his technicians worked, and one day, knowing that Heydrich was upstairs, he turned on the microphone installed in his room.

At this time, pretty drunked and relaxed, Heydrich told his girlfriend how he eliminated people who had already served their time.

Naujox realized that Heydrich could do the same to him. Trying to protect himself, he began to record Heydrich's outpourings, realizing that it might be useful to him in the future.

Simultaneously with the leadership of Operation Andreas and the technical control of the Kitty's Salon, Naujox received another assignment. He was instructed to buy a small movie studio in Holland to produce propaganda. To do this, Naujoks sent his most trusted agent and best friend Tucker to Holland.

Tucker hoped that this would be an easy task, since most of the shareholders were Jews who wanted to quickly sell the studio and go abroad. But the difficulties came when the sellers received information about who was going to buy this movie studio. The price was risen sharply. Tucker did not have the required amount, and therefore had to call Naujox and consult with. Realizing that they would not be able to buy this movie studio, Naujox tells Tucker: buy gold, with all available funds, and return to Berlin.

Interpreting this as an official order, Tucker tried to buy gold on the open market, where he attracted the attention of the local police, and was arrested.

During the trial, he said that he had received an order from his boss, Naujoks.

When Gestapo chief Müller read the report from Holland and compared it to a report from one of the technicians who worked at the Kitty's Salon and secretly

collaborated with the Gestapo, he realized that in this situation he could do Heydrich a favor, thereby counting on his reciprocity in the future.

With the help of specialists from the 4th Department against Naujox were fabricated some documents. All copies of Heydrich's conversations were stolen from his safe. Finally, few gold bars were planted in Naujoks apartment...

By the decision of the military tribunal, Tucker was shot, and Naujoks was demoted and sent to the front ...<sup>24</sup>

According to Langer, after Naujoks, "Operation Andreas" was led by six other German officers (one of them was Hermann Dorner, later appointed chief of the administration of the concentration camps in Germany).

Corruption and theft also threatened the course of the "Operation Andreas".

"Theft was present, but not among the project workers. These were only the highest ranks of the SS - who took on the "sample" of issued counterfeited banknotes", - Langer recalled.

Arthur Rau, a photographer working on Delbrückestrasse 6A, testified under oath that the works: "were sold to the private firms, such as Albert Petrick printing factory".

In the spring of 1941, in the Frankfurt's newspaper was published an article by one of the printers explaining the reasons for the failure of "Operation Andreas":

Anyone who wants to issue counterfeited money for the needs of the state should, as minimum, have professional experts for this job.

The failure of this enterprise was manifested by the constant change of executives. If the technical staff offered something that went against opinion of the members of the SS, the actual work went according to the instructions of the SS, and only after, if the problem was not solved, they returned to the proposal of the technical staff ...

This, and much more issues, led to that after eighteen months, on June 17, 1941, "Operation Andreas" was stopped.

This happened 5 days before the attack on the Soviet Union.

<sup>24.</sup> Anthony Peary, (N11), chapter 1

Having fight with the Romans, he won twice, but he lost many of his sons and military leaders. "Another such of victory,- he said,- and I'm dead" Pyrrhus.

(Plutarch. Quotes of kings and generals)



# THE PERSON WHO SAID "NO"

But the idea itself was not put under the cloth. Naturally, Langer (or anyone else) could not produce forgeries in mass quantities and with acceptable quality - here the participation of a specialist in the banknote printing was needed. Therefore, Himmler's choice fell on a private printing company that had been producing banknotes for Germany and other countries for more than 90 years, the well-known *Giesecke & Devrient* from Leipzig (G&D).

Negotiations on this issue were conducted with the preservation of the strictest secrecy, and took place not in the G&Doffice, but in one of the safe houses.

Himmler's personal representative demanded that the leadership of the G&D, in the interests of the Reich: participate in a secret operation to produce counterfeited British money. He was also ready for counterarguments: Don't you know that the English private printer Waterlow and Sons, during the First World War, was engaged in the production of forged German postage stamps? It is your duty to Germany to repay the British, and then in the same vein.

Unfortunately, after the bombings of 1943, almost all the documents were destroyed, and now it is impossible to restore the transcripts of the negotiations, but in the end, the company still withstood this onslaught, and was not involved in Operation Andreas.

It is reliably known that this happened only thanks to the position of G&D technical director Franz Helmberger, who, by that time, already had bad experience with the Nazis, and who was able to tell them: "NO"

From 1921, Helmberger worked as director of the German Printing Factory in Berlin. When the Nazis came to power, he was ordered to exchange all workers with questionable pasts: Communists, Social Democrats, and of course Jews, for members of the National Democratic Party. Helmberger refused to comply with this order, for which he was immediately dismissed, with a ban on working in state institutions.

Therefore, and based on his wealth of experience, in 1933 G&D offered him the position of technical director.

Siegfried Otto, director of G&D for almost 30 years, remembered him this way: Helmberger was one of the greatest specialists in the field of metallographic printing in the world, and of course - the largest in Germany ... He was an excellent mentor. I owe all my knowledge to him.

At the end of 1941, Helmberger was delegated by G&D to negotiate with Himmler. We do not know, and unfortunately, we will never know, what arguments and counterarguments he used in a conversation with Himmler (in 1956, Helmberger died without leaving any records of this event), but after this conversation, by Himmler's personal order, G&D was officially removed from the list of printers of Nazi Germany.

In the deluxe edition released in 1977, and dedicated to the 125th anniversary of G&D, there are a few lines relating to this period:

In Roman times, artisans and artists were not ashamed of the fact that their ruler was Nero. Nor are we ashamed of the fact that we worked during the Third Reich. In this anomalous time, our main, and very difficult task, was to preserve jobs and continue normal business relations with our foreign customers.

Unable to obtain for its secret operation a private G&D printer, i.e. Helmberger, the RSHA began to look for a replacement for a person who could lead it.

The choice fell on the head of the VI-F4 department - Captain Bernhard Kruger.

One day, Aristide was sent to the embassy with Themistocles, even though they were feuding.

- Come on, Themistocles, - he said,

let's leave our enmity on the border, and when we return,

then, if you want, we will pick it up again.
 (Plutarch: Quotes of kings and generals)



## UNTERNEHMEN BERNHARD

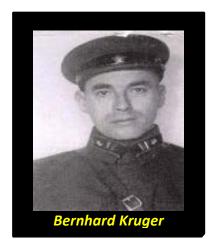
Frederick Walter Bernhard Kruger, mentined in our story as Bernie, at the beginning was a textile engineer, and later, after many years of service to the Nazi Party, he became an SS major.

For the first time I met Bernhard Kruger in the spring of 1957 in Hanover where I had specially flown to interview him. Kruger told me about the Operation Bernhard, which by the will of fate he had to lead. We even wrote the script of the movie, which was purchased by one movie studio, but later, for unknown reasons, the film was removed from production ...

The Nazi counterfeit money operation was the subject of publication in numerous magazines, but my interview was the first and last given by Kruger and for the first time shows his view of the events from the inside. [author's note: In 1957, this interview was indeed the first. Later, Krueger gave two more: to the *Stern* magazine and to Herbert A. Friedman.]<sup>25</sup>

Bernie was born in 1904 in Ries, near Leipzig. His father was an official of the city municipality. Bernie was educated as a textile engineer and worked at the factories of the company "Chemnitz" in Poland, Germany, and France. As a result of the economic crisis of 1929, Bernie lost his job, so he joined the Nazi Party without hesitation. By the 1939, he had risen to the rank of captain, and served in a special SS intelligence unit, training cadets to install radio frequency listening points.

<sup>25.</sup> This interview was taken in 1957 by Muray Bloom.



In September 1940, Kruger was assigned to the 6th Directorate of the RSHA. In the same year, he was sent to France with a special assignment. He was tasked with obtaining American, Canadian, English, and other passports, identity cards and other documents, which were then used in the 4th Department, <sup>26</sup> as samples. (At that time, Kruger was subordinate to Naujhoks, and constantly reported to him on the work done.)

#### Picture #11: Bernhard Kruger

Another task that he was assigned to was to establish connections on the France's "black market", for the

subsequent sale of counterfeited money. He was able to establish business ties with the black-market king Pierre Lavalle (by the way, George Soros, who was then 14 years old, worked as a boy for errands).

In the spring of 1941 he returned to Germany, and in the winter of 1941-1942 he was sent to Soviet Union (photo above - presumably of this period), with the same mission as earlier in France.

After returning to Germany, Kruger was appointed as a head of the 4th Department (VI-F4) 27

\*\*\*

In addition to the release of false passports and documents, the 4th Department, under the leadership of Kruger, was engaged in the production of propaganda products, which is also one of the varieties of forgeries.

<sup>26.</sup> In all internal documents it was called "SHARP-4"

<sup>27.</sup> With their inherent pedantry, the Germans systematized all the names in their rather complex hierarchical system. "VI"- denoted foreign intelligence, which is one of the departments of RSHA (the other departments were the Gestapo and the Abwehr), "F" - denoted the Office of Technical Support," W"- propaganda department (others, respectively: "A" - Administration, "B" - Western Europe, "C" - Russia, etc.). Each group was divided into departments. "4th Department" – headed by Kruger was engaged in photography and the production of forgeries.



Picture #12: Faked postcard "England, occupied by Germany".

Inscription: Victory Parade, London, April 20, 1941. The Fuehrer takes a parade in honor of his 52nd birthday at the SS divisions marching through Whitehall.

In honor of the birthday of the head of the 6th Department Walter Schellenberg, the team of the 4th Department presented him with one of the samples of their products: his [Schellenberg's] American and English passports, made with all the necessary customs stamps and seals, with which Schellenberg could freely visit any country.

This served as a good advertisement for the products produced under the leadership of Kruger, and to him personally.

## From Schellenberg's memoirs:

I am reminded of a curious incident that occurred during my arrest by the Americans in 1945.

When I told to the officers who questioned me that I had never been to the United States, they were indescribably furious. Wanting to catch me in a lie, they presented a passport issued on my name, in which there were entry and exit visas, as well as health notes that are made for everyone who visits America.

When I saw my passport, I was confused for a moment. But then I remembered that one of the employees of our special department gave me this fake document on my birthday. I returned the gift to him and forgot about the case.

At first, the Americans did not want to believe my explanations. Only after much research did they determine that they had a forgery.

The leadership of the RSHA made its choice...

### From Kruger's memoirs: 28

On the foggy morning of May 8, 1942, I was summoned to see Walter Schellenberg, head of the foreign intelligence department. Schellenberg, who was only 32, was very clever and insightful (for which he was openly hated by many older employees) immediately got down to business: Last night I received a verbal order from the Reichsfuehrer SS, which I am transmitting to you. There will be no official orders on paper, so listen carefully:

You have been appointed head of the British Pound Counterfeiting Operation. Work will start immediately. Himmler ordered: (1) Establish on the territory of specially protected barracks in the Sachsenhausen concentration camp a printing production corresponding to the highest conditions of secrecy [Geheime Reichssache]. (2) Engage ONLY Jewish prisoners for work. (3) To show you the degree of confidence of the Reich leadership, the operation will be named in your honor - Operation Bernhard...

**Tomorrow morning you need to arrive in Sachsenhausen** - having said this, he left the office, leaving me to reflect on what I heard. <sup>29</sup>

The next day, [May 9, 1942], on his first visit to a concentration camp located 50 km north of Berlin, Kruger inspected the area, gave preliminary instructions on the arrangement of Barak19. Also, he selected several guards from the camp administration. All prisoners were evicted from the barracks, and an impregnable three-meter wall was erected around it.

40

**<sup>28.</sup>** Bernhard Kruger "Operation Bernhard, the Greatest Espionage Operation of All Time" is an unpublished manuscript in German. Translated into English by Murray Taig Bloom. The manuscript was purchased by *Enigma Books* and stored in the Library of *Duke* University, North Carolina, USA – (John Cooley (N2), p.325)

<sup>29.</sup> In all documents it was designated—"Aktion 1"

In the camp, on an area of 20 acres, inside the triangle in a semicircle there were located 56 barracks. This triangle was divided by a wall, about three meters high, along which there were nine watchtowers with machine guns. The dimensions of the barracks were 60 by 12 meters and were located at a large distance from each other.

At the base of the triangle was a central watchtower, from which the entire territory of the camp was visible. Along one of the sides of this triangle, also behind a high wall, located the administration building.

In the summer of 1942, the "Barak19" (the last, in the first row from the administration building) was renovated, and an additional wiremesh fence with a high voltage electricity was erected around it. Later, the "Barack18" was attached to it. Between them, at a height of 6 meters, a wire mesh was stretched with a high-voltage electricity.

All local guards were replaced by soldiers of the SS Division "Deadhead". These guards were personally instructed by Krürer. In addition to threats of immediate sending to the front for any talk about what would happen in the protected area, Krürer also explained to them that those who would be under your protection should be treated strictly, but "cordially" ... they're no longer Jewish prisoners... now they are working for the benefit of the great Reich... on his triumphal procession around the world...

Wooden barracks for some concentration camps [including Sacksenhausen and Dachau] were produced in Switzerland and transported to Germany. Naturally, as an ordinary trade deal in 1941, it was nonsense, so, to cover up the operations carried out by Schellenberg abroad, therefore headed by Hans Egel the Swiss Wood Syndicate was created.

Contact between Schellenberg and Swiss Foreign Minister Rotmud was established through Egel (who owned a trading company in Berlin, on Schellenberg's orders, and opened a shell company in Switzerland)...

The contract, worth 13 million Swiss Francs, was signed on January 22, 1942, and by April the first batch of barracks arrived in Germany.

For this part, Germany paid in barter: 50 tons of steel were sent to Switzerland.<sup>30</sup>

<sup>30.</sup> Richard Breitman, (N13), p.132

<u>Picture #13</u>: Aerial photography of Sachsenhausen, performed by American pilots. The arrow indicates the location of Barak 19.

From declassifying files of the National Archives of the United States.



A few days later, Kruger visited Delbrückstraße 6A to inspect the premises left over from "Operation Andreas". He was pleased with what he saw: the steam press was carefully lubricated; the rest of the equipment was also in excellent condition. In the safe, well preserved, there were ready-made clichés for all denominations, blanks of watermarks, type setting fonts and many other technical items necessary for work.

"I wound everything, except documents that could help me not to repeat the mistakes of my predecessors. I was sure that I would not find anything, because everything was carried out based on verbal orders, similar to the one I received a few days ago" – Krueger recall.

Obersturmführer Hermann Dorner, the head of the German concentration camp administration, also received a verbal order: to provide full cooperation to Sturmbannführer Kruger, in his secret assignment of national importance actions ["Geheime Reichssache"].

And, in turn, immediately issued an order for his subordinates:

**General Directorate. Head office** 

Oranienburg, 20 July 1942.

**Group D- Concentration Camps** 

DII/1 Ma. Hag.

**Topic: Report on Jewish Prisoners** 

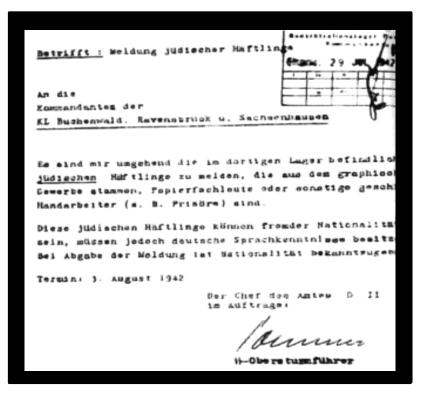
To: Commandants CL Buchenwald, Ravensbrück, Sachsenhausen.

You are obliged to immediately inform me of all <u>Jewish</u> prisoners who have following skills: paper specialists, artists, engravers, photographers, and others with special skills.

Jewish prisoners may be from different countries but must speak German. All data should be sent to me personally until August 3, 1942

**Chief of Administration D2** 

**Obersturmführer Dorner** 



#### Picture #14:

Copy of Herman Dorner's order.

From declassifying files of the National Archives of the United States.

# **©Arbeit Macht Frei** (LABOR LIBERATES)

I was about to lie down on the trampoline when I heard someone barely audibly call me by name. I saw hundreds of half-alive people in the camp, but I had never seen such a terrible looking man...

-Do you recognize me, Moritz?- whispered a voice, and then added a little louder, - It's me, Bernhard.

It was an old friend of mine, Bernhard Krupp. With parchment-colored skin tightly covering the bones, he looked like a "living skeleton". Bernhard was suffering from dysentery and pneumonia. He was completely helpless and could not chew food. For several days, when I tried to feed him, he lay almost motionless.

He took my hand and whispere:

- Moritz, I'm dying... Tell my fiancée when you get home that I love her.... I know... I'm sure you'll come home.

When we were working on unloading wagons with cement around there was a minus 20 degrees Farenheit.

Each bag weighed 50 kg. I was sure that I would not survive this day, but the words of my deceased friend each time gave me strength:

- Tell my fiancée when you get home that I love her. I know... I'm sure you'll come home.

A miracle happened the next morning. The order came:

- All the printers should be sent to Auschwitz.

There were seven of us: three Poles, two Germans, one Frenchman, and I was a Norwegian who managed to escape from the death factory in Monowitz.

Barrack 11, in Auschwitz, was a transit point for prisoners sent to other camps. In Monowitz, everyone who got into this kind of barracks had to work like slaves, on a par with the rest of us. Here, in Auschwitz, all our work was to sew socks (socks - in camp jargon, called rag shoes for prisoners made of horns and badly worn carpets). We were at a complete loss - because it was a gross violation of the "Goering Code", but continued to work, hoping for the best.

Over the next week, our group was replenished with three more printers and thirty watchmakers. They were all Jews.

Six weeks later, they sent a transport to send us to Sachsenhausen. During this time, our group was reduced to thirteen people.

Before the train arrived, we were fed soup, allowed to eat as much as everyone could eat, and given a dry ration that contained bread, margarine, and sausage. There was no end to our surprise when we were put in a passenger car and the guards no longer treated us like prisoners.

After a three-hour drive, the train stopped in Katowice, where we were allowed to use the toilet at the station.

We arrived in Berlin on March 8, 1943, about eight in the morning. We were transferred to another train going to Sachsenhausen (or rather we passed through Berlin to another station, which took more than four hours). From the station to the camp was about three kilometers, which we walked in two hours.

Our surprise grew as we passed through the pre-open gate and were directed to the last barracks along the high fence. Is it a concentration camp? In comparison with other camps, it looked like a model colony.<sup>31</sup>

\*\*\*

On August 23, 1942, the first seven prisoners were taken to 'Barak19", and by the end of the month there were more than 70 people there.

Kruger chose only 37 of the more than 150 prisoners prepared for him. They were chosen because they had skills in printing, engraving, working with paper and mechanisms. Also, one doctor was chosen to provide medical care - Jacob Kaufman, a Jew from Poland, because: *if a person's foot set foot on the territory of "Barak19" - he could not go back ... never...* 

Ricardo Luca was an engineer.

Alfred Pick was a dentist.

Arthur Tapler was a professor of mathematics.

Moritz Nakhstern was a master copier from Norway.

Ernest Gottlieb was a decorator from Vienna.

Roger Vail was a photographer from France.

Army captain Abraham Jacobsen and bank clerk Hefgaard were from Denmark.

Max Groen and his friend Dries Bosbum were both from Amsterdam.

**<sup>31.</sup>** Moritz Nachstern "The Counterfeiter" (N14), pp. 64-70 - his memoirs written in 1946 (in 2008 translated into English) are still recognized worldwide as the most realistic and truthful.

Accountant Abraham Krakowski.

The printer from Warsaw Mordechai Tuczmayer and his brother David Mardzhanka.

Felix Sytrin was a mechanic and engraver from Leipzig.

Arthur Springler was a businessman from the Czech Republic.

Jacob Kaufmann was a doctor.

Norman Levin was a photographer from Berlin.

Max Berbo was a printer ...

Also, among the selected were two hairdressers (they were chosen for "dexterity of the fingers"). 32

- I knew that Jewish prisoners would very quickly guess what that choice meant: at the end of the work done, they would die. Knowing this, how can I require them to work honestly, without sabotage and deliberate product spoilage,- Kruger thought.

Therefore, on the territory of "Barak19", he introduced two significant innovations: there was a kiosk where prisoners could buy cigarettes and some other items based on their weekly earnings: from 50 pfennig to 1.25 marks. They also received enhanced rations: bread, meat, marmalade, and even butter. In the barracks for prisoners were installed separate wooden beds and bedside tables, they were allowed to wear civilian clothes and grow hair. But the final point, which was supposed to convince even

hardened pessimists that Kruger was trying to get their favor - the order about the possibility of being examined by a dentist. (According to the German concentration camp regulations, prisoners were forbidden to provide any dental care.)

<u>Picture #14:</u> The 1 RM issued for accepting a payment from Sachsenhausen prisoners



- A man in his forties in civilian clothes was waiting for us on the playground in front of the barracks. We guessed that he was an important person because the officer accompanying us saluted him and stood behind him.
- Hello gentlemen,- he greeted us, I think you will like it here. Who are you by trade?
- -I'm a printer,- replied Schnapper, who was almost speechless,

<sup>32.</sup> The list of all prisoners of "Barak19" located at Appendix 1

- -Excellent,- the man said and moved on to the next.
- -Oh, stereotypical,- he exclaimed, -Very well, we have a good job for you,- he added and patted Moritz on the shoulder...

So,he greeted everyone, and nodding goodbye, went to the office.

For us, everything was for the first time: in the barracks, all the windows were glazed, the prisoners, who were not adjusted by anyone, took food at the table. Also for the first time we saw prisoners in civilian clothes, and not short-haired.

-Are you hungry?- asked one of the inmates (it was the foreman Krebbs) -Sit down, now you will be fed. Would you like to smoke a cigarette? - he continued to surprise us.

But as soon as we were going to light a cigarette, the door was opened, and a German officer appeared on the threshold. Instinctively, we started hiding cigarettes.

- No, please don't hide, you can smoke.

I couldn't believe my eyes when I saw that he was chirping his lighter and let Schnapper light a cigarette.

After we ate, Morock (a German officer) said:

-Now you have to go wash and spend a week in quarantine - after that you can go back to "Barak19" and get to work.

There was no end to our surprise. After the bathrooms in Auschwitz and Monowitz, the local bathroom, where there was plenty of hot water and everyone had their own towel and a bar of soap, seemed to us a luxury hotel.<sup>33</sup>

- In the Birkenau concentration camp Sam Stahmer already had a reputation as an engraver and jeweler (for melting silver spoons into rings), but his life changed dramatically when he responded to the announcement: All engravers and printers should be immediately registered in the office.
- I was only one engraver, and the other ten people were printers. The German officer asked us in detail what we could do, writing down in a notebook the data for each individually. After that, we were immediately separated from the rest of the prisoners, and a week later we were sent to another camp. It was Sachsenhausen, near Berlin. After 14 days of quarantine, we were sent to "Barak19", where there were already

<sup>33.</sup> Moritz Nakhstern, (N14), pp. 69-70

several engravers and printers, who told us what we had to do: **Print the money... British** pounds sterling.<sup>34</sup>

Max Groen and his dear friend Dries Bosbum were apprehended by curfews in their hometown of Amsterdam and sent to Auschwitz....

The SS officer asked Drize a strange question:

- Did you work in the printing industry?
- Yes, Herr... [officer] Driese was a lithographer by profession.
- Is there anyone else who has worked in this industry?

Max worked as a photographer in the newspaper, but thinking that there was no special difference, he replied:

-Jawohl, ich (exactly, yes),

Driz managed to whisper in his ear:

- Tell him that you are a litho-photographer, for other trades you need to be trained for several years.
- OK, You two go to the office.

In the office, another officer, with remarkably good manners, continued to question friends and others who was previously preselected for their skills. When it came to Max's turn, the Major [and it was Kruger] asked him:

-Do you have any retouching skills?

Max had no idea what to say. But he had a picture in his memory with a magazine once seen. On the cover it was the title "American retouching".

-American retouching,- he replied with confidence in his voice, though he had no idea what it was.

The officer nodded with understanding:

- Ah, you're talking about positive retouching. Very well.
- On the evening of April 12, 1944, I went to the office of the camp commandant, and reported:

<sup>34.</sup> Michael Berkowitz(N15), pp. 159-160

- Prisoner 64401 arrived,
- Inmate Burger? officer asked, opening the folder with my documents.
- Yes, sir,
- You are heading to Berlin, Herr Burger,- the officer continued, but with a very different, less rigid, intonation in his voice, We need experts like you. You will work in good environments. You will find out the rest on the spot. Best regards.

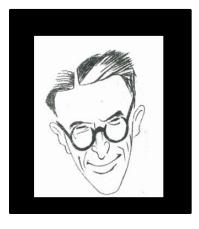
When I returned to the barracks and told my friend Mikuláš Steiner about this meeting, he replied to me:

-You are lucky, you were able to avoid the gas chamber.

On May 21, after the quarantine ended, I and eight other prisoners left for Berlin and from there to Sachsenhausen.

The next morning, we were woken up at six o'clock. After washing and dressing, we went to breakfast. No one pushed us, the food could be chewed calmly. After breakfast we all went to work. I was put to work on a paper trimming machine.

Richard Luca, a mechanical engineer from Prague who had conducted four years in Buchenwalde, later recalled: I would respond even if they needed sword swallowers.<sup>35</sup>



Picture# 15:

Drawing by Leo Hass: Richard Luka.

- Victor Hahn recalled how he got to Sachsenhausen:
- I was on the verge of despair. Death was all around us, it dominated life.

**<sup>35.</sup>** Lawrence Malkin, (N6), pp. 90-92

Suddenly, Kruger appeared in Auschwitz. He was very friendly with us and explained that he needed cashiers. I replied that I worked as an accountant, but I have experience in a bank. When Kruger heard this, he told the assistant to record me.

That's how I got to Barak19.36

- Abraham Krakowski stood in a row of prisoners chosen by the camp administration and watched as Morduhay Tuchmaer, a printer from Poland whom Kruger had already chosen, asked for his brother, David Marzank. Unexpectedly for everyone, Kruger gave the command to the assistant: -Write him down,-then he approached Krakowsky, and asked:
- How old are you?
- Twenty-five,
- Who are you by profession?
- Accountant,
- Show your hands.

Abraham stretched forward with both hands. Even despite the grueling hard work in the concentration camp, the fingertips retained their softness, which was able to convince Kruger.

- Write him down.
- Before Hans Walter was sent to a concentration camp in 1942, he worked as a mechanic at Berlin airport and was an avid cyclist. Since he was a Jew, he received a meager salary, and in order to earn at least some money - he began to forge German passports for Jews, passing them off as Catholics.

He pasted the photos into real German passports that had been stolen earlier.

Picture#16: Hans Walter (before the war)

Troubles began after one evening, when he went home from a local bar. He was stopped by a patrol and demanded to show his passport.



Ironically, the shoemaker was without boots.

Sitting in a cell in a Berlin prison, he met a young artist, Peter Edel. In January 1944, the two of them, along with a dozen other Jewish prisoners, were sent by train from Auschwitz to Sachsenhausen.

Upon arrival at the station, they were put on a line. German officer Bernhard Kruger stopped in front of each prisoner and asked the same question:

- Tell me about yourself.

When it came to Hans' turn, he replied:

- I don't have much to say. I was arrested by the Gestapo for not carrying a passport.

Kruger looked at his scorecard carefully, and then filled his eyes with Hans, and asked:

- Judging by the account, you didn't have a permanent job. What did you do for a living?
- I forged passports.

Kruger looked up at Haas again, but this time, they had a very interested look.

- Write him down. Do you know anyone with the same professional skills as yours?
- Yes, Herr Officer The inmate number 75152 Peter Hirschwe (author's note: Peter Edel was under that name in the records).
- He worked with me, he's a great artist,- Hans asked for his friend.

<u>Picture#17</u>: Peter Edel

- OKay. Write him down too, and make sure these two aren't sent by mistake to the gas chamber. We can use people with these such of skills.<sup>37</sup>

\*\*\*

One evening, Major Kruger gathered all the prisoners and explained why they were grouped together.

-You have been chosen to carry out a very important mission - the counterfeiting of English pounds of sterlighs. Now you are working for the benefit of the great Reich, for its triumphal procession around the world, - then its tone softened, and he continued, you will receive anenhanced diet, the same as the German workers receive, and get cigarettes. You will also be allowed to read newspapers. Moreover, you will be allowed to listen to the radio, if everything goes as planned, I'll allow to set up a table for tennis.

<sup>37.</sup> Hassan Dudar(N35) www. independent collegian. com, April 19, 2010

You are all here under my special protection. No one is going to kill you, on the contrary, in case of successful completion of the operation, you will be allowed to live in a special enclave, where you will continue to work as civil servants ...

The working day begins at 6 a.m. and ends at 6 p.m. Lunch from twelve to one o'clock in the afternoon. Sunday - day off.

After the war, Hans Walter recalled this speech:

-We were saved. Many of us were on the verge of imminent death, now this very unusual Nazi major promised us that we would not only live, but also eat and smoke enough, and even remain alive after a complete victory.

Even if we discarded all the verbal husks and left only one rational grain - it still looked as if heaven had saved us from imminent death.

-Under panishment of death, you are forbidden to spread out any information about what you do in the territory of "Barak19", - the guards periodically reminded to the prisoners. So, when Moritz Nachstern was asked at the Sachsenhausen's doctor office:

-What are you were doing there?

He replied:

- Nothing special. Just sand shoveling.

Strangely enough, Kruger kept all his promises. There was enough food and smoke, newspapers came regularly, the radio worked, a ping-pong match was held between prisoners and guards, once even *a performance* of a local "theater group" took place.

Our "printing house" was closed on Saturday afternoon and Sunday. My first Sunday was like a dream. Each prisoner was given a piece of soap and a towel. After that, we were put in one line and the guards carefully searched us for physical evidence, and then, in a column of five, along the deserted central aisle, we were led to the shower room.

Pleanty of hot water! Sea of hot water and time...

After lunch, everyone rested. Someone could sit and talk, someone played cards or chess. We played table tennis.<sup>38</sup>

<sup>38.</sup> Adolf Burger, (N16), p. 184



**DMITRIY LITVAK** 

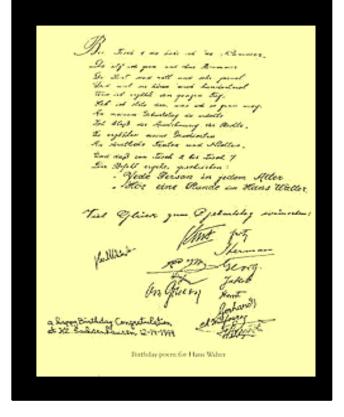
#### Picture# 18:

The program of the theatrical performance made by the prisoners of "Barack19" on December 31st, 1943.

#### Picture #19:

The Poem.

Congratulations on the 23rd birthday for Hans Walter. December 14, 1943.





<u>Picture#20:</u> Drawing by Leo Haas: *Max Brebo, during the preparation for the performance.* 





<u>Picture #22:</u>
Drawing by Leo Haas: *Richard Luka resting.* 

But it was not necessary to deceive about this kind of "nirvana".

The Nazis (i.e., Kruger) were not as naïve as it might seem:

- Two SS guards were seriously punished. One was shot after in a very drunken state, telling out to his mistress about what was happening in Barak19, and the other was sentenced to 15 years of hard labor for breaking orders.
- Russian student Pyotr Sukenik, incurably ill tuberculosis, was killed (at the end of April 1945) ... so as not to infect others.
- Arthur Springler, on the contrary, was completely cured at the Zachsenhausen Hospital. The reason for this was few words that tells when he was choosing for work: -"Yes, I have some knowledge for the production of banknotes".

Kruger personally visited him in the hospital, and when he was discharged, he personally brought Herr Springler to his bed.

# HOW A NORWEGIAN JEW SURVIVED THE HOLOCAUST

Selected chapters from the book by Moritz Nachstern

Counterfeiter.

How a Norwegian Jew survived the Holocaust.

Written and published in 1949 (and republished, translated into English, by his daughter Sidzehl in 2006), this book, out of a dozen memoirs written by other prisoners, most realistically and truthfully conveys the atmosphere of the events.

From Lawrence Malkin's preface to Moritz Nachstern's book "The Counterfeiter. How a Norwegian Jew Survived the Holocaust":

In the Moss Arbeiderbad archive I found Pierre Vollebeck's review of the first edition of the book, published in 1949.

It is absolutely nessesary to everyone to read this book. Not only because it contains sensational facts of what happened in Barak19, but also because today it is a realistic and truthful description of the events that occurred at that terrible time, which, unfortunately, many try to forget.



Picture#23:

Drawing by Peter Edel: Moritz Nachstern.

None of us said a word, even though we all saw that Kahn had been doing all day.
He revolves around Jackie Plaper.

- -Look at Kahn,- Krebbs said quietly, -do you see his devouring look on Jackie, from under his new blue glasses?
- How he gets such a beautiful eyeglass? Glantzer joined the conversation.
- From his patron, Kruger, replied Luke,- Kahn complained to him that his eyes were very tired of the strong light while working, and "Uncle Kruger" immediately got new glasses for him.

### At night.

Holding in his hands a few sheets of paper in the barracks Morock burst in.

- -Close all the windows and lower the blinds,- he shouted from the threshold. Walking to the middle of the barracks, he climbed on the table and waving sheets of scribed paper continued:
- Here's proof that there was an extraordinary accident in the barracks!

There was an ominous silence in the room. Everyone looked at Kahn, who turned pale and began to pour drops of cold sweat.

- Kahn, come up to me. Look at me, pooch. Do you know what's in those papers?

This is Jackie's report on how you molested him and persuaded him to cohabit. For this, you must be hanged. You threatened Jackie that if he refused to do what you asked him to do, you would scream at the whole camp what we were doing here. Admit it – did you really threaten to do it? YES, or NO?

- Yes. But I wasn't going to carry out my threat.
- And what would happen if you complied with your threat! What do you think will happen to you? With me? We're all in the same boat. Weber and I are personally responsible for everything that happens here, and I can't let you get us involved in it. Remember one thing: help yourself as much as you can, but if you involve someone else in it, be ready to answer. Krebbs get started!

## Krebbs approached Kahn:

- Take off your glasses. You aren't only trying to molest Jackie; you were also going to dissolve your tongue. Do you think you're smarter than anyone else?

Krebbs struck Kahn in the face with all his sweep so much that he flew a few meters to

the floor and lost consciousness. While he was lying down, Krebbs, with Gütting help, dragged him to the pantry, and threw a rope that was lying next to him, on the floor.

- -Now you can hang yourself, and the faster, the better,- Krebbs shouted at last, and slammed the door...
- -Do you think he'll do it? -Glantzer asked.
- -No,- replied Richard Luka, Morock, Weber and Krebbs would be happy if he did, but Kahn is a weakling for it. On the other hand, Kahn knows the equation very well. All of them, starting with Kruger, do not want to "take the litter out of the hut". They owe their comfortable life to this barracks. And if we have any problems, they will not pass them either.
- There's something to that, it looks like the truth, -Glantzer admitted.

\*\*\*

- -Who was screaming? Look at me, I repeat who was screaming? I give one minute,- Weber looked at the clock. To us every second seemed like an eternity.
- So, so, a minute has passed. Today I am in a good mood, so choose punishment on the platz or a haircut ... I'll even allow you to vote. What do you think, Richard?
- Punishment,- Richard replied without hesitation.
- Glantzer, you next
- Punishment.
- Nakhstern?
- Punishment.

#### Weber nodded:

- Okay, so be it. Punishment on the platz... **the haircut.** You three, run to the platz.
- Götting placed a chair in the middle of platz and waving his hand with a hair clipper politely invited:
- Who's next? Hey Norwegian, let's sit down, be the first!
- I dutifully sat on a chair and closed my eyes and cried silently.

No sooner had Gyutting stretched the strip in the center from the forehead to the back of his asher Weber shouted:

- Stop. Hmm, maybe we can leave it as is? - Weber paused watching my reaction -

though no, go ahead - and again a minute later:

- Götting, do you think we will leave the eyebrows? I think they're too thick.
- No problem. Let me change the blade on the clipper. Just for you Mr. Polar Bear, at no extra cost...

I was ready to strangle them with my bare hands.

In the evening, Kruger arrived in Barak19. Not as friendly as usual, with no smile on his face, he ordered everyone to be gathered.

- I received a report from Obersturmbannführer Morock. This is indeed a serious problem, and after a thorough discussion, I decided to take all measures to prevent this from being ... but I also promise that I will not give indulgences to anyone. No one, not even the best worker, will have any indulgence and will be punished on a par with everyone if he disappoints me.

Putting his hands behind his back, Kruger several times silently walked in front of us, carefully looking into the eyes of everyone, but without a strict expression on his face, and with a slight smile in the corners of his eyes:

- I certainly understand how difficult it is for all of you, and I'll try to solve this problem... apparently you will have to call women for you.

As we stood there, Kruger nodded to everyone and with a mysterious smile on his face left the barracks.

Picture #24:
Drawing by Leo Haas: All Together.
From the collections of the National
Archives of the United States



• Haupsturmführer Helmut Beckmann, stood in the aisle, and as usual juggled his pistol (for which he received the nickname Wild West).

-No, my dear Springler, it is still five minutes before lunch, and I won't let the working time shortened by a single minute. You can be sure — Helmut Beckman, nicknamed the Wild West... Yes, don't be surprised, I know what you call me. I'm not so stupid as to end up as Morock and Weber.

Yes, I also had girlfriends in Berlin, but I always knew that with them you need to keep your mouth shut.

Kürzweil, I need two people to bring food.

There was no kitchen on the grounds of our barracks, so each time two of our team on duty brought tanks with food. This time the choice fell on me and Glantzer.

Employees of the common camp kitchen at the same time, daily, brought everything necessary to the gate, and immediately left. They had no right to talk to us.

The Wild West opened the gates separating Barak19 from the rest of the camp, and we dragged three tanks with food into our territory. He immediately closed the gate and approached the nearest tank and lifted the lid.

"Aha, spinach soup," he said, and wrinkled his nose quickly closed the lid.

It was about 100 meters to the barracks, and usually to carry each tank, we made two or three stops, but Beckman, constantly pushing us with kicks, did not allow us to stop and rest.

When we brought the last tank, everyone was having lunch. Glantzer and I were just sitting at the table... from trembling hands could not hold the spoon.

The same thing was repeated in the afternoon. All the scraps were poured back into the same tanks, and we carried them back to the gate.

Today the scrap tanks were almost full.

Attention! - roared the Wild West.

Kruger entered the barracks, and after waiting until several people came from the engraving room, he nervously walked back and forth between the tables. I had a cold sweat on my back. Something serious happened.

- Lauber!

Lauber took a step forward.

- Tell us about your golden teeth, about the denture, what happened to it?
- Because of the infection, my jaw became inflamed. I asked Morock to take me to the doctor. The doctor removed the denture.
- Where did this golden prosthesis go, Lauber?
- Morock took it,
- Thanks, Lauber, this coincides with his testimony at the inquest. But where is it now? In Morock's personal belongings we did not find it. It must be somewhere in the barracks.

I was struck by a coldsweat. Güting packed his stuff. I didn't have time to think about it until I fully thought about it, when Güting took a step forward, and said:

- Herr Sturbannführer, I keep this golden bridge. I knew it didn't belong to Morock, so I kept it. He's in my nightstand. Will you allow me to bring it?
- Bring it. But why haven't you done that yet?
- Herr Sturbannführer, I understand this is inexcusable, but I just forgot. All day I think only about work.
- I understand, Güting, let's carry this hengy prosthesis, and let's consider this case closed.

Kruger put it in his pocket and, saying goodbye, calmly left the barracks.

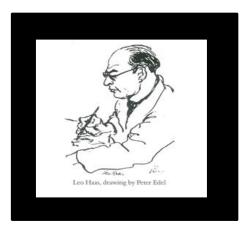
- Do you really think that this will be the end of it, and Krueger is so stupid that he believed this lie?- asked Max barely audibly,
- No more than you or me,- Luka replied.
- I think I'm dreaming of it,- Glantzer joined our conversation, -There are millions of pounds lying under my feet around, and he [Kruger] is talking about some golden bridge. What happens if at least one piece of paper disappears?
- Then today you would see a completely different "Uncle Kruger".
  - Attention! As usual, the Wild West roared

Kruger entered the barracks, and after going to the center of the room, he addressed all those present:

- Gentlemen, as I said before, you are gathered here for an important mission. Thank you for a job well done. I was instructed to expand our production area. The nearest Barak 18 will join ours, and I look forward to your suggestions for its rational use. We

not only received the task of significantly increasing production, but we have also set new tasks... Also, the security will be increased by three people.

<u>Picture #25:</u> Drawing by Peter Edel: *Leo Haas*.



- -Oh my gosh,- whispered Leo Haas,- apparently, we'll set a world record for counterfeiting.
- -Thoughts deeper,- Luka added, it means something more for us. Thank you, Lord, we can feel calmer it means we won't be shut down and sent to one place. This is the first good news of the last year.
  - Max Berbo left the engraving department and headed straight to Beckman.
- Herr Haupscharführer, Sturmbannführer Kruger ordered the printing of posters with special fonts, which, on his instructions, were taken to the office of Sachsenhausen.
- Do you need them today?
- Yes, Herr Haupscharführer. By tomorrow morning, the posters should be ready.
- Okay, I'll deal with this, and you're back to work.



Picture #26:

Drawing by Peter Edel: Max Berbo.

As soon as the sound of the gate closing was heard, Max reappeared from his room. Looking at the wall clock, he went straight to the guard room, and closed the door behind him. After a while, a crack came from the speaker that was hanging from the ceiling. Everyone stared at the speaker, and then we heard:

#### London says.

- Since the Battle of Alamein last October and the defeat at Stalingrad in February this year, Germany has suffered defeats on all fronts. Our Russian allies recaptured the city of Kiev, and the army of Manheim was pushed back from the shores of the Sea of Azov. In Italy, on September 30, Naples was taken, and since then our troops have been advancing north. Although Kesselring fights like a wounded tiger, the outcome of this battle can only be one. We are getting stronger "in the air", and very soon Hitler and company will feel it.

With mute admiration, we stood silently and looked at Max as he left the security *room*. Everyone wanted to come up and thank him for such a truly heroic act, but Max stopped us with a movement of his hand:

- Don't ruin my "beautiful poster". The Wild West can come back at any minute. So,go back to your seats.

Just a couple of minutes later, Beckman returned to the barracks. He is feeling that something had happened during his absence and walked and sniffed out until the end of the day.

## At night of the same day:

- God, what a day! - Luka whispered

#### Glantzer shook his head:

- What kind of luck you need to have to be so accurately on the BBC transmission, and even in German!

Glantzer was not alone in wanting to know. Max chuckled and patted Glantzer on the shoulder in a friendly way:

- There is no secret, much less a focus. I knew the exact time of the broadcast and the wave on which the BBC broadcasts. The rest you saw.

Only one person looked upset - Felix Sytrin.

- Old man, what happened, did you get bad news? - Schnapper asked him.

### Sytrin shrugged:

- -The closer Germany gets to hell, the closer we are to the gas chamber.
- -Stop talking nonsense, you and I will meet in Palestine, after the war,- Leib Italliener replied to him.

<u>Picture #27:</u> Drawing by Peter Edel: <u>Felix Sytrin</u>



- Werner appeared in the doorway.
- By the order of Obersturmbannführer Kruger, Leo Krebbs and Hermann Güting are immediately relieved of their posts. Arthur Levin is appointed to the place of the barracks headman, and Albert Peak is appointed in the place of the foreman.
- Everybody Get Up! The order of the new headman was heard.

Kruger appeared in the doorway. In his hands he held a dagger, with a very beautiful engraving, and his face did not express anything good,

- Good afternoon, gentlemen.

Krebbs was standing right in front of me, and I couldn't help but see my face. He stared at the dagger, with eyes full of horror. Suddenly, his knees bent, and he quietly sloped to the floor.

Kruger and Werner pretended that nothing had happened.

- As you've all heard, I've decided to make some changes to Barack's leadership. I think I don't need to repeat again that absolutely no one can count on my support and understanding if they break the rules established here,- Krueger pointed to Krebbs, -Take him to the infirmary. I give him two weeks off. He needs to rest and recuperate. Goodbye.

Later at night in a baracks:

- I think I'm going crazy, when such an intelligent man as Kruger begins to play with a half-meter dagger, and Krebbs, who is strong as a bull, seeing it falls to the floor ...

Apparently, the end of the world is near. Explain to me what's going on? - Glantzer struck a tirade.

- Ask Moritz. He knows the connection between the dagger and the fall of Krebbs.
- Sytrin told me that Krebbs stole this dagger while packing Morock's things. Sytrin, who at the request of Morock was engraving on the handle, accidentally saw Krebbs hiding this dagger, and recognized it,- Moritz replied.
- Ha-ah, Gütting stole a gold prosthesis, Krebbs stole a dagger, and no one was punished. On the contrary to improve his health, Krebbs is given a 2-week vacation, Glantzer did not hesitate, I need to steal panties from Kruger, maybe they will send me to the resort for a month?
- It's very simple. Everything must be covered up. It was only through Krebbs' efforts that we were able to do the hardest part on the pounds. You can imagine what that meant for Kruger.
- He did this to show Krebbs that knowing his character, he would not give him a reason to retaliate. You can be sure "Uncle Kruger" doesn't do anything for no reason.
  - This happened after an air raid on the camp.

When Kruger entered the barracks, we were already sitting at the table discussing what had happened.

- Sit, don't get up. I want to assure you that it was misunderstanding. Apparently, these incendiary bombs fell from a faulty plane. I allow you to rest for the rest of the day. By the way, a new person will arrive today. I have very high hopes for him. Goodbye, gentlemen,- Kruger turned around and silently walked out of the barracks.
- So, what kind of person is it, if "Uncle Kruger" personally introduced him? asked Schnapper,
- If so, we need to give him a special reception,- Max picked up, let's dedicate him to our ranks. By the way, the holy water is already there,- and Max pointed to the jar of printing ink.

After lunch, Levin brought in a rookie. He was short, thin, rags like all newcomers, a Russian prisoner. But something in his gaze suggested his eccentricity.

- -Good afternoon, untrimed community,- he greeted us with a slight smile on his face. Everyone was silent, only Levin, with metal in his voice, ordered:
- -Take off your rags.

After that, Max Brebo stepped in. He took the newcomer's hand, ran around the tables, and then sprinkled him with "sacred water".

-I dedicate you to our community, and I call you Comrade,- Max continued to play his role, -Now tell us who you are, and where you came from.

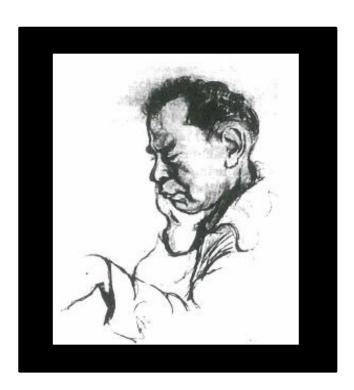
The Russian, playing along with Max, bowed to all those present, climbed on the table and said:

- Dear brothers, I am flattered by such a truly royal reception given to such an insignificant person as I am. I have come to you from the famous resort of Mauthausen to continue the course of treatment. I don't know what you're doing here, but I think it's vital.

### By trade I am a counterfeiter.

And according to the wild recognition from the opposite side - a master in my stuff. It wasn't bravado.

Comrade [and it was Solomon Smolyanov] was a professional in his field. A few months later, he literally saved our lives by making his famous cliché for issuing counterfeited dollars, which caused admiration in Berlin.



<u>Picture #28:</u> Solomon Smolyanov. Self-portrait, 1944.

Seeing the warriors playing ball without taking off their shells and helmets, he rejoiced and told them to call their superiors to praise them. He was informed that the chiefs were drinking wine; and then he demoted them and appointed these warriors to their place.

**Antigonus** 

(Plutarch: Quotes of kings and generals)

# **©**THE DEVIL'S WORKSHOP

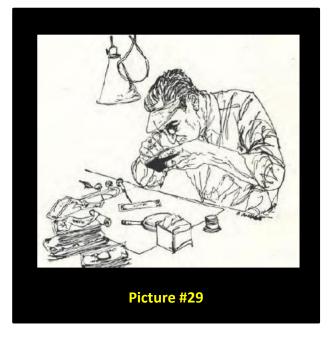
In December 1942, all the necessary equipment was installed, and "Operation Bernhard" was put into the first stage. By agreement with the *Schleicher and Schull* factory, 12.000 sheets of paper were delivered to Barak19 every month (each sheet was enough to issue 8 banknotes).

Located in Sachsenhausen, the forgery enclave, was divided into five departments. Directly *Printing department* - which was headed by Arthur Levin; *Accounting department* - headed by Kurt Weiler; *Photography department* - headed by Norman Lewi; *Copy department* - headed by *Abraham* Jacobsen; and the *office* - headed by Oscar Stein. All the while Oscar kept a diary in which he wrote down in detail how many and which banknotes were issued. This diary, and his brilliant memory, were one of the main sources from which the British, French, and American military intelligence learned about what was happening in Barak19.

The project progressed very slowly.

Copper clichés for printing were made in *Friedenthal Castle*, a few kilometers from Sachsenhausen, where the secret division of the RSHA - the *Lithographic Institute* was located (It also housed a warehouse of materials necessary for Sachsenhausen). Gerhard Krische, one of the most famous German engravers working in Friedenthal, developed the first cliché, and Felix Sytrin, senior engraver of the engraving section, finalized it.

The problem was that the prisoners could not (and did not want to) work with Albert Petrick, a German printer appointed by the RSHA for this project. Petrick constantly harassed them and considered them as a *useless garbage*.



From Kruger's memoirs:

At the end of 1942, the prisoners held a secret meeting, at which only one issue was discussed - how to sabotage the work. Many of them offered to make invisible to the eye, but easily recognizable by a specialist, errors in engraving, or to violate the technological mode of drying, but, in the end, decided to abandon direct sabotage. <sup>39</sup> (picture#29)

# [IN PARENTHESIS]

Adolf Burger. Printer from Czechoslovakia. He was directly involved in Operation Bernhard. Author of the book "The Devil's Workshop" (1983) and screenwriter for movie "Counterfeiters", which received the Oscar in 2008.

Here's a quote from his interview with Czech journalist Nelly Pavlaskova in 2008:

Prisoners tried to delay the start of work, delayed the preparation of paper, delayed the classification of finished banknotes, came up with more and more excuses. Under panishment of death, they began to print money.

Let me disagree with the author (or rather with this adatped translation). And add that I am not alone in rejecting the interpretation of some of the facts presented by Burger.

Picture #30: Lawrence Malkin

Lawrence Malkin

**<sup>39.</sup>** Drawing by Kurt Goldblat to the article by Murray Bloom: *The World's Most Famous Counterfeiters,* Harpers Magazine, 1957 (No.17) (Picture #29)

Moritz Nachtstern, a Norwegian copyist who participated in Operation Bernhard from the early days, and Lawrence Malkin, author of the book "The Kruger's Man", which was translated into 17 languages, say this about his book:

The story of Operation Bernhard, told in a 1983 book, The Devil's Workshop, was used by the communist regimes of Eastern Europe for propaganda purposes to show Kruger as an inveterate war criminal... these memoirs were written under the direct editorship of the leadership of the communist apparatus, after his [Burger's] retirement."<sup>40</sup>



Picture #31: Moritz Nachtstern

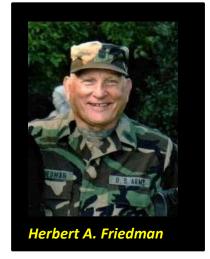
Most of the information about this story comes from Jewish prisoners of Barak19. Compared to other prisoners dying of exhaustion and disease - they lived in relatively

good conditions.

Maybe they felt guilty about it. In addition, they helped to their sworn enemies. I understand why they became something of a kind. To be the traitors

– it was the only way to survive. As a result, many of them in their memoirs described how they fought the Germans and sabotaged the process of issuing banknotes in every possible way. Burger, in his autobiographical book, showed himself to be a loner, a kind of "Super sabotage machine". I think we should be more critical of these memories, and constantly ask ourselves how true they are?"

<u>Picture #32:</u> Herbert A. Friedman



<sup>40.</sup> Moritz Nachtstern, (N14), page30 / Lawrence Malkin (N6)

<sup>41&</sup>quot;Axis Propaganda Currency of WWII" by Herbert Friedman, www.spywarrior.org, 2009(N18)

It sounds a little strange, but all these stories need to be taken with a slight note of distrust. I'm not sure that after so many years their memory doesn't fail. I continue to believe the basic facts they tell, but in detail they are often wrong. Perhaps this was for political reasons, or to show themselves to be more brave and anti-Nazi. I'm not saying this as an accusation, I'm just stating a fact. Constantly working in only one of the sections of the barracks, many of them confidently talk about everything that happens in the barracks. I think most of this information they got at night lying on the trampox and talking to each other. <sup>42</sup>

Back to our story.

From the prisoners secret meeting:

-If the banknotes issued in mass quantities are not inspected, then we will simply be killed and replaced with others, and there is hardly another one like Kruger, - the conspirators reasoned.

Werner took us to the camp, and introduced us to the barracks warden Arthur Levin, who led us inside and showed us our places. We stood confused and surprised. Each inmate had his own bedside table. The tramposes were covered with white sheets with normal pillows on them. Compared to camp Birkenau, it looked like we were from hell to heaven. After we settled in, Levy led us to the dining room. He sat down at the table next to us, and while we were eating, he explained the situation in Barak19

- Friends, there is no way out of this. Only chance can help you get out of here alive. I warn you that sabotage and theft are not possible here. Don't even think about it. During the year and a half that I've been here, it's only happened once. Hermann Guttig burned a 50-pound note. This was discovered quite quickly because the Nazis keep a record of EVERY bill issued. First, they tortured him, and then the doctor gave a lethal injection into the heart...

So I repeat - don't even think about it. 43

Relations with the instructors from Albert Petrick's printing house worsened by the day. The inmates, in order to prove that they could do without instructors, persuaded my assistant, Lieutenant Morock, to allow them to work at night. After two weeks of

<sup>42</sup> From the author's personal correspondence with Herbert A. Friedman, September 2009 (N34)

<sup>43.</sup> Adolf Burger, (N16), pp. 117-118

independent work, the prisoners convinced him that they could control the machines perfectly. Morock, along with Arthur Bloom, a representative of the prisoners, went to Berlin.

### From Kruger's memoirs:

It happened on February 3rd, 1943, the day when the defeat of the Nazis at Stalingrad was announced. I was very surprised when I saw Bloom outside the camp.

I listened to their suggestion: 10 days of work without instructors to prove the ability of prisoners to manage the equipment, and was puzzled,

-What if they overestimated their capabilities? - then I'll have serious problems. On the other hand, Albert Petrick had very strong party patrons. But Operation Bernhard stands still!

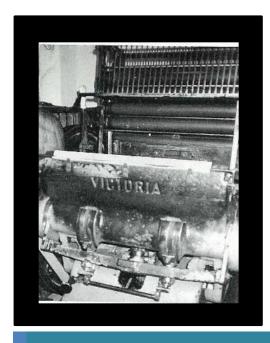
I decided to play on the side of the prisoners.

The next morning, I sent all the instructors on a 2-week vacation, and after their return, the inmates started the equipment on their own. The results of the work were very good.

After that, I was able to officially refuse the services of Albert Petrick.

To show my appreciation, I allowed the inmates to receive food parcels and allowed them to wear civilian clothes.

## "Operation Bernhard" began to gain a momentum.



Paper supplied from the "Schleicher und Schull" factory, which produced cigarette paper and coffee filters before the war, also underwent the strictest controls. Sheets with a bad watermark were immediately rejected, and those that passed the test were cut into two halves and so used on the printing press.

#### Picture #33:

Printing Press "Victoria-Tiegel, Type 4" installed in "Barak 19". From the collections of the National Archives of the United States

The process of preparing for printing took about 20 hours for each machine, and after each thousand copies printed, the machines stopped completely to clean the clichés. The printing process itself took place in three stages. First, the text was printed, a vignette with a date and signature, then the denomination was printed (the word five with numerous black dots around). In the third stage, the serial number was baked. After that, the fully printed banknotes were sent for seven days to dry.

After drying, the "checking" command came into play. First, the banknotes were mixed so that there were no consecutive numbers, then each banknote was checked three times for clearance (in a special box on the glass with a bright lamp at the bottom) for compliance with the original.

To do this, Kruger created a group led by the Fayerman brothers from Warsaw. Both brothers were bankers and had extensive experience with British Pounds. The audit was carried out by three independent groups:

The first - checked only the print quality and color.

The second - only a watermark.

The third - the general appearance of banknotes.

At the end of this technological cycle, the banknotes fell into the "pre-release" room, where the edges were trimmed, but so that the paper was given the appearance of handmade.<sup>44</sup>

The final touch in this production cycle was the artificial aging of banknotes.

The chemical method used earlier, i.e. spraying of flaxseed oil, which reduced the initial shine of the ink on freshly printed banknotes, did not bring the desired effect, so it had to be discontinued.

The solution to the problem was proposed by Oscar Stein.

Picture #34:

Drawing by Leo Haas: Oscar Stein.

All those who were free from work (even the elite: engravers and printers, such as Berlinger, Beaver and



**<sup>44.</sup>** At Add#2 there are tables of all known to date serial numbers of banknotes issued during *Operation Bernhard*.

Tiefenbach, were not exempt from this) were lined up in two rows, where they took turns passing banknotes from hand to hand, on which there were traces of circulation were applied. In addition, one of the participants in this living production line bent banknotes in a certain sequence in half or into four parts and folding.

After that, some banknotes were pierced with a needle (generations of English bank clerks used a thin steel rod on which banknotes were strung to store them, and the population, for ease of storage, fastened them with ordinary pins), and various inscriptions were applied to them (cashiers around the world have a habit of making an inscription on the banknote indicating how many banknotes were in this pack).

One of the techniques in the process of artificial aging was the application of tear cuts (notches), along the edges of banknotes. These notches allowed cashiers to accurately determine the denomination of banknotes when recalculated. On the 5 Pound banknote, the incision was made only on the top, on the 10 Pound - on the right upper side, and on the 50 Pound - on the right bottom side, etc. (see picture#35 below)



<u>Picture #35:</u> On the left is a 50 Pound note, with a notch made to facilitate the recognition of banknotes during the conversion process, located at the bottom along the right side. On the right is a banknote of 10 pounds - with a notch located at the top.

According to the results of this multi-stage inspection, all products were divided into four categories: the first one: excellent quality - which was used only in neutral countries and for espionage operations on the territory of the enemy. The second one: good quality - which was used for payments to agents and in settlements in the occupied territories (ironically - many German accomplices preferred British pounds to German marks). The third one: of acceptable quality - scattered from aircraft over the territory of England. And finally, the fourth one: defective - just destroyed. <sup>45(picture #)</sup>

73

<sup>45.</sup> Drawing by Kurt Goldblatt to the article by Muray Bloom(N17) Picture #36

Brian Bourke gives a slightly different from the generally recognized classification of the types of banknotes issued:

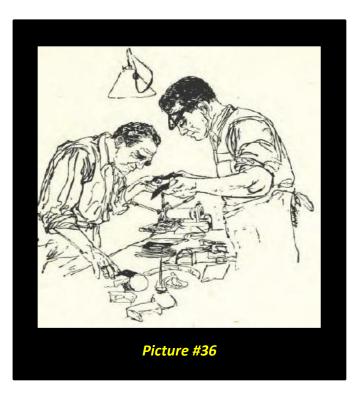
*Type1*: Banknotes are defect-free. Used only for purchases in neutral countries.

*Type2:* Banknotes with one minor defect. Used for payments to agents in neutral countries.

Type3: Banknotes with more than one minor defect. Used for purchases and payments to agents in occupied territories.

Type4: Banknotes with one significant defect. Scattered from aircraft over the territory of England.

*Type5*: Banknotes with more than one significant defect. Shredded and used to re-make paper.<sup>46</sup>



## From Kruger's memoirs:

In early 1943 I showed to Walter Schellenberg our products. He asked the manager of one of the companies to put some of our banknotes on deposit in one of the major banks in Berlin (he was smart enough not to choose the bank where my wife worked). All banknotes were accepted by the bank, but Schellenberg was not satisfied. He informed the chief of the criminal police that: According to operational data, counterfeited British Pounds were deposited in this bank.

The next day, an expert of the criminal police checked all the English banknotes in the vault of this bank. According to his conclusion: all the banknotes in the vault were genuine.

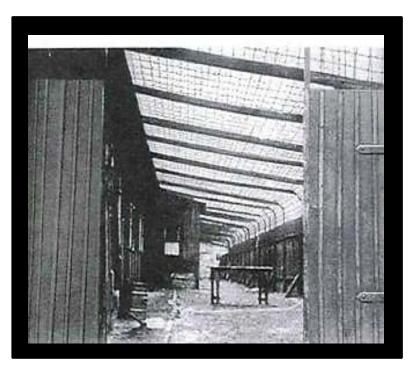
What the best professional engravers of the Third Reich could not do, I'm, a beginner, did with a group of Jewish prisoners which are not professionals.

74

<sup>46.</sup> Brian Burke, (N10)

On January 26, 1943, Schellenberg, in turn, showed the counterfeit banknotes to Heinrich Himmler. Himmler was pleased and ordered to issue one million pieces monthly. In addition, he gave Kruger permission to use any additional equipment and any number of prisoners that may be needed to perform the task. <sup>47</sup>

To accommodate additional equipment and prisoners, the number of which grew to one hundred and forty, in the autumn of 1943, the Barrak18 was attached to Barrak19.



<u>Picture #37:</u>

Joint territory of the Barraks 18 and 19

# **©**GEHEIME REICHSSACHE

From the very beginning of the "Operation Bernhard" Kruger was opposed to produssing £50 notes. His arguments were very simple: Banknotes of 5, 10 and even 20 Pounds do not attract such increased attention of clerks as 50 Pounds.

But Goering did not listen to these arguments...

47IBIDEM

At the end of September, after several delays, the clichés were ready. They were made in a factory located in Friedenthal.

After receiving a phone call from the factory in the morning, Kruger gave the order to Morock:

- Send Werner to stay in Barak19, and immediately go to the factory, get clichés for 50 Pounds banknotes, and deliver them to the Sachsenhausen.

In the evening, arrived to Sachsenhausen Kruger was puzzled, not only by the absence of Morock, who had not yet returned from the factory, but also by absence of Werner, who was ordered to stay in Barak19.

After a few hours of waiting, he called the factory. The usually calm and seasoned Kruger with a scream in his voice bombarded the officer on duty with questions:

- Just don't tell me there was another delay. If within an hour I don't get the cliché you will answer to the Reich... Do you not understand that this is a matter of national importance!
- Herr Obersturmbannführer, it's not our fault. Morock arrived in the afternoon, and having received the cliché, immediately departed back for Sachsenhausen.

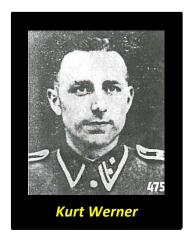
Kruger panicked: Cliché is one of the Reich's most guarded secrets. If Morock has lost them, then my own life is in great danger... something must be done.

At this time, Werner appeared in the barracks. Kruger, oblivious to his tardiness, bombarded him with questions:

- Is Morock married?
- Exactly, Herr Obersturbanführer,
- Where does his wife live?
- In Tegel, Herr Obersturbannführer.
- Immediately send a car with two guards to Morock's house in Tegel. Bring him in. Be sure to make sure the package is with him.

Picture #38: Kurt Werner

A few more hours of tedious waiting passed, and when the phone rang, Kruger grabbed the phone and without waiting for



#### an answer asked:

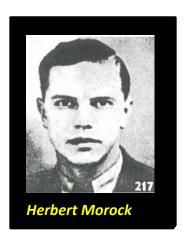
- Morock, are you okay with the package?
- Herr Obersturbannführer, this is the guard you sent to Tegel.
- Where is he, are you driving him to Sachsenhausen?
- No way, Herr Obersturbanführer,
- WHAT?
- Herr Obersturbannführer, we spoke with Frau Morock. She told us that her husband didn't show up at home today and she had no idea where he was.

Kruger fell on a chair ...

Another another hour passed Kruger called his immediate superior, Obersturmführer Dorner, and reported what had happened. After listening to his instructions, he got into the car, and drove back to Berlin.

\*\*\*

- What a woman, what a red beast! - Right from the threshold, braided tongue, Morock blurted out (he appeared an hour after Kruger's departure) and literally fell on a chair standing near the door.



Picture #39: Herbert Morock

- My friends, I have not forgotten about you. Here are gifts for you, - Morock took out three bottles of wine and a block of cigarettes from the package, - Let's have fun ... I treat ... - about the package with clichés he did not even remember.

An hour later, Kruger, Dorner, and an SS platoon arrived at Barak19.

- Idiot! - Dorner roared,- You have no right to wear an SS uniform. Do you understand what you did? And what can your act turn out to be for us! Take him away.

Currently, Kruger was checking the contents of the package.

- Herr Obersturmführer, someone opened the package. Here and here the secret labels are broken.

According to the verdict of the court, held two days later, Morock was sentenced to death, and Werner to fifteen years in prison. Only for looking at the contents of the "Geheime Reichssache" out of female curiosity, the "red beast" was sent to a concentration camp.<sup>48</sup>

**<sup>48.</sup>** Anthony Peary (N11),pp.81-84

When he wanted to take one well-fortified place, and the scouts reported that it was inaccessible and immeasurable from everywhere, he asked:

Is it so difficult to access that a donkey with a load of gold does not pass?

Phillippe, Alexander's father

(Plutarch. "Quotes from Kings and Generals")

# **@MAJOR WENDIG**

The first attempt to distribute 50 Pounds banknotes was made in the summer of 1943 in France. More than 5 thousand bills, totaling more than 200 thousand Pounds, were delivered to Paris to one of the best sellers - Mr.Spitz.

Like everyone involved in "Operation Bernhard", Spitz had a rather dark past. Some saw him in Prague selling carpets, others in Vienna managing the affairs of one of the old families.

Spitz did not have time to sell a small part of the forgeries when the Gestapo came in. Two agents (who had been following him for several days before the vizit) went up to the room of the hotel where he lived, politely knocked on his door.

- Door is open,
- This is Gestapo. Show your documents,

Without a shadow of apprehension, Spitz got up from his chair and presented his passport.

- What's in your suitcases? We need to inspect them. Open them.

Again, showing no signs of concern, Spitz opened his suitcases. Finding in one of the suitcases several bags of pounds, the Gestapo arrested Spitz.

- Why, let me ask you?
- For illegal possession of large sum sof money in the currency of our enemies.
- You're deeply mistaken.
- The Gestapo never be wrong.
- Sure but let me show my documents. I am here on the official SS matter,- Spitz said, handing one of the agents a letter from Major Wendig,- If you have any doubts, you can

call the major.

After checking the phone number, one of the agents called to "Schloss Labers" and asked Major Wendig to the phone:

- Herr Major, what is the case that Spitz is involve?
- Geheime Reichssache replied Schwend and hung up.
- -I apologize for the inconvenience caused, but we all have certain responsibilities that must be performed,- Spitz said, escorting gestapo agents to the elevator.

As expected, the agents wrote a detailed report on the case, which, after a while, lay on the table of the Minister of Economy Funk. After reading it, Funk was furious. He immediately called Kaltenbruner demanding clarification. Kaltenbruner denied everything, saying that he had no idea what had happened. Funk received the same response from Schellenberg. It turned out that one of the subordinates exceeded their authority.

Just a month later, the same situation was repeated in Greece. After this double failure, Walter Funk issued a decree that "Operation Bernhard" was no longer carried out in the territories of the countries occupied by Germany. He feared that: monetary intervention could destroy the foreign exchange market that I [Funk] was trying so hard to stabilize.

Schwend went on to create a network to distribute counterfeited pounds. Most of his agents were managers of large hotels in Switzerland, Sweden, and Portugal, although there were a few bankers from Switzerland and Italy. His agreements with the agents were also quite generous – they received 25 percent of the transaction amount, and their own expenses were not included in this amount.

After traveling to Switzerland, Rudy Rasche received a new assignment. He was sent to Liechtenstein to exchange British Pounds for Swiss Francs. Rudy arrived in Liechtenstein, and called Mr.Doman, and agreed with him to exchange a batch of five-pound bills, which, in his opinion, could be fake.

As agreed, Doman asked the cashier, at the bank, to exchange British Pounds for Swiss Francs but insisted that an authentication check be made. The cashier checked all the banknotes and considered them genuine, but Doman continued to insist on the involvement of the Bank of England in the inspection.

After contacting the Bank of England by phone, the cashier received confirmation that they are genuine (based on checking the serial numbers). After that, the pounds were deposited into the account.

But the payment still was not made, and here's why.

The bank clerk, surprised by Doman's persistence, sent the entire batch of the pounds received directly to the Bank of England.

The answer was not long in coming:

### All banknotes provided for verification are forgeries!

Rudy Rasche was arrested, but before his arrest, he managed to call Schwend and warned him.

Schwend, shocked by the news, called Fröben and asked him for advice. Fröben, in turn, decided to ask for help from the chief of the General Directorate of the Border Police - Dorner, which only harmed this case even more (Fröben did not know that Dorner had a very strong dislike for Schwend).

The General Directorate of the Border Police (Division 4-F1) was located in Munich, and Dorner immediately, and with great pleasure, sent his report to Berlin.

Meanwhile, Rudy appeared before the judge. Possessing a pleasant appearance, good manners and the ability to beautifully express his thoughts, he managed to convince the judge that: he acted with such caution, only because he himself assumed that these were forged banknotes, and since these banknotes turned out to be counterfeited, only he, no one else would suffer.

As a result, the judge found him not guilty.

Dorner (with Müller's full support) continued to bombard Schellenberg with reports that the "Geheime Reichssache" was too risky and eventually was able to convince him.

At the end of January 1943, Schellenberg ordered the immediate halt to the "Operation Bernhard".

So, for the second time, the greatest operation in history for issuing counterfeited banknotes was suspended.<sup>49</sup>

<sup>49.</sup> Anthony Peary, (N11), pp. 35-88

# RESURRECTION FROM THE DEAD

To understand all the intricacies of the resurrection process, lets to go back in time fo six months.

After the end of "Operation Andreas", Höttle continued to work in Serbia, in the department of the Balkan SS countries. At the end of December 1942, he received an order: To urgently come to Berlin, to a special conference, after which he could go on vacation for Christmas.

This special conference turned out to be a meeting with Schellenberg, in the building of the Main Directorate of Imperial Security.

- Tell us about your relationship with Kaltenbruner, instead of greeting Schellenberg began,
- We have known each other for a long time, from the service... it's not like we're close friends, but we know each other very well,- Höttle replied carefully.
- Very well,- Schellenberg replied thoughtfully, and after a short pause added, Kaltenbruner has been appointed as Heydrich's successor.
- Strange,- Höttle thought, I know many senior officers who would be more suitable for this position,- but out loud, he added:
- This is very good news.

(Much later, he understood why Himmler's choice fell on Kaltenbruner: Himmler learned of the secret conspiracy of Heydrich and Hitler and took all possible measures to surround himself with loyal people.)

Schellenberg went on to talk about Kaltebrunner, and how important it is to work as a team, from which Höttle concluded that Schellenberg wanted to use him to strengthen his own position with Kaltenbruner.

Höttle's anticipation that he could be appointed head of the 6th Directorate began to strengthen when he was invited to dinner with "Daddy Müller", who had previously objected to the appointment. At the dinner, Muller was not only a generous host, but in every possible way wanted to show his friendly position. He showed Höttle a copy of the file about him [Höttle] that the Gestapo had prepared for Heydrich.

Höttle realized that it was a fake (he instantly recognized it), but it was designed so that it could convince anyone. With this, Müller showed that he wanted to be on friendly terms with Kaltenbruner's friends.

At the end of January, Höttle was appointed as a head of the 6th Directorate.

During his first trip to Italy and the Balkans, Höttle, as a newly appointed head of the 6th Directorate, made a stop in Rome at Fröben's request.

In one of the best restaurants in Rome "Ulpia", Willy Fröben organized a dinner in his honor (although the main purpose of this dinner was to introduce Höttle and Schwend).

During the dinner, Fröben spoke about the insufficient presence of the SS in Italy, and the lack of relevant information about the moods and intentions of political and military figures in Italy and other countries in the region. Also, he mentioned that how hard it is to get that information.

To intrique Höttle, Fröben shared with him the information he was able to obtain while working as part of "Operation Benhard" and, by the way, Schellenberg suspended.

At this point, a silently sitting Schwend joined the conversation:

- I've also written to Schellenberg several times, but without luck. It's foolish to lose such a unique opportunity.
- Explain in more detail,- Höttle asked.
- Lack of funds, always, limited the capabilities of the secret services. This applies equally to the two most famous secret services: MI6 and the NKVD. The budget, and strict [accounting] reporting has always led to the collapse. To get real information, you need to pay real money...

Unfortunately, the Reichsmark does not have such quality. So why not take advantage of the fruits of Operation Bernhard, and have virtually unlimited funds for intelligence needs? Why should we depend on the official authorities? As a businessman, I am positively against the use of counterfeit money, but this is not a private business, and besides, now there is a war, and it has its own laws.

Schwend stopped for a second. He saw that his speech impressed Hötttel. I needed the final chord:

- Give me some time, and I guarantee the Secret Service an independent source of money in the amount of 250 million Reichsmarks a year, in hard currency, and after paying commissions.

Dinner dragged on for several hours. Höttle asked Schwend in detail about all the details of this proposal, and Schwend in response, with great pleasure laid out all his calculations about the organization and sales of products.

Immediately after returning to Berlin, Höttle called Schellenberg and asked for a meeting at a safe house.

- What budget do we have? Höttle asked Schellenberg,
- Not more than \$50,000,
- But of course, you have additional funds from the Ministry of Finance?
- No, they stopped issuing them.
- But 50,000 is not enough. They will not be enough to maintain foreign agents, not to mention other necessary expenses. Give "Operation Bernhard" another chance, and I will provide \$50.000 for the SS in one week, and in a month, I will be able to provide any amount required.

Schellenberg did not respond to the proposal. His main concern was his own career, and if his boss, Kaltenbruner, ordered that \$50.000 is a limit, he would do so without asking a single question. Moreover, he will not even lift a finger to ask for additional funds. Höttle was aware of this, so he asked Schellenberg:

- And if I get Kaltenbruner's permission, will you give the command to use "Operation Bernhard" again?
- Yes,- Schellenberg replied at the conclusion of the conversation.

About a month later (after this conversation), Höttle was surprised to find that his office door had been sealed and a security guard was standing beside it.

Höttle demanded an explanation:

- Order from Kaltenbruner. No one has the right to open the door and enter before your arrival.
- What's going on?
- Secret package for you.

On his orders, the door was opened and Höttl entered the office.

The "secret bag" turned out to be a large suitcase, repetitively tied with a rope and sealed with wax seals. With the help of the adjutant, Höttle untied all the knots and

pressed the lock latch. The lid of the suitcase folded back, as if under the action of a spring.

The suitcase was filled to the top with 5-, 10-, and 20-pound bills, and at the very top was a package with the inscription "Geheime Reichssache".

In this unusual way, Kaltenbruner ordered the resumption of "Operation Bernhard".



## **UNCLE KRUGER'S MONEY**

Owning [as part of this operation] two yachts "Aurora" and "Columbus" which were sailing under a neutral flag, Schwend established the spread of counterfeited money in North Africa, Spain, and Portugal. The pounds were transported in caches designed personally by Schwend. These caches, upholstered with asbestos to prevent the hidden banknotes from overheating, were inside the engines and were almost impossible to detect.

His agents had only one adamant rule - never exchange their [counterfeited] pounds - for real ones. This rule appeared after one agent exchanged his banknotes on anotherpounds, released earlier in Barak19.

Also, all agents had a single legend to explain the origin of the money: *This is money from the vaults of the occupied countries*. And if it was a question regarding small amounts, then: *from British soldiers who were imprisoned*.

\*\*\*

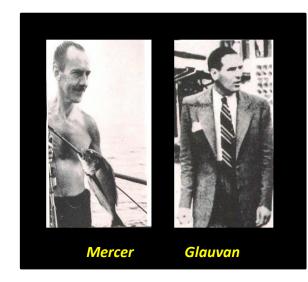
Nazi police units located in the occupied territories of European countries were under the jurisdiction of Kaltenbruner. Their main weapons were rifles and other obsolete weapons, as the German army did not want to share its latest weapons.

The guerrillas, who had to be confronted, on the contrary, had the latest weapons

supplied by the British. There was only one way to solve this problem:

To buy the weapons from guerrillas, with "Uncle Kruger's money".

This task Schwend accustomed to a former financier from Switzerland Fredy Mercer and Louis (Alois) Glauvan.



<u>Picture #40</u>: Fredy Mercer and Louis (Alois) Glauvan.

A typical transaction in Italy followed a similar scenario:

Counterfeit banknotes were exchanged for Liras issued by the government of Marshal Pietro Badoglio or for the Liras of the People's Republic of Italy under Mussolini (both located in the South of Italy), and then converted into Liras controlled by the Nazis of the Northern

Provinces (at a rate of 1: 2). Or to buy gold and precious stones that were transported to Switzerland, where they bought Swiss francs, American dollars, or Swedish kronas).<sup>50</sup>

In total, about fifty agents worked for Schwend. But his closest were only five. At least two of them were Jews. Schwend explained his choice this way: they [Jews] were the least suspected of having links to the Nazis, so they were in turn the easiest to distribute counterfeited banknotes.

One of them, George Spitz, who grew up in the United States, returned to Vienna (where he was from) before the war, where he had a business of selling carpets and decorative arts. This business was only a cover for the real business, which Spitz was engaged in. He was engaged in the sale of faked traveler's checks of "American Express". For this, at the age of twenty-nine, he went to prison.

The other is Jacob Levy, a thriving jeweler and art expert from Breslau and later Berlin. Forced to leave Germany, Levay with his wife and adopted son first moved to Switzerland but was expelled from there as a suspect in espionage for Germany.

In mid-1940, Levy appeared in Budapest with a Danish passport in the name of Jacob van Harten and documents shown him as a representative of the Red Cross.

86

<sup>50.</sup> Stefano Poddi, (N19)

For four years, van Harten lived in luxury, in the most expensive district of Budapest - Päšte and revolved among the elite of local society. When a Jewish party was invited to their dinner, his wife Viola constantly reminded them that she was related to one of the famous Jewish families of the Weimar Republic, the Schocken family.

The office of "Transcontinental Import-Export", van Harten's cover firm, was in one of the fashionable quarters of Budapest, and officially, its sphere of activity was the sale of medicines, but in fact van Harten was engaged in the sale of faked pounds on the black market of Budapest.

After Germany occupied Hungary, in March 1944, van Harten (with the help of Schwend, of course) became an appraiser of paintings and other works of art for Kurt Becher, who headed the SS procurement department.

The last year of the war for the Jewish community of Hungary was a year of betrayal and "dirty deals". Rudolf Kastner, the head of the Jewish community in Hungary, was able to negotiate with Adolf Eichmann "to buy the lives" of most Jews. They were allowed to leave for Switzerland in sealed wagons, provided them for exchange for paid ransom, but left all their possessions intact. This was seen as a "great favor" from Eichmann's side.

The mediator in this deal was Becher, who asked for only one favor for himself - testimony that could help him after the war.

Van Harten also provided similar services, but only in a different way, and a different category of Jews who later left for Palestine. At the end of 1944, he met one of the leaders of the Jewish underground supported by the Jewish Agency, a semi-official organization of Palestinian Jews, Peres Reeves. Van Harten convinced Reeves that he was a Jew himself and wanted to help other Jews. Reeves took him to a shelter where more than 200 people were hiding, and van Harten arranged for them to deliver medicines and necessary food. When they met the next time van Harten offered Reeves £50.000, but with the condition of returning this amount to the Jewish Agency after the war.

Reeves was asked to sign the document, in the presence of two witnesses, which he immediately did, since this money made it possible to escape from the networks of the Gestapo. Van Harten's money were actually "Uncle Kruger's" money, which he used for personal needs. Through Reeves and Becherthey were transferred, as part of the ransom, to Eichmann.

The snake bites its own tail.

The last time Reeves saw van Harten was in December 1944, the day before the

liberation of Budapest: One of his suitcases fell on the asphalt, opened and jewels and packets of British pounds poured out of it. Van Harten in a hurry gathered, and shoved back most of the crumbling, and rushed to the car.

George Spitz, Schwend's second Jewish agent, was mainly engaged in buying up jewelry and works of art for faked pounds. Spitz acted through Dutch businessman Alois Maidle. Maidle, in addition to the business with Spitz, was engaged in buying paintings by Danish masters for Goering himself.

When Spitz appeared on the scene, most of the first-class paintings were resold, but using "Uncle Kruger's" money, he could buy up paintings of the second echelon of Danish masters, which, nevertheless, also had their value.

The constant demand of the Nazis for these works of art contributed to the emergence of numerous fakes. One of the first-class masters who was engaged in forging paintings by Danish masters was Hans van Migeren. Spitz approached him with a proposal to make a copy of Vermir's painting "Christ and the Sinner". After lengthy negotiations, van Migeren agreed to fulfill the order for 150.000 pounds. Spitz reported to Schwend and Maidle that his part of "Operation Dane" had been successfully executed, though he reported to them that the amount of the transaction was £300.000.

Maidle, offered this painting to Goering: This painting on the market is worth eight hundred thousand pounds, but, given the current situation, the owner agrees to sell it for only five hundred thousand.

Goering did not want to part with his money, so he offered in return 150 paintings from his own collection for this amount.<sup>51</sup>

## From Schwend's letter:52

The greatest success we had was in France, Holland (with the help of Spitz and Maidle) and Denmark.

-Do you know how we transported money from there? - in hiding places located in vans with racehorses and in a special compartment upscale upheated with asbestos and hidden in the engines of the yacht ... We could get everything that was in short supply

<sup>51.</sup> Lawrence Malkin, (N6)

**<sup>52.</sup>** Malkin calls for this letter to be very wary. On the one hand, the former Nazi Schwend, on the other, the writer (and STASI agent) from the GDR Julius Mader. Each of them pursued completely different goals with this correspondence.

during the war, from American jeeps to jars of iodine... My people didn't work [together] in the chain. Therefore, no one could fail the other...

On the "Denmark-Sweden" branch, Schwend appointed Frederiksen.

Schwend was extremely surprised when Glavoan passed to him a large shipment of gold from Frederiksen.

- How could he get gold in such quantities?
- According to him, he met a captain through whom he can trade with the Russians. During his last voyage to Odessa, the captain sold a large batch of pounds in exchange for gold products. He also said that many want pounds now that allied victory is near and begged him to return with a second batch of pounds before the New Year. <sup>53</sup>

Schwend's position was both delicate and dangerous: Allied agents (Russians, Americans, French, and others) hunted for him, and among his entourage (among the Nazis) there was a growing sense of envy for his success and for his close relations with the top of the Reich. This even led to Cestapo chief Müller obtaining documents confirming that Schwend was a Jew by birth and married to a Jewish woman (Schwend indicated everywhere that he was a real Aryan) and provided them to Kaltebruner.

Kaltebrunner (with Schellenberg's prompting) replied to Müller: *If some Jews can issue counterfeited money, why can't others [Jews] sell it?*<sup>54</sup>

\*\*\*

In addition to financing espionage operations in enemy territory, "Uncle Kruger's" money was also used for special purposes, such as the release of Mussolini. The Duce was held in custody at the Gran Sasso Hotel in the Ambruzi Mountains. Information about his whereabouts cost the Nazis 250.000 [faked] pounds.

\*\*\*

Elias Bazna, the assistant to the British ambassador to Turkey, Sir Hugo Nachbul-Hagesen received 300.000 pounds for his operation "Cicero".

<sup>53.</sup> Anthony Peary, (N11), p. 222

**<sup>54.</sup>** StefanoPodi,(N19)

The instructions that Sir *Hugo* received from Churchill were almost impossible: To achieve a march of neutral Turkish government on the side of the Allies against theRussians.

If he persuades Turkey to make such a decision, it will first, it will keep it from traditionally good trade relations with Germany, and secondly, allied aircraft will be able to use military bases to refuel.

The task of von Papen (the German ambassador to Turkey) was much easier – to block the British as much as possible.

While Sir Hugo slept, Bazna was able to make a cast of the key to the ambassador's safe. The camera tripod was disguised as a clothes hanger and stood in the pantry for inventory. There was also a special lamp disguised as an ordinary lamp.

On October 26, 1943, Bazna called von Papen and informed him that he had three photographic films. Von Papen was very surprised: what kind of idiot calls on the open line and offers such things - so he refused, not giving Bazna the coordinates of the Abwehr agent. Oddly enough, this was the first success of a novice agent. The Abwehr was thoroughly saturated with anti-Nazis. Even greater luck awaited Bazna when von Papen himself called him back and brought him to Ludwig Mojzić, Schellenberg's agent in the embassy, and the only Nazi in Ankara with virtually unlimited monetary funds.

Bazna, not knowing how long luck would smile at him, asked for 20 thousand pounds for each film. The first and last payment, in real pounds, was received from the German Foreign Office (although reduced, in the process of negotiations, to 15.000 per film).

Further, Mojzić entered the case, who explained to Bazna the financial difficulties of the German Foreign Ministry and agreed with him to reduce the price for the film to 10.000.

Bazna continued to supply Mojzić with film uninterruptedly for three months until, from a completely unexpected side, the alarm sounded.

Fritz Kolbe, who worked as a curier in the German Foreign Ministry, was an agent of Allen Dulles. He gave Dulles copies of the documents that came from Agent Cicero. Allen Dulles immediately informed his British colleagues about the leak of data from the embassy in Turkey.

Sir Nachbul-Hagesen's safe was urgently converted with an alarm system (Cicero figured out how to turn it off: unscrew the plugs on the line feeding the entire apartment), and fabricated documents were put in the safe. But Bazna, deciding

that it was becoming dangerous, no longer decided to take new photos, and in March 1944 he met Mojzić for the last time.

After some time, Bazna resigned from the embassy, and without arousing suspicion, he quietly disappeared. Only after the end of the war was it established who was hiding under the name Cicero.

\*\*\*

When at the end of August 1943, Count Ciano (Mussolini's son-in-law) was released and taken to Germany, he immediately made it clear that he knew about the production of counterfeit money.

-Can I head the South American division for the sale of the British pounds you produce? - asked Ciano with equanimity in his voice during another walk in the park.

After a brief pause (for him this question was like a lightning strike), Höttle diligently restrained his excitement and asked in response:

- And what prompted you to ask such a question?

With a mysterious smile, Ciano retorted:

- I just want to lead this promising and profitable business in South America,
- And what gives you confidence that this business is profitable?- Höttle asked in response, never ceasing to feverishly think that Ciano knows, and where he got information about the most secret operation of the Reich.

But Ciano himself answered these mute questions. He told Höttle about all the transactions conducted in Italy, named the amounts, the places of transmission, and the people through whom they were conducted. Höttle was speechless for a while: Who? How? Why? and thousands of different questions flashed in his head- If the Italians know, who else?

- Don't worry,- Ciano tried to reassure him, - my information is not from a German source. This information was received from the British.

Höttle felt that he did not have enough air, - Let's sit down, and you will tell me everything, again.

- This information was given to me by General Ratto,
- Is this the same Roatto who was the chief of your secret service, and now the chief of staff of the Italian Army?- asked Höttle.

-Yes, it was him,- Ciano confirmed,- and he swore to me that he had received it from the British.

The next day, after Höttle had received instructions from Berlin, they continued their conversation:

- -What is the basis for your confidence that this business will flourish in South America?- asked Höttle.
- On the colossal difference in the economic potential of Europe and South America, Ciano began his explanation, Having enough money you can buy everything: banks, railways, factories, etc. absolutely everything.

### Höttle interrupted:

- All this is good, only if there are no problems with political power.

Ciano laughed ironically and patted Hölle on the shoulder and replied:

- If necessary, politicians are the easiest thing to buy in South America. But you don't have to do that. I have enough political connections: Signor Giani is the Vice President of Uruguay, General Farrell is the Minister of Defense and Santo Marina is the Minister of Finance of Argentina.
- In Germany, with your bureaucratic machine, obtaining passports will take several months. I will be able to do it in Italy in a few days, urged Höttle Ciano,
- Prepare for me 50 million pounds and give them to me in Madrid, and we will immediately begin.

On November 2, 1943, the plane on which Ciano was flying landed safely in Verona. At the airport building, the Republican police immediately arrested him and placed him in a specially guarded prison in Scalsi.

Upon learning that Ciano was in prison, Kaltebruner said: As a politician, he is a finished man, - to which Höttl added, - But only if he is alive. If he is alive, there is a chance to prevent the publication of his diaries. I know that, in the event of his death, they will be published in one of the neutral countries.

In exchange for a promise to release him from prison, Ciano gave Höttle his diaries, and signed a non-disclosure treaty of military secrets.

On January 10, 1944, Ciano and four other members of the *conspiracy against Mussolini* were shot. <sup>55</sup>

<sup>55.</sup> Anthony Peary, (N11), chapter 7

Not only did Ciano know about "Operation Bernhard". By the end of1943, almost all European countries, and the United States knew about it.

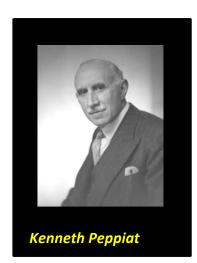
At the end of 1940, a journalist from "News from all over the world", the most widely published newspaper in England, called Sir John Simon and asked him to comment on information he had heard from various sources (one of them was a Supreme Court judge) that the British Government was aware of Germany's plans to throw large quantities of counterfeited pounds from the airplanes.

Sir Simon politely ended the conversation, and immediately sent a circular: *I do not want to hear more, neither from this newspaper nor from others, such questions ... Take all measures to prevent the appearance in the press of the slightest insinuation on this topic.* 

This article was not printed, and the Central Bank of England and the Ministry of Finance continued to suppress all attempts to get into the press of such materials.

In early 1942, the first traces appeared, indirectly indicating the production of counterfeited pounds. In Turkey, more than twenty members of an organization engaged in the distribution of counterfeit 1-, 5- and 10-pound banknotes were arrested. It included a Chilean diplomat and many very attractive women - all, as it turned out, with false passports.

A report by turkish police said there were more than 150.000 counterfeited British pounds produced by Nazi in circulation in Bulgaria, Romania, Yugoslavia, and Turkey. Information about this was supposed to appear in the "Evening Standard" but the Bank of England vetoed the publication and seized all the documents.



The chief cashier of the Central Bank of England, Kenneth Peppiat, rejected the offer of the French police to meet with their informant, who had information about a factory printed counterfeited 5- and 10-pounds banknotes.

- It can't be... because it can't be," he replied to them.

**Picture #41**: Kenneth Peppiat

By the way, Peppiat missed the opportunity to get at the disposal of England one of the best specialists in the world in the fight against forgeries. In May 1938 (and again in 1939), he rejected a request (previously supported by Assistant Commissioner of Police Sir Norman Kendal) for political

asylum for Hans Adler of Vienna.

Coming from a Jewish family, Adler worked as a special adviser in *Kripo* (the predecessor organization of Interpol), was the editor-in-chief of the "Standard European Numismatic Catalog" and the International Review of "Counterfeits and Forgeries", <sup>56</sup> as well as a recognized master engraver.

Adler was able to take asylum in Holland and after the war returned to Interpol,<sup>57</sup> where he continued to work in the department for combating counterfeiters.

On September 21, 1942, when "Operation Bernhard" was just beginning to gain momentum, a bank clerk in Tanjir discovered nine counterfeited 10-pound notes. These notes were immediately sent to the Bank of England for inspection. The inspector who carried out the inspection wrote in his opinion:

## The most dangerous of all seen before.

According to the bank classification, they were assigned a number -"BB"



<u>Picture #42</u>: Counterfeited banknote marked as "BB13431"

Soon these forgeries flooded England...

From the bank clerk's report:

• On January 19, 1943, a counterfeit 5-pound banknote was discovered in the Sorting Office,

<sup>56.</sup> Hans Adler "Standart European numismatic handbook" and "Counterfeits and Forgeries"

<sup>57.</sup> Lawrence Malkin, (N6), pp. 46-57

On January 21, 1943, counterfeit 10-pound banknote No. 20,740 was presented to the National Provincial Bank,

- On January 27, 1943, a counterfeit 5-pound note No. 12,783 was discovered in the Sorting Office,
- On February 3, 1943, a fake 10-pound note No. 17,644 was discovered by Miss Strong, etc.

\*\*\*

On September 15, 1943, almost a year after the discovery of the first "BB" forgeries, Yugoslav officer Dusko Popov (nicknamed Tricycle) arrived in London and went to the safe house of MI6. Popov was a double agent, and when he realized that it had become dangerous in Germany, he contacted his English masters and asked for asylum. Reporting on the work done, Popov handed over two bundles of money (20 - 100 dollars and 500- 5-pound banknotes) issued to him by his German masters. The audit showed that

Of the five hundred 5-pound banknotes, 152 were counterfeited.

\*\*\*

On April 22, 1943, the Bank of England stopped issuing 10-pound (and higher denominations) banknotes, and began, without publicity to the public, to withdraw from circulation all issued banknotes (only in May 1945 it was officially announced that the circulation of these banknotes was officially announced in order to prevent the spread of counterfeits).

Instead of existing in circulation, the Bank of England issued a new generation of banknotes that have (at that time) a very serious system of protection. They used the invention of Stanley Chamberlain - an English expert in the field of currency protection, made in 1935. He suggested using a metal strip (what we used to call a protective strip). This strip, under certain conditions, was a conductor of electric current, and only the Bank of England, at that time, had a special apparatus for verifying the authenticity of banknotes.

\*\*\*

Schwend's confidant, captain Patros, served at yacht "Aurora," was responsible for the Mediterranean sales area. The port taverns of Spain, Portugal, Turkey, Egypt, and other African countries were his favorite places to conduct

transactions.

One night, in Tunisia, Captain Patros was waiting for his agent. The agent delayed, and the captain spent time at the bar, not paying any attention to the man sitting at the table in the faintly lit corner of the bar.

The stranger sipped cooled coffee and, reading the newspaper, periodically listened to fragments of conversation between the captain and the bartender. He waited for the captain to go to the toilet, quickly approached the bartender, and began to talk about something with him very quietly. The bartender at first shook his head negatively, and after the stranger put a very large amount of gold coins on the bar counter (and a small white bag on top) - agreed, and quickly put the money and the bag to his pocket ...

The captain, returning to the bar counter, ordered another portion of whiskey. He took only one sip, immediately winced, moved the glass away and called the bartender:

- Hey buddy, what kind of drink did you pour me?
- Sorry sir is the best local whiskey,
- Well, then give me ice, quicker.

The captain felt his legs begin to bend, his consciousness fogged, he slid from his chair to the floor. Seeing this, the stranger appeared from his corner, and calling the bartender for help, picked up Patros and led him to the door. They went outside and stopped. The stranger ran after the car, and the bartender remained standing at the entrance and supporting the unconscious captain. At this point, an agent who was waiting for Captain Patros approached the bar.

- What's wrong with it? He asked the bartender.
- Your friend sorted out a little, so I brought him out into the fresh air, the bartender replied calmly.
- -Quickly, bring a jug of water,- the agent demanded.

Together they poured more than two liters of water into the captain. The captain became much easier, after which the agent put him in a taxi, and they drove away (to another tavern).

A stranger watching the scene followed them in his car and seeing where they got out of the taxi drove to the nearest pay phone:

- Mr. Consul, Captain Patros floating under the Portuguese flag, and having a Swedish passport is a German agent. Drunked, he sang German songs. According to the instructions I received, I tried to bite him, but the man he was waiting for

appeared, and I had to disappear. They went to the Sirdar café.

-Okay, here are the new instructions," the consul said.

The next morning, when the captain was hanging out, Mickey Finn (our stranger) sat down at his table and asked:

- Can I talk to you? Patros, thinking that this was another buyer of pounds, was very surprised when he heard:
- I want to charter "Aurora".

Mickey arranged a meeting with the captain and gave him the address. Exactly at the appointed time, the captain drove up to the meeting place, to a small mansion on the edge of the city. On the wrought iron gate, he saw a sign: "Consulate of the USSR."

The consul, to whom Mickey had called the previous evening, was business minded. They immediately agreed on the terms of a possible contract and the consul offered the captain to dine with him (while they would prepare the contract). At lunch, the conversation gradually faded away.

- I know you're sailing under a neutral flag, and you have a lot of information... don't you want to turn this knowledge to your advantage?

Patros immediately felt that it does not kosher:

- What's the benefit?
- -To earn some money,- the Consul continued,- is only significantly more than on the chartering that we discussed earlier.

The captain realized that it was time to carry away:

- It's a very tempting suggestion. Personally, I agree, but I can't accept it without the owner's approval.
- Which one? With the one in Lisbon, or in Trieste? the Consul quickly asked (making it clear that he knew about the true master).
- Okay, I'll give you an answer on my next visit,- Patros replied, pretending not to hear the last sentence, got up, said goodbye, and quickly left.

This was indisputable proof that the Russians knew something about "Operation Bernhard" and were willing to pay a lot of money to learn even more about it.<sup>58</sup>

<sup>58.</sup> Anthony Peary, (N11), pp. 146-49

If you go back ten years, you can find the roots of this desire.

From 1929 to 1934, the USSR's GRU "Division 4" was involve in printed counterfeited 100- and 500-dollar banknotes, which were intended for intelligence operations, and partly for payment for contracts with US firms.

From July 1, 1929, in the United States were introduced into the circulation banknotes of a new design, and size.

In early 1932, a man was arrested at the First National Bank in Chicago trying to exchange one hundred pieces of 100-dollar 1928. The cashier was suspicious of this exchange operation because these banknotes were not the usual means of payment for that time. As a result of the investigation, it was established that the detainee worked for Soviet intelligence.<sup>59</sup>

Apparently, that is why Soviet intelligence made so much effort to learn more about "Operation Berhard", hoping thus to get clichés for the issue of dollars of a new design, or in the extreme case of British pounds.

## THE PRODUCTION LINES

The news that the Nazis were counterfeiting British pounds did not make their products less desirable. Among the guerrillas scattered throughout Europe and even in North Africa, counterfaked pounds were accepted on a par with real ones. It looks paradoxical. But history knows examples of such *economic behavior*.

In China, in the early 1900s, the number of counterfeited banknotes grew to such a number that they went on a par with real money. Merchants, making payments on transactions, specifically stipulated how the payment would be made: real money, 50% fake and 50% real, or the entire amount with forgeries. That's understandable.

#### The East is a delicate matter - but the West!

The New World also did not go far - in 1897, the court of the city of New Haven (Connecticut) ruled to recognize the payment mmade with forged banknote.

But none of these political and economic events affected output of "Barak19" production. 60

<sup>59.</sup> Walter Krivitsky, (N8)// (John Cooley (N2) p.223)

<sup>60.</sup> Murray Teig Bloom, (N1), pp. 258-259

At the end of 1944, about 140 people worked in "Barack19" (in two shifts of 12 hours, so as not to idle the equipment). The average productivity was 650.000 banknotes per month. Of which only 260.000 (about 40 percent) were considered as ready for distribution. In 1944, more than 8 million banknotes were issued, of which about 3 million, worth \$277.500,000, were deemed usable.

In addition to the production of "mainstream product" in Barak19, work was constantly carried out on the production of various official documents: false passports (American, Brazilian, Polish, Finnish, Swedish and Mexican), certificates (American, French intelligence, and even soviet military counterintelligence "SMERSH"), and other documents (letter forms of the Swiss Red Cross, Canadian Airlines, etc.) and banknotes of other countries.

- About 6.000 rubber stamps were stored in our warehouse, from which counterfeited images were made, - Jacobson recalled.



Picture #43 Drawing by Solomon Smolyanov: Abraham Jacobson.

In the summer of 1944 came the order for the urgent release of 300 certificates of the NKVD. We had to make only internal paper inserts and paste them into the crusts. The crusts [cover] and gold embossing on them were made in Friedenthal.

When we received these covers, it turned out that the embossing on them did not match the original. In vain, we tried to find a replacement, and in the end, concluded that it was impossible to make an exact copy.

This turn of events did not satisfy Kruger. For him there were no impossible tasks, besides, he performed all the previous tasks flawlessly. His career was built on the principle: nothing is impossible for me, and Kruger was not going to jeopardize his impeccable reputation.

Kruger gathered everyone. He explained the problem with the red color cover: Since Berlin requires us to issue these passes within a week, then our task, due to lack of time, is only to choose the most similar option. Of course, it is difficult, but you must do it.

**Everyone stood in complete silence while Abraham Jacobson bravely replied:** 

-We can't do this; we don't have the tools or the special skills. We're sorry. You must understand that it's impossible.

**Kruger's face turned purple; his breathing became more frequent:** 

- So, you have decided to engage in sabotage! – his voice broke into a scream, – I will knock this crap out of you, - he called the four prisoners by name, -These four are hostages. If in twenty-four hours the passes are not ready, they will be shot.

Three hours of heated discussions continued until Felix Sytrin suggested,

- We need to engrave a new stamp on a bronze plate. This is the only possible solution.

Felix immediately sat down to work. He worked all night without a break and by 7:30 a.m. the stamp was ready, and we had three hours left.

The plate was screwed to a homemade press, connected to a generator which produced heat, and applied to the fabric to make an impression.

We were disappointed – instead of an impression, a red-hot plate burned through the fabric.

With 45 minutes left, one of the prisoners who had previously worked as a book booker suggested, - You must lubricate the plate with paraffin. Then, when you turn on the electric current, the heat generated by the plate will melt the paraffin, and the fabric will remain intact.

Kruger appeared exactly at ten. He slightly smiled and said,

- I knew you weren't going to sabotage, but on the other hand, I had to come up with something to make you do the impossible. Thank you all.<sup>61</sup>

The same event told by Burger to the correspondent of the newspaper "Komsomolskaya Pravda" thirty-five years later, in 2008:

- Did your workshop forged only British pounds?
- We did pretty much everything. I remember a case when we had to make 200 certificates of employees of the People's Commissariat of State Security of the USSR. But it turned out that the red leather that we brought was not the color, too bright. It didn't work. Kruger came and took ten men out of our barracks. He said: "If the IDs are not ready the day after tomorrow, I will shoot these ten.

Of course, we had to save our friends. You know what we came up with? In our barracks there were benches upholsted in red dermatine, just the color we needed. We knocked out the *letters of the "NKGB of the USSR"* on it, and then we made the covers of certificates from it.<sup>62</sup>

With the Reichsbank's complete refusal to have anything in common with "Operation Bernhard", the Secret Service assumed the responsibility of issuing fake German occupation stamps for Yugoslavia and soon the Reichsmarks themselves. These faked Reichsmarks were scattered from planes over the territory of Yugoslavia, where British pounds were not in great demand.

-We are happy to give them exactly the banknotes that they want to have,- Kruger reacted to the order to stop the issue of occupational stamps.

He [Max] also confirmed that money was printed for Tito in banknotes of various denominations, up to 20 Reichsmarks... and he confirms that he prepared a package with 30.000 banknotes.

We also produced "Saboteur Manuals", which described how to use different types of weapons, blow up bridges, destroy buildings. These manuals were printed in German and other languages.

\*\*\*

<sup>62.</sup> Kirill SHCHELKOV, 2008 (N20), For the full text of this "interview", see Appendix 3.

### From Burger's memoirs:

After working on a scraping machine, I finally got my first real job, to produce forgered Yugoslavian money. The forged money was so much down to the smallest detail, similar to the orginal, that it was almost impossible to distinguish them.

In November 1942, the *Anti-Fascist Assembly of the People's Liberation of Yugoslavia* was formed in Yugoslavia, which assumed the functions of the government and operated on the territory liberated from Hitler's Wehrmacht.

In January 1943, the Veche issued a "National Loan" In the amount of 500 million dinars.

In order to undermine the already weakened economy of the liberated areas, the SS issued an order to manufacture fake Yugoslav bonds, Lira, and Dinar in Sachsenhausen.



<u>Picture #44:</u> Counterfeited Yugoslavian "National Loan" Bond

## **©**PROPAGANDA ISSUES

Funny discrepancies occurred when issuing faked postage stamps of England and France, which the Nazis were going to spread in neutral countries.

102

<sup>63.</sup> Günther Vermusch, (N21)

For example, on faked English postage stamps instead of a portrait of GeorgeVI – portrait of Stalin was depicted, and the inscription was replaced for: *This is a Jewish War.* 



Picture #45: On the left is a real postage stamp, on the right is a propaganda stamp.

Its happened that in the word "JEWISH" the letter"!" was lost.

## I asked Kruger:

- Was this a deliberate mistake of Jewish prisoners?
- -No,- he replied, it was a terrible mistake by our translators. Unfortunately, it was discovered too late, at the stage of distribution. After that, the issue of these stamps was stopped.

Kruger was against the production of any stamps. He considered their release a waste of time and resourses.<sup>64</sup>

One of Himmler's collaborators proposed an unusual method of propaganda. In his report "World Trends in Stamp Collecting", he wrote:

There are about 10 million stamp collectors in the world: men, women, childrens who eager to possess them. Here it is - a new channel of propaganda.

<sup>64.</sup> Herbert Friedman, (N22)

All we need to do is to issue stamps of excellent printing quality but having small differences from the original. After three to five years, any collector will be willing to pay ten times more, just to have these priceless pieces of paper.

These are the differences that should contain secret propaganda. For example: in the crown of George VI, instead of the symbol of royal power, place the "Star of David", and the designation of the pence -"d" should be replaced with "Sicle and Hammer".

- Selling these stamps will make Operation Bernhard super profitable within a few months,- Himmler explained his position, to which Kruger, who looked at things with a more realistic view, replied:
- Even working overtime, I can barely cope with the main task set before me. 65

## **©**BY THE ORDER OF HIMMLER (B.KRUGER)

### From Alain Dales' letter to OSS Director Donovan

(OSS Archive, June 10, 1944, No. 155):

Recently, I have informed you about the mysterious "Himmler stamps" that have appeared in Switzerland. Since their inception, I have begun an investigation, with the aim of finding out as much as possible about their origins.

In the journal "Postage Stamp Collecturers" from December 1943, a small article about these stamps was published, with their image and their full description. In the next issue, 1944, a continuation of this article was published with the assertion that these stamps were not the official publication of the German Post Office. As far as I know, the editor-in-chief was under strong pressure from the Nazi leadership to hush up this case.

It could be a trick on the part of Himmler's opponents to annoy him, or vice versa, some enthusiast from the Ministry of the Interior thought that this would

<sup>65.</sup> Anthony Peary, (N11), pp. 150-51

be a kind of reward to Himmler for his works. In any case, there is a lot of uncertainty in this case.

- I sent Kruger some samples of counterfeited stamps that were issued during "Operation Bernhard". I thought he would be pleased to have them. But I was wrong. He sent them all back with his own handwritten inscription: By the orders of Himmler. B. Kruger". 66.

Picture #46: Inscription on the margins of a fake stamp:

"By the order of Himmler

B.Kruger."



\*\*\*

By the way, not only the Nazis were engaged in the production of propaganda products. This was done by all the warring parties. British, Americans, Russians... even the partisans operating in Italy responded with success to them [the Nazis]. On the scan is a parody banknote issued by partisans.



Picture #47:
Inscription on the banknote:

First line: We will win!
Second line: Really?

<sup>66.</sup> Xerbert Friedman (N22)

\*\*\*

The famous Polish cartoonist Artur Zhuk, who lived in the United States during the war and worked for "Kollier" magazine, published several cartoons that were used by the US Army Military Information Department as leaflets thrown from airplanes and for issuing postcards. (For more information on The Berhard propaganda products - see Appendix 28)

Picture #48: Arthur Zhuk, "A Caricature of Fascist Leaders."

OVI was used to issue postcards called

"Triumph under the Linden trees, Berlin 1943"



The greatness of the national currency was, and will always be the greatest destiny of the nation.

Frank Peak

(Austrian economist)

# **BUCKS...**

June 6, 1944. D-Day.

Cut off from the rest of the world, prisoners of Barak19 stood mesmerized in complete silence and listened to the news over a loudspeaker.

What did this Normandy landing mean for the 142 hostages of "Operation Bernhard"?

- Is it speedy reprisal?
- The Nazis kill everyone to hide the traces of "Operation Bernhard".
- Or it will be a speedy release?

Which of these days will come first? Everyone was at a loss.

Shortly after this event, an order came from Berlin to stop all work for two days. Kruger explained this by the fact that the British found forgeries in circulation (which was true) and sent a warning to their banks (which was not true, at least in some details).

In order to occupy the prisoners, Kruger brought several boxes of documents confiscated by the Gestapo in different countries and ordered them to be sorted.

Abraham Krakovsky discovered, hid, and preserved a letter from Vladimir Jabotinsky, one of the founders of the nationalist Zionist group.

Felix Tragicholz sat in a daze for a long time and looked at the photos of his brother and sister from Paris, which he found, but then could not stand it and sobbed when he realized that most likely they were dead. He was not allowed to keep these photos with him.

\*\*\*

In August 1944, in Turkey the government was changed. Turkey ceased to be a neutral country and joined the anti-Hitler coalition. The stocks of flax at the "Schleicher and

Schull" factory, which was necessary for the production of paper, were about ten tons; this could be enough for several months of uninterrupted operation. Paper, which began to be produced without the use of this flax - did not pass an elementary test for the "ultraviolet".

By November 1944, about \$500,000,000 worth of banknotes had been issued in Barak19. A few weeks later, Schellenberg summoned Kruger and gave him the order:

-Your project is finished: we have more than enough banknotes. Prisoners should be returned to ordinary camps, and the equipment should be dismantled.<sup>67</sup>

#### Kruger recalled:

- I objected to this move. Now, when we have established in-line production of British pounds, but due to problems with obtaining Turkish flax are forced to produce only products of the 3rd class, it is the best time to start issuing American dollars.

In the end, after a long conversation, Schellenberg conceded.

- I returned to the camp and arranged an urgent meeting with the Department's heads [throughout the year Kruger held weekly meetings at which all current production issues were discussed]:
- We won. We are tasked with issuing US dollars. But you don't have to work faster... take your time. Dollars [clichés] are not needed very urgently, although it is clearly not worth delaying. You don't have to worry about being eliminated. Personally, I am not in a hurry to issue American banknotes, but my boss Himmler is very impatient. After we make a 50- and 100-dollar bill, we will deal with the 500 dollar. I have already ordered a special paper with silk fibers for American banknotes. We will try to "satisfy" the Americans as we did with British.

This statement was dictated not only by his increased understanding with the prisoners, but also by his personal motives. Kruger understood as soon as he reported to the leadership on the successful completion of this task, he would be immediately sent to the Russian Front.

Thanking Schwend for his advice, Kaltebrunner said:

- I want to share with you a little secret, my dear Schwend,

<sup>67</sup> Some facts and comments were not included in the text. Please see Appendix No. 29

- Are you stopping Operation Bernhard and wanting to get rid of me?- replied Schwend with sarcasm in his voice,

- Be a little more serious,
- Okay. So, what's the secret?
- Soon you will start working in a new direction,- Kaltebruner replied conspiratorially.
- Nope! Not Himmler's stamps, or anything like that,
- US DOLLARS!
- So, what, good quality fake?
- I'll know for sure in a few days, but now Kruger promises that it will be first-class forgeries!
- Congratulations. We really need something better than the material I'm selling now.  $^{68}$

Let's go back a little bit.

On August 25, 1944, the team of counterfeiters received very good reinforcement.

A new employee arrived in Barak19 - Solomon Smolyanov.

The only one who worked there, a professional counterfeiter.

Among the Indians was a famous shooter who knew how to shoot arrows so that they flew through the ring. Having captured him, Alexander told him to show his art; he refused, and Alexander in anger sent him to be executed. As he was leaving, the Indian told the warriors who led him that he had not practiced his bow for many days and was therefore afraid to miss. Hearing this, Alexander in admiration let go and gifted him for the fact that he preferred to die rather than below his glory.

Alexander.

(Plutarch. "Quotes from Kings and Generals")



## SOLLY

Solly is a Solomon Smolyanov (Smolianov), who at that time was one of the most famous European counterfeiters. A Jew from Russia, who became for a little time "a friend" of a Nazi officer.

From a few scattered sources it is known that the Nazis mistook Smolyanov for a Bulgarian Gypsy. For this reason, he ended up in one of the concentration camps (along with the Jews, Hitler also wanted to destroy the Gypsies). In fact, Solly was a Jew - Solomon Smolianov, the son of Isaak Smolianov and Lisa Sboroschinskaya. He was born in Poltava on March 26, 1897.

In 1913, at the age of 16, he was sent to study to Odessa. There he met a man, an art teacher, who had an indelible impact on his entire life. Professor Eugene Zotov (Ivan Myasoedov, Ivan Vernitski is just a few of his many names he used throughout his life.) was born in Kraków, in 1881. He was a very good engraver and a very capable<sup>69</sup> artist, although in 1912 he was sent to jail for 2 years for the counterfeiting. In addition to this occupation, he had another very unusual hobby - he arranged arsons. Once, when he was caught trying to set fire to the apartment of a widow, he twisted, explaining to the

**<sup>69.</sup>** Several of his paintings are kept in the Hermitage [Muray T. Bloom (N1), p.252], he was even awarded "Russia's Prix de Rome" (Malkin, (N6), p. 155.

police that he was a follower of the Hindu faith, and practiced "purifying the soul" of a widow.

In 1925, Smolianov left Russia and moved to Constantinople, where he lived for about a year. From there he moved to Belgrade, then to Vienna, and finally, in 1926, he came to Berlin, where he met his old teacher - Zotov, now known as Ivan Myasoedov.

Ivan Myasoedov was a counterfeiter, and his specialty was English Pounds.

After some persuasion, he takes Smolianov to his team.

He looked like one of the goddesses who descended from Olympus: with a beautiful noble beard, mustache, and expressive eyes, tall, perfectly built and in an elegant suit.

The suspect told the court that having lost all his savings 200,000 Rubles, because of the Bolsheviks. Those he considered himself entitled to compensate for this loss by making money himself (in this case it was 5-pound banknotes).

When the prosecutor read out a letter from the Bank of England, which said that no one before him [Myasoedov] had made such perfect forgeries, Myasoedov replied from the spot: I like to do everything perfectly.

He was sentenced to three years, and after eleven months spent in pre-trial detention, was released in March 1926.<sup>70</sup>

On June 12, 1928, in Amsterdam, while trying to sell a counterfeited 50-pound bill, Solly was catched by the police and, as a result, receives a two-and-a-half year in prison.

In 1928, when the police were on the alert after the appearance of counterfeited 5-pound banknotes in Vienna, Prague, Dresden, Frankfurt, Munich, and Baden-Baden - Smolyanov, under the name Vladimir Dogranoff moved to Amsterdam. By this time, the Stockholm police had already informed their Danish colleagues about Walter Schmidt, from Berlin, who had paid off the owner of the apartment where he lived with a stack of counterfeited 50-pound bills.

Interviewed by the police, like Karl Mayer, Solly said that he was a poor artist, without a certain place of residence, and found these banknotes a few years ago in the house of his teacher, Professor Myasoedov, when he was in prison for forgery. To protect his teacher, Solly "admits" that the banknotes he found

<sup>70.</sup> The letter from Francis Kaiser [the judge at the 1924 Myasoedov trial] to Murray Bloom, May 10, 1959. (N23)

were not finished, and he independently completed the missing details of the design and signature of the Bank of England.

The Danish police were very skeptical about these statements of Dogranoff-Smolianov-Schmidt-Mayer, so it was decided to put Solli in a cell and ... provide him with all the necessary materials and tools for his work.

There was no limit to the surprise of the police when Solly demonstrated his work on fine-tuning the details of the design of the missing number "5".

- All this is good, but what about the signatures of the Bank of England, which, according to your statement, you personally did? -One meticulous policeman asked.

Smolyanov smiled, then sat on the trampoline, and took out from under the insoles of the shoe, hidden there three zinc plates: two with the number "5", and one with the signature of the Chief Cashier.<sup>71</sup>

In March 1936, he was arrested again, this time in Berlin, for counterfeiting a 10-Pound banknote. He received a very lenient punishment — only 4 years of probation. Police reports of the time indicate that he also performed under various names: Matthew Werner, Nugo Lidrat, and Nathaniel Gertner.

In 1938, the Nazis arrested him again, and sent to Dachau, but three weeks later he was unexpectedly released. After he was released, he Immediately returns to his craft. This time, luck was on his side for about two years, until in 1940 the Berlin police grabbed him again. He was convicted of distributing counterfeited 10-Pound banknotes

Germany and England were at war, but there were many neutral countries where Jews from Germany dreamed of getting with a wad "of English banknotes"... and Smolianov with great pleasure helped them in this. This time he was exiled to Matenhausen, where much to the delight of guards and officers, he painted

their portraits with coal.

There, in the summer of 1944, he was found by Kruger's assistants.

#### Picture #49:

Drawing by Leo Haas: "Solomon Smolyanov"

(from the collections of the National Archives of the United
States)



Many years later, Solly, in his memoirs (in Russian), wrote about his time spent in Sachsenhausen:

On the first day I was introduced to Jacobsen. He greeted me with the words: Here is a man who will help us with our mistakes. Look at how bad our work, -and showed me some of the banknotes they just made.

Later, I was introduced to Major Kruger, a short, thin officer. He greeted me warmly and said:

- Here's the man we've been waiting for. I know you're scared to death, but as long as I'm in command here, you have nothing to fear, Of course, if you do the job you've been assigned to. Behind this fence you're no longer a Jewish prisoner, you're just a worker. We're all working here for our common victory. Now – go, and do everything so that I do not listen to Himmler's discontent anymore... All my hope is on you.

From the memoirs of Adolf Burger:

He was a real forger...

He could retouch even a negative image, unlike most engravers who prefer to work with a positive image.

\*\*\*

By this time, Kruger's relationship with his *subordinates* was becoming more trusting (Orthodox Jews were allowed to pray every morning in a designated place behind shelves of drying products). His weekly visits to Barak19 were always accompanied by compliments to the quality of the work done, gratitude for the efforts made, and a promise: *To do everything possible, and from him*.

-You know,- said one of the former prisoners, during interrogation in the American counterintelligence, - we liked him very much... he treated us with respect.

#### MAGIC BRASHES

The news that the U.S. Army had landed in Normandy awakened hope (and only HOPE) for a possible liberation. For the first time in a long time, there was an alternative to Kruger's goodwill. Sitting in the darkness of the barracks (after another air raid, because the electricity was cut off in the entire camp, Smolyanov, Jacobson and Levy tried to find a way to drag out time. The decision was very unusual:

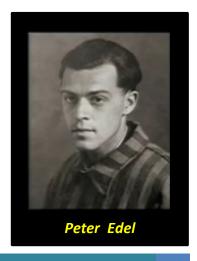
#### We have constantly to criticize each other's work.

The next morning, Levy, as usual, enlarged a photo of a \$100 on the wall, and Smolyanov took up retouching. After each step, they began to fiercely argue with each other. This went on for weeks: they did not like color reproduction, the next time they did not agree on the details of the engraving ... They "argued" so much that the guards had to separate them and take them to different rooms so that they calmed down and returned to work.

In addition, Levy used another trick. He insisted that *heavy water* was extremely necessary for the production. Levy knew that it was used in the production of atomic weapons, and it would be extremely difficult to get it, but this prisoner won a little more time.

Inspired by the example of this trio and having gained courage, Peter Edel, a twenty-three-year-old artist from Berlin, turned to Kruger with a request:

- Herr Kruger, for the drawing of particularly fine details we need brushes made of marten fur,
- And where, let me ask you, can I get these magic brushes?
- Before the war I bought them at the Spitt and Leinz store on Wittensbergplatz,
- Hmm, he bought, Kruger remarked sarcastically,- what are these brushes called?"
- They are called Chinese brushes, Herr Kruger. Very thin, with a bamboo handle.



<u>Picture #50:</u> Peter Edel

- You're probably joking. Where do I get them for you? Should I order them from Beijing?... Though... if they are so necessary, we will look for them, - Kruger turned to Leo Haas, head of the retouching department:

- Haas, is this true? Smolyanov, will it improve the quality? Burger, Jacobson, Weil?- Is this true? Kruger asked everyone in the room in turn, and everyone nodded affirmatively.
- Okay, but where do you think I should get those magic brushes, except to steal. Can someone tell me?
- I'm not sure,- Peter began timidly, but I had this set at home. Or rather, in my mother's house. She lives, lived in Berlin (every prisoner, in any way, wanted to know about his family what was with them, whether they survived the crucible of war)... Sorry, it was just an idea, I shouldn't have asked you about it,- just as timidly, Peter said.
- Peter, let's get out.

Kruger took Edel to the courtyard, and quietly so that no one could overheard asked:

- Did you write letters to your mother?
- Yes,
- Did you get any answers?
- Not yet.
- So, so... this whole story with brushes was just a prelude to... well, you know what I mean. From now on, keep silent, and do as I say.

They went back to the barracks.

- Sit down and write,
- About what? About brushes?
- What else.
- Not really. Ask for all your tools. How do you usually address your mom?
- Mommy,
- That's how you write, and don't forget to write how you are treated here.

Peter wrote a letter, and signed an envelope: "Frau Margaret Edel", which raised a question from Kruger:

- Why doesn't she call herself Sarah, as required by Nazi laws for all Jewish women.
- She's not Jewish.

- Strange, is she an Aryan?- asked Krugger, - although it doesn't matter.

Peter was ready to swallow his tongue. His real name was Hishwe, but during the war he indicated in the documents his mother's maiden name - Edel. But he didn't say anything.

Margaret Edel's soul went to the heels when two Gestapo officers knocked on the door of her apartment at 50 Kürfürstrasse in Berlin. She re-read the letter several times and allowed Gestapo to gather all the necessary tools. When they left, Margaret stopped holding back the emotions that overwhelmed her and burst into tears, repeating through tears: He is *alive*, *my Peter is alive*. <sup>72</sup>

A few days later, a large parcel from Frau Edel was delivered to Barak19. Handing it over to Peter, Krueger ironically remarked: *The Chinese brushes arrived, now – back to your work*.

CL Sachsenhausen.

Dear Mommy,

At the direction of Sturmbannführer Kruger, I very much ask you to give the bearer of this letter the following materials and tools:

- Oil paints, palette, jars for mixing paints, spatula, brushes [etc...]

Thanks for your help.



There were only eight people working in the "dollars room": Solomon Smolyanov, I'am (Adolf Burger), Abraham Jacobson, Norbert Levy, Leonard and Robert Weil, Leo Haas, and Peter Edel. The rest of prisoners were forbidden to enter.

At first, we trained on playing cards, and only after getting good results decided to apply this technique (using gelatin to get an image) on dollars.

<sup>72.</sup> This letter is a piece of paper yellowed from time, which is a unique document of history, Frau Edel has preserved to this day.

I kept a log where I recorded the results of all attempts. We used these records to compare the results. In total, we made about 250 attempts. <sup>73)</sup>

Towards the end of the year, Himmler began to show signs of dissatisfaction with the too long lack of result. Kruger realized that now the situation, for him personally, had changed dramatically. He can no longer delay the issuance of American banknotes. If he does not urgently show an acceptable sample, then he will be sent to the front in the coming days.

Three days after another meeting with the heads of Departments, where Krueger explained the situation, Solly was able to finish the other side of the hundred-dollar bill.

About ten o'clock in the evening, Kurt Werner called Berlin and reported the news. Two hours later Kruger in his new Mercedes was honking at the gates of Sachsenhaus.

He was led to a room where 16 banknotes laid on the table. He was asked to identify "products of Barak19".

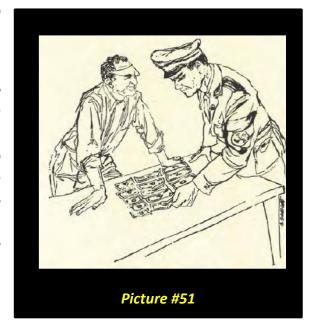
#### Here's how Solly described it:

For a very long time Kruger stood and studied the banknotes laid out on the table, where among the 15 real one was my work. Finally, he pointed to one ... but he was wrong. (Picture #51)<sup>74).</sup>

We were certainly happy, and Kruger was just happy. After numerous congratulations,

he collected all banknotes and drove back to Berlin.

On the next day, everyone on our team breathed a calm breath because Himmler was satisfied with the work and gave the order to continue our work. The next morning, I started retouching the front side of the \$100 bill. Due to the lack of time not to make a very large magnification, I started retouching right on the negative. To do this, I placed the negative in front of a very strong light source so that very thin rays of light penetrate through and began to retouch the portrait of Franklin. <sup>75)</sup>



<sup>73.</sup> Adolf Burger, (N16), pp. 163-67

<sup>74.</sup> Drawing by Kurt Goldblat, (N17)

**<sup>75.</sup>** The paper used in the manufacture of US dollars consists of 50% linen and 50% cotton. This paper must withstand a tensile pressure of 400 pounds per 1 sq. inch, withstand 2,000 double kinks, and be 65% "translucent". Therefore, when the banknote is viewed under

By the end of January 1945, twenty hundred-dollar bills had been produced in Barak19, which passed all the necessary checks, except for checking the compliance of the serial number. These twenty banknotes were sent to Himmler, who approved them and ordered them to begin large-scale production.



#### Picture #52:

Images of the front and back of the 100-dollar banknote made by Solomon Smolianov in 1945. Perforation in Czech - "PADELEK"

**Courtesy of Adolf Burger.** 

While Solly conjured over the cliché, Kruger tried to solve one very difficult problem - to unravel the numbering system of American banknotes.

Germany's best cryptographers were brought in to solve this problem, but there was no answer. When Kruger was almost desperate - he was helped by chance.

I was very upset, and almost desperate to find an answer, when my secretary, Elsa Bleer, showed me an article in the American magazine "Life" from August 24, 1942, which she received through neutral Sweden. One of the articles told me how to distinguish fake dollars. And in the appendix to the article was a table with a numbering system and check digits of the US dollar.

Our biggest problem was solved for us by an American censor who did not understand that this information had a stratage interest.

M.B. - Recently, I spoke with Milton Lips, who was a U.S. Secret Service Agent in 1942, about this article: *It so happened that initially I talked to a Life reporter* 

magnification, it seems that thousands of thin rays of light pass through it. Since the Nazis failed to give the paper the necessary level of translucency, Solly had to create this effect by making very thin punctures.

and gave him only a few tips on how to recognize a fake, and later other agents talked about the numbering system.

\*\*\*

- Something happened, - Oscar pointed to the courtyard where Benny and Solly were strung under the handle,- look at them. They're like two high school friends after a long separation.

- Dollars! - Luka replied pointedly.

Ten minutes later, comrade went back into the barracks. He looked visibly pleased with himself. He walked to the middle of the barracks and climbed into the chair:

- Quieter, if you talk all at the same time, you won't hear anything. Kruger arrived at the camp and headed straight for me. This is what he told me: My dear Comrade, your skill made a lasting impression in Berlin. Now we can start printing dollars until Wall Street is completely ruined!
- And what have you been cooing about so nicely the rest of the time,- Max interrupted him.
- About technical details, and life experience, my friend,- Smolyanov replied and jumped out of his chair.

Max walked over to Solly and hugged him tightly:

- I have a "little treat" in my nightstand for you, the uncrowned KING of the counterfeiters. Not only did you do a miracle, but you are also a MIRACLE. Come with me...



#### Picture #53:

Drawing by Leo Haas: Solly at work.

(From the collections of the National Archives of the United States)

Summoned from Sicily to Athens on criminal charges, he fled, saying that it was ridiculous to escape from the verdict when it was possible to escape from trial.

Alcibiades.

(Plutarch. "Quotes from Kings and Generals")



## ROAD TO NOWHERE

In the early spring of 1945, after defeats on the entire front of hostilities, Nazi was not up to the full-scale production of forgeries. After several bombings at the Hanemüll plant, about one thousand sheets of special paper corresponding to the English pounds remained. The end of the war was no longer a matter of months, but of weeks.

On one of his regular Saturday visits, Kruger gave a speech:

- Berlin requires a special issue of 10 million pounds, only in 5 and 10...

Through Barak19 immediately spreading the words: this is money for the German command, which was going to flee from Germany.

Work began immediately. To avoid possible problems, each banknote was checked twice. Later, the prisoners themselves admitted that ... they were admired by their own work, and how perfect it was.

The next Saturday, when Kruger arrived for the produce, he looked very drunk. He called heads of Departments and said: I'm very sorry, I can't help you anymore... if we lose the war, you will all have to be killed.

For all who worked in Barak19 this news was not new. They understood the Nazis would kill everyone to hide the traces of "Operation Bernhard".

In mid-March, Kruger came to the camp again, now with very bad news: At my urgent request, the authorities in Berlin decided to move production to a safer place. Our work is very important to be exposed to the danger of possible bombing.

On the same day (March 14, 1945), the work was stopped, and everyone began to prepare for the move. Dismantling and packing of equipment was arranged in two shifts. Luka, Breber and Nakhstern were engaged in the packaging of finished products. Everything was sorted and stacked in different boxes. In some they packed banknotes, in others - passports, in others - postage stamps and other products. Documents and

equipment brought from Friedenthal were packed separately.

\*\*\*

Yaroslav Kaufman was neither a printer, nor a photographer, nor even an engraver. He was a dentist. Nevertheless, he was chosen to work in Barak19 the Nazis needed someone who could, if necessary, provide first aid. Therefore, to keep him constantly busy - he was appointed as a foreman of the group for the ageing of banknotes.



#### Picture #55:

Drawing by Peter Edel: Jaroslav Kaufman.

When Sukenik's condition worsened, Kaufman was ordered to accompany him to the central medical office for a phlegm analysis. The local doctor took the analysis, and Kaufman, taking advantage of the convenient moment,

changed the test tube to a sample of his phlegm. A few days later, the result of the analysis showed that Sukenik did not have tuberculosis.

For a while Peter was saved. 76)

\*\*\*

- Look,- Richard Luka pointed towards our sleeping quarters, - where did they take Sukenik?

A young journalist from Bialystok was led by two guards under his arms to the exit. Pyotr Sukelnik was terminally ill with tuberculosis, and for the last few months he practically did not get out of bed.

- Friends, take care of yourself, and thanks for the good company... I know I won't be back.
- Don't be stupid, we are leading you to the hospital, for the treatment,

<sup>76.</sup> Adolf Burger, (N16), pp. 177-178

- Yes, I guess it's a treatment... So close [freedom], but still so far away... Friends, remember me sometimes.

- He knows where he's being led,- Richard whispered.

<u>Picture #54:</u> Drawing by Leo Haas: <u>Pyotr Sukelnik</u>

#### Max shook his head:

- I can't understand one thing. Don't they understand the absurdity of their claims about the hospital? Is it hard to get an injection like they used to do?
- It's Werner. He wants to show us that in Kruger's absence we are just as inmates as everyone else. In this situation, nothing can stop him from putting any of us against the wall and sending a bullet to the back of the head.

#### From Solly's diary:

Suddenly, and this was a big surprise, Kruger arrived at camp in the middle of the week. He gathered everyone and ordered an immediate evacuation. All the equipment was dismantled, and in March 1945 we moved from Sachsenhausen to Mauthausen, where all the equipment was unpacked in cars at the railway station. Each of us was carefully checked, naked, and warned - even if one of us found something - the whole group will be shot.

The train stood at a small station, on a hill, near Prague. The capital of Czechoslovakia was visible in the palm of your hand and was located directly below us. Luka stood at the window of the carriage, his face pressed tightly to the grilles, and tears poured from his eyes:

- Max, do you see the plant on the right, on the slide? I walked past him every day... And my girlfriend lived out in that white house. Maybe she's alive... We can't see my home from here. He's in the middle of town, on Klobochnik Street, Luka's voice trembled. He continued to say something, but no one could make out the words. His hands unscreuped and he fell to the floor without strength.

Oskar Stern and Karel Gottlieb, both from Prague, also did not take their eyes off their native places, standing at the barred windows of their cars.

On the third day of the trip to "Mauthausen", the train reached Berlin. The prisoners were hungry. The sixteen loaves of bread they had been given dry rations had long since ended. The train stood at Oranienbaum station all night, waiting until the railway track was repaired after the air raid. So, moving at an average speed of 10 km per hour, the train reached Dresden.

The train station was a creepy sight - piles of mummaged metal and debris of buildings were everywhere. By the evening of the fifth day, the train reached the end of its 120-kilometer journey – the Danube station, located 7 km from the Mauthausen camp which Prisoners had to walk. The journey took more than five hours. Hungry and exhausted, the prisoners fell directly to the floor in the barracks reserved for them. It was isolated from the entire camp "The Barrack of Death" (Barrack No. 20).

#### Richard was the first to rise:

- Guys,- he said after catching his breath, - Sit down and look around. I thought I had already seen the creepiest barracks, but I was wrong — I'm only seeing it now. There is not a single chair, not even a table... The walls are covered with thousands of bullet potholes, and the corpse smell and the smell of blood are all around us!

He didn't have time to finish. In the doorway appeared Weber:

- So you think it's the smell of blood? You are right. Look around — see this high-voltage fence and four machine gun towers around, with guards on round-the-clock duty? Don't be like those stupid Russians who planned to escape from here... In the evening you will get mattresses, and tomorrow morning - all for unloading the wagons, and do not forget - tomorrow evening in the barracks should be in order!

When Weber slammed the door and left the barracks Max stood up and addressed everyone:

- Friends, we've been through this so many times that Werner won't be able to scare us again. You can be sure that he will not go further than Kruger and Berlin will allow him. Do not forget, they need us - to continue issuing banknotes. Without us, Berlin will get nothing... Let's go to bed and see how it goes in the morning.

The only one who answered him was Smolyanov, who had already known this camp before:

- Absolutely unsuitable place for the installation of printing production. But that's not our headache. For us, the main thing is to drag out time...



#### Picture #55:

Drawing by Solomon Smolyanov: The Barrack of Death. Mauthausen.
Courtesy of HISTORY channel,
Germany.

The prisoners spent about a month in Mauthausen. The equipment was unpacked. Kruger periodically called them from Berlin. It was obvious that he continued to fight for his workers.

At the end of the fourth week, an order came from Berlin to transfer all equipment and people to the Redl-Zipf camp, located behind the last line of defense of the Nazis and located 90 km from Mauthausen, between Linz and Salzburg, in Austria.

Right before we were loaded into the car, the cold rain started. Everyone was packed into one wagon and, when the guards closed the doors. Inside was a mass of wet human bodies pressed against each other that if someone lost consciousness, he continued to stand, supported by the rest of the bodies.

The road lo Linz took almost a day, we arrived late at night, but only the next morning the doors of the car opened.

Werner was surprised that everyone was alive.

On April 18, 1945, we arrived in Redl-Zipf. The camp was very small, it consisted of only three barracks, which could accommodate no more than 1500 prisoners. The entire guard consisted of 12 Austrian soldiers and a commandant. The camp was located on the territory of the former brewery, built in 1858. In 1943, a secret workshop to produce V-2 was built on its territory (in its underground part, in the tunnel No. 16).

Officially, this camp did not exist at all. All prisoners were registered in Mauthausen, and then in their cards made a record - *Transferred to Schlier*.

Many of its inhabitants were captive Spaniards, who felt quite free – they were even allowed to receive food from the surrounding farms.

To accommodate the equipment, it was decided to use the tunnel, which previously housed the FAU-2 plant, since the dedicated barracks did not have enough space for sorting and other machines that did not want to fit there.



Picture #56:

Entrance to the tunnel No.16 at the Redl-Zipf camp.

When walking to the exit, Richard Luka suddenly stopped, and look around, checking if there was a guard nearby, leaned over and picked up a cigarette:

- The Spaniards left it especially for us. God bless you, good people, he said. Others followed him.

#### April 23, 1945.

Kruger appeared suddenly, without any warning. In the Mercedes, packed to the very top of his belongings, besides him, was his secretary - Hilda Muller.

- Let's be uncontested. I'm leaving. You and I won't see each other again. I did the best I could.

Only one of the prisoners, Max Berbo, replied.

- Herr Kruger, Bernhard,- for the first time he called Kruger by first name, - You are making a huge mistake. Stay tuned. The Americans are close – they will release us very soon. We will all confirm about your good location to us.

- Nope. I can't. Goodbye, - Kruger said, and getting into the car he drove quickly down the road, picking up a column of dust.

\*\*\*

- We are closing,- Werner said with metal in his voice, - all banknotes with the slightest deviation from the standard must be burned. Quickly and completely. You know perfectly well the punishment for sabotage.

When he left the barracks, we just looked at each other silently. Each of us knew what those words meant. The banknotes were burned for five days and nights. Werner rushed around us like a hawk, and raking the ashes with a metal stick repeated:

- If I find even one small piece of banknote in this pile of ashes, I will immediately shoot everyone.

On the fifth day, as we continued to burn the banknotes, an event occurred that gave us hope. American bombers appeared over the camp.

Moritz remembered Sukenik's last words:

... So close, but still so far away...

But the Americans were really very close.

\*\*\*

-Attention! - yelled Werner.

We didn't believe our eyes when we saw Kruger. He looked very tired, and without his constant smile.

- Hello. I'm sorry, but apparently, it's over. I still wear my uniform today, but who knows what will happen tomorrow.

Kruger approached Smolyanov and patted him on the shoulder:

- I'm sorry I couldn't get the paper for the dollars. We could make the amazing dollars. But what shouldn't have happened will never happen.

And addressing everyone:

- Soon you will be free, I wish you all the best in the future. I have ordered you to be taken to safety until you are released. See you there. Trust me. Goodbye.
- Angel, or insidious devil, Whispered Richard,
- We'll find out soon,- Max replied in a whisper.

At this time [the author's note: in the Ripl-Zipf camp] Carl Sussmann's health deteriorated sharply. He was taken to the hospital and the doctor gave him a lethal injection.

We made a coffin and buried it. This was probably the first time in the history of Nazi concentration camps that prisoners were given permission to hold funerals.

This event was a confirmation of the sense of fear that the Nazis felt at this time. 77)

Picture #57:

Drawing by Leo Haas: Carl Sussmann.



#### May 2, 1945.

- Faster, faster,- Werner hysterically waved his wooden stack to get us in the car, - we only have this car, and we must leave today.

In the back fit 65 people and two guards. Two more, with a machine gun, were placed on the roof, behind the cockpit. Werner sat next to the driver.

- If the car returns without a small "red cross" mark, then the remaining prisoners must refuse to sit in it, — offered Max to everyone

As we drove past the Mauthausen sign, I looked at Max standing beside me. He nodded affirmatively to me. We had a pre-prepared plan of action. If Werner took us to Mauthausen, we had to attack them right before entering the camp.

It's better to get a bullet than to die painfully in the gas chambers.

The driver was constantly honking. The road was crowded with the refugees and German soldiers walking unarmed. Gradually, the landscape began to change. The road

<sup>77.</sup> Adolf Burger, (N16), p. 229

all the time serpentine climbed uphill, and instead of greenery soon appeared the first signs of highlands. The car was driving through the Austrian Alps.

Max breathed a sigh of relief:

- Ugh, let's wait some more, if only this fearless driver beats the hen serpentine.

Three hours later, the car reached the *Ebnesi* camp. There was no separate barracks for beginners in the camp, so Werner placed everyone in the shower staff, standing just outside the camp.

\*\*\*

Max was impatiently striving around the corridor:

- Hell, it's been over 10 hours, the second group was supposed to arrive,
- Quieter,- Glantzer sitting closest to the window that led to the road, shook his hand impatiently, Quieter, I hear the car. It should be them.

They were their friends, but the joy of the meeting was incomplete. The car they were driving broke down, and the new one, which Weber got in return, could accommodate only 30 people.

- -They'll come on the next ride, Lauber said, Werner is on the way back.
- Did you put a red mark on the new car?
- Yes, I did.

### May 5<sup>th</sup>, 1945

It happened on the fourth day of our stay in Ebnesi. I'am [Moritz] and Max stood by the window and looked at the road. Werner with the last group of prisoners was still not yet arrive.

Suddenly, Max squeezed my hand and pointed towards the officer's barracks 50 meters away from us:

- Now they have started burning documents,
- It's hard to believe, but a week ago we destroyed our documents in the same way. Look, they're going to run away from here.
- -Oberscharführer Jensen and two guards are heading in our direction,- Italnier warned

everyone. He stood on a bench and looked through the barred window as they drove in an imposing passenger car loaded to the brim with luggage.

Jensen opened the door from the outside:

- Soon you will be released by the Americans. Just don't tell anyone that you were engaged in the production of forgeries. Go out... I have to take you to the camp.

The officer guarding the gates of the camp looked with bewilderment at the 115 prisoners in good clothes, with a normal haircut, who looked quite good, and were accompanied by only one SS officer.

- Who are you, and what are you doing here?- he asked Jensen.
- I have an order to place the prisoners at your disposal. I don't know anything else.
- I can't let them in,- the guard officer stood on his guard.

The inmates stood in utter bewilderment until one of them approached the guard and showed the tatooed number on his arm:

- Believe me, we are the same prisoners as those inside, we just worked in a secret enterprise.

The guard, as a sign of understanding, shook his head and opened the gate.

When we looked around, there were hundreds of prisoners around us crying with happiness and screaming in many languages of the world. Even those who did not have the strength to stand sat on the grass and shared a common joy.

- Richard!
- Moritz!
- When did you arrive?
- Half an hour ago. We came on foot.
- What, from Redl-Zipf himself?
- Yes, we just had to. The driver ran away as soon as the car arrived back at camp. Werner, with the help of nine Wehrmacht soldiers he had gathered along the way, made us walk at gunpoint. Midway through, we saw a car that had been broken earlier (during the second trip). The driver shouted that the Americans were nearby, and the soldiers were blown away by the wind. The situation became comical. Werner with a gun and about 30 errant prisoners. He knew that if he fired, we would tear him apart. He walked with us for almost the rest of the way, and just before the camp disappeared. Gosh, I still can't believe that we are saved, that we stand with you together and talk like free people.

- Yes, it is, but I won't believe in this miracle until I see the Americans. Listen, has anyone tried to escape?

- Not only tried but ran away. Levy and Bier. While we waited for the car to return, one of the security officers chose Levy, Bier and Kurzweil to pack his luggage. His house was on a hill near the forest. While this officer and Kurzweil went to the next room, Levy and Bier took advantage of the situation. I hope they've already met the Americans...

They did reach the Americans in Passau, 70 kilometers northwest of camp Ebnesi, and were the first to tell them about the large group of inmates in the camp.

The Americans (fighters of the 80th Division) arrived at the camp the next morning.

## <u>May 6<sup>th</sup>, 1945</u>

Max spoke with the tank mechanic, from New Jersey. The American, in the best traditions of the Yankees, took out from the pocket's photos of his wife and children. Max just took a glimpse of them, and in the "best traditions of the prisoners" asked:

- A good cigarette, can't you treat?

The sergeant, who had only "third-class" cigarettes from the diet of the military, handed him a whole pack.

-Okay, forget it,- Max refused.

Sergeant, apologizing:

- That's all I have. We were moving so fast that our suppliers were far behind.



Picture #58: Prisoners of the Ebenzi camp, immediately after liberation. Courtesy of USHMM



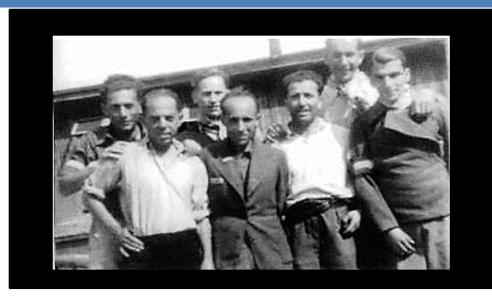
On May 8, in the clothes of the prisoner, I went to the village and asked the residents do they have a camera there.

I took more than a dozen pictures: dead and half-alive prisoners, as well as photos of my fellow counterfeiters. <sup>78)</sup>

#### Picture #59:

Burger with three American nurses (Catherine Boggs, Davis, and Ada Turner) after being released from the Ebenzie camp, May 8, 1945. Courtesy of USHMM.

<sup>78.</sup> From an interview with Adolf Burger (N26). Photo from the archive of USHMM (N25)



Picture #60: Seven participants of "Operation Bernhard", after liberation.

First row from left to right: Solomon Smolyanov, Ernst Götlieb, unknown, Max Groen.

Second row: Adolf Burger, unknown, Andries Bosbum. (From the private collection of Max Groen's family)



<u>Picture #61</u>: Six prisoners of the Ebnesi camp, immediately after their release. First row from left to right: unknown, Kurt Levinsky, Hans Walter, unknown. Second row: unknown. (from the private collection of the Hans Walter family)

Courtesy of: "Spungen Family Foundation"

To the chatty barber when asked:

-How you want to cut your hair,

he said: "Silently!

Archelaus

(Plutarch. Quotes from Kings and Generals")

#### LET SLEEPING DOGS LIE

About ten trucks (according to some reports - fifteen) loaded to the top with hundreds of thousands of counterfeited pounds, and related materials, left Ebnesi in the direction of the Austrian Alps, where the last fortified area of the Nazis was located.

Two tracks could not pass through the high mountain pass and broke down on the way. The young officer in charge of the transport found the phone and called the nearest command center located in Alt-Aussie. Stumbling, with excitement at every word, he reported on the situation.

- ... Transport... of national importance... I have no right to discuss this on the phone... I need guidance...
- -Drop all the cargo from the broken trucks into the River Traun, and with the remaining cars continue to move along the agreed route,- the officer on duty replied, and hung up.

The young officer strictly followed the instructions. All the boxes, from both broken tracks, were dumped into the river flowing below.

One of the first to receive a report about "floating money" was special agent of the intelligence unit of the 80th Division of the US Army Alan Kramer. Upon hearing about the "floating money", he immediately called his boss, Major George McNally, who, in turn, was an agent of the US Secret Service.

McNally contacted his british intelligence colleagues and asked them to verify the information through the Bank of England, and two days later a representative of the Bank of England arrived in Austria. Tall and slightly angular - P.D. Reeves<sup>79)</sup>

From McNally's memoirs:

We took Reeves to the vault where the banknotes were stored in boxes. After carefully inspecting the boxes, Reeves methodically counted all the banknotes and

<sup>79.</sup> P.D. Reeves- Production Manager at "St. Luke's Printing Works" in London.

rewrote their numbers. Then he took out several banknotes from each and conducted a *crunch test*. Then stopped in the middle of the room and, staring at the ceiling, began to swear quietly. A few seconds later he said: *I'm sorry* [for the swearing], but the people who produced these notes cost us too much.

#### From Reeves' report to the Bank of England:

On Friday, June 6, 1945, by me, in the presence of [...] counterfeited banknotes worth 26 million pounds were counted and packed in 23 boxes. A box with tools and clichés was also checked.

After checking, Reeves and two Scotland Yard representatives went to the Redl-Zipf camp, where they were gathering information about "Operation Bernhard" bit by bit. After their return to Frankfurt, McNally, on behalf of the U.S. Treasury Department, bombarded them with questions:

- How many counterfeited banknotes were produced? What are the losses of the British? Were counterfeited banknotes able to pass through exchange control into English territory?

All questions Reeves transferred to the Bank of England. A few days later, Charles Gaston, the representative of the Ministry of Finance of England in the group of troops in Germany, received instructions from Edward Pleifer, who is one of the leaders of the Ministry of Finance:

- I do not want the Americans to reproach us for not wanting to share the information received, but this is our internal matter... Even in England, we devote a very narrow circle of people to this problem, so we do not want to share with anyone, and do not require any information from anyone in return.

Charles Gaston, a graduate from *Winchester* and *Oxford*, a brilliant linguist, who was fluent in five languages, understood the difficult task before him - to rewrite this instruction in simple English.

He brilliantly accomplished this task by writing a resolution in the margins f his calligraphic handwriting:

## Let sleeping dogs lie. CAG, 14 Sep 45

Sometimes it happened that the *awakened dog barked*, but this was not of fundamental importance - for more than half a century all the information was kept secret.

Semiramis, who built a tomb for herself, wrote on it as follows: To whom of the kings will need money, let him ruin this tomb and take as much as necessary.

And so Darius ruined the tomb, but he did not find any money, but found another inscription, which read: You are a bad person and greedy for money, otherwise you would not disturb the dead.

Plutarch. "Quotes from Kings and Generals"

# **©**THE TREASURE LAKE

After gathering enough information, McNally's team was able to find two abandoned vehicles from the convoy at the repair station of the Lake Toplitzsee Naval Base. After numerous interrogations of station workers and interviews with the met population, Mac Nellie came to an unequivocal conclusion: *most of the counterfeited banknotes packed in large wooden boxes were dumped into Lake Toplitzsee*.

A group of divers was called from England, but all attempts to reach the bottom were unsuccessful. After that, the Americans came to the rescue. They arrived with a group of deep-sea divers. Their search also came to nothing.

Here is how one of the divers who took part in the dives described these events:

Diving to 50 meters was not difficult, and then the problems began. We got to the so-called "fake bottom", consisting of a pile of sunken trees, algae and the rest of the junk collected over the centuries, and a huge amount of slid ... Each step lifted a huge cloud of ice from the bottom and had to move very slowly... Sometimes it seemed that you saw a "hole" in this underwater jungle, but if you managed to put a lantern, it disappeared. After one or two minutes you could see another "hole", but everything was repeated.

Three weeks later, the Americans also stopped their attempts to reach the bottom.

The events of the following years showed the increasing activity of many people to uncover the mystery of Lake Toplitzsee. The area, which has never enjoyed much attention of vacationers, was flooded with crowds of tourists.

But not only tourists visited the area. Mysterious events began to occur in the area.

In March 1946, the bodies of two climbers were found on the slopes of Mount Rauhfankogel, which directly adjacent to the lake. A police investigation revealed that it

was an accident. The dead were identified as engineers from Linz: Mayer and Peechler, and a few months after the funeral, it was discovered that Mayer and Peechler were members of the Marine Research Center, and their group consisted of three people...

Suspicions and doubts began to grow when it was absolutely established that the weather on that day was very good.

It became more and more obvious that it was a murder. But who did it? Was it the third member of the group? - these questions are not answered by the Austrian police to this day...

In 1952, the veil of secrecy over *Operation Bernhard* was lifted by the *Reader's Digest*, who conducted a journalistic investigation. For a year, the magazine's staff tried to get more detailed information, but failed - mistakenly considering Kruger as the main character and building their investigation on this fact.

After this failure, for several years, no significant research was made until the German's *Stern* started it in again 1958.

During the investigation, more than a hundred people were interviewed. Among them: Bernhard Kruger, who could not be found by employees of *Reader's Digest*. He was working at this time as a consultant in a small financial firm; and Werner Hartmann - surviving worker from Barak19, and many others directly and indirectly related to "Operation Bernhard".

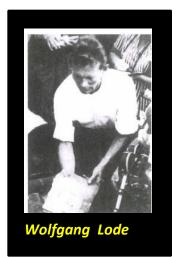
Stern's chief reporter, Wolfgang Lode, traveled thousands of miles across Europe,

gathering facts bit by bit and combining them into one. He visited Laber Castle (Schwend's headquarters), was in Vienna and Rome. After that, he sailed to England, where he interviewed The Chief Inspector of Scortland Yard - Rudkin, and former MI6 officer Robert Stevens.

Picture #62: Wolfgang Lode

After England, he went to Peru, where he met with Schwend. When asked by Lode about Lake Toplitzsee, Schwend replied:

- What do youwant to find there, except for the hundreds of old steel helmets that can be found at the bottom of any Austrian lake?... Drop this idea.



But Lode didn't give up. His intuition told him that at the bottom of Lake Toplitzsee there were answers to many questions. In the cold and snowy winter of 1959, Lode came to the village of Putchen Pass, located on the shores of Lake Toplitzsee. In a bar,

one of the locals looked at Lode, nodding understandingly, and said to a neighbor:

- Another one of these pesky Germans.

Like all the other "annoying Germans", Lode began to ask questions, the only thing that he differed from them - he asked them in the winter, when the villagers had the opportunity to chat over a glass of "warming drink".

- Was there any naval base here during the war?
- Yes, of course, anyone can show you here...

After a few glasses, one of the locals remembered:

- One of them [who worked there] comes to visit every summer. He always stops at the Zensis.

After learning the address, Lode went to them, and after spending a few hours with the hospitable hosts (and sleeping after a huge number of drinks in the evening), the next morning he went straight to Hamburg. But instead of going home, he went to a well-known engineering institute. There he hoped to find Dr. Determan.

At the beginning of their conversation, Determan looked very wary, but when mutual understanding was established, he shared with Lode all the information known to him.

- Dr. Determan, you've certainly heard of boxes flooded in the lake. It's true?
- Absolutely. Several SS officers, with the help of a dozen prisoners, unloaded trucks with boxes on our pier, and then reloaded these boxes into boats and, sailing quite far from the shore, threw them into the water.
- And how many boxes were there?
- It's hard for me to remember, but as far as I remember, there were about twenty or thirty.

Returning to the lake and armed with a sketch obtained from Determan and other data collected from residents, Lode tried to determine in detail the place of possible flooding of the boxes. Frosty weather gave a great advantage - the frozen surface of the lake was a perfectly flat surface.

In Hamburg, at the headquarters of "Stern" magazine, a board meeting was held at which only one question was discussed: whether "Stern" should finance the expedition to raise the boxes or not. There were two arguments against. The first one: was that all the evidence collected by Lode were indirect. The second, much weightier. A lot of influential people tried to "put a pressure" on the leadership to close the topic. Even bribes were offered: owning a coffee plantation in Guatemala, or closer, in Germany, owning a house worth several million marks. Still, after many days of discussion, Lode

received the "go-ahead" to continue the work.

On July 13, 1959, Lode and his team began work on Lake Toplitzsee. Day after day passed, but the search with the help of a metalodetector did not bring success until a special deep-sea chamber was delivered to the lake.

Down to the point where the light from the surface disappears completely. Down, through the pile of sunken logs and the interweaving of algae. Even lower, through the fake bottom, and finally, at a depth of 85 meters, the camera slowly turned, and the beam of a powerful spotlight mounted on the camera snatched out of the darkness something that looked like a wooden box ...

In complete silence, and all those present stood next to each other on the ferry and on the shore with bated breath, a cry of joy was heard over the surface of the lake, which meant that the "treasures of the lake" were found.

With the help of a hopra attached to a rope along with a camera and a spotlight, the box was raised to the surface. The joy of the find was slightly overshadowed when, at a depth of about 5 meters, the cladding could not stand, the box fell apart, and hundreds



of tightly packed briquettes of banknotes began to spread across the surface of the lake. Lode, without hesitation, jumped into the cold water of Toplitzeee, and began to collect them. His example was followed by many members of his team.

<u>Picture #63</u>: Diver adds to the board another portion of the caught banknotes. Courtesy of www.akg-images.com

<u>Picture #64</u>: Wolfgang Lode in 2010. At the bottom right in the picture photo (Picture #63): "Diver adds to the board another portion of the caught banknotes". Courtesy of HISTORY channel, Germany.



The solution to the problem was proposed by Helmut Günther, the 17-year-old son of the director of the "IBAK" company, which produced cameras for underwater work:

- With the help of a hopper, the box should be raised to a depth of 15-20 meters from the surface, and then divers should be lowered into the water, and they should tie the box with strong nylon ropes that will protect the box.

All work was stopped until the morning. Formally, the reason was the lack of official permission to perform the work, but the real reason was different: a deep-sea anchor mine was attached to each box.

The next morning (July 27, 1959), a team of Austrian police specialists arrived at the lake, with orders to raise the maximum possible number of boxes. Using the rope on which the camera was fixed as a guide, the diver sank to the bottom and carefully studied the design of the anchor mine.

The chain with which the mine was attached to the boxes was only 3-5 meters shorter than the depth where the boxes rested. The Nazis, therefore, wanted to protect themselves from any surprises in the future.

- It is better not to disturb them, let them lie at the bottom, - was the conclusion of the diver.

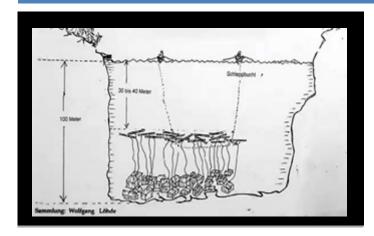
Picture #65:

Helmunt Günther and his father Herkik Gütner with the apparatus "IBAK". On the right is Wolfgang Lode.

Courtesy of www.akg-images.com



Divers (submarine miners), first had to disconnect the rope holding the anchor mine (this was an invisible part of the operation), and then, tie the boxes with safety nylon ropes, and, insuring them, rise to the surface - thereby showing everyone present *the visible part of* this process.



Picture #66:

Scheme of works on Lake Toplitz prepared by Wolfgang Lode

Another good news spreaded throughout the camp - in one of the boxes were found the diaries of Oscar Stern - an accountant, who methodically kept records of all the products produced by "Operation Bernhard". In another box were found clichés on which the prisoners worked. But the most sensational finding awaited Lode's team ahead.

Near the end of the war, the leadership of Nazi Germany ordered the destruction of all secret documents. In most cases, this order was carried out, but a small part of the documents was still not destroyed. In the boxes, from the bottom of Toplitzsee, SS documents were found. Among them was the Eichmann archive.



Picture #67:

Registration card of "serial numbers" issued counterfeited banknotes.

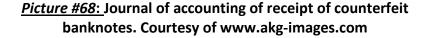
Courtesy of www.akg-images.com

All foundings, with great care, were loaded into a police truck, and under a reinforced

convoy were taken to the police department of the town of Graz, Styria. The contents of each box were so tightly packed, that eight boxes had to be used for transportation.

For months, military experts and representatives of Lode's team studied and documented the contents of the boxes. Some documents were damaged by water, but the rest of them was perfectly preserved.

After that, "the treasures" were sent to England. Lode together with representatives of the Austrian police accompanied this cargo to England, where he transferred it to the Bank of England. 80)





\*\*\*

One of those who, at the request of the Nazis, helped build pontoons, on which they were immersed "large wooden boxes" was a resident of the village of Puten — Ida Wessenbacher. She tells Lode how in early May 1945, the Germans knocked on her father's house late at night, and gathered with them more than 20 people, ordered them to build pontoons ( she does not remember exactly - but it seems about 15) on which large wooden boxes were loaded. Then, under heavy security, they sailed to the

center of the lake, and threw all the boxes into the water...

After the expeditionwas finished Lode, as a token of gratitude, gave her several banknotes as a souvenir.



Picture #68: Ida Wessenbacher

One day he read a letter from his mother with secret accusations and slurs against Antipater, and Hephaestion, as usual, read with him. Alexander did not interfere with him, but, having finished reading, he removed the ring and put it sealed to the lips of Hephaestion."

(Plutarch. "Quotes from Kings and Generals")



The key person who McNally was looking for was Smolyanov. Knowing about Solly's work on the hundred-dollar bill, the Secret Service Major wanted to know where the clichés he was working on were.



<u>Picture #69</u>: Image of cliché of 20-pound note found in one of the boxes in Lake Toplitzsee.

Courtesy of "History" channel, Germany.

In May 1947 in Rome, when he trying to sell a \$500 banknote on the *black market*, the Americans were able to detain Smolyanov. The banknote turned out to be genuine, but the very fact of the sale attracted close attention from the American Special Services. Also, the ASS had information that Smolyanov was trying to find his teacher - Zotov (of course, in order to again engage in the release of a new forgeries).

### From Smolyanov's testimony during the interrogation:

After my release from the camp in Ebnesi, I went to Rome. There I learned that Zotov, who was already 64, lived in Liechtenstein with his wife, daughter and two grandchildren, and, in order to support his family, again began to give drawing lessons and fulfill some artistic orders. In 1939, he received an order to develop a

series of postage stamps. [Liechtenstein, like any other microstate, paid great importance to the issue of its own postage stamps. Income from their sale accounted for a significant part of the budget revenues.]

I wrote a letter to Zotov and offered to meet at the border of Switzerland, in Chiasso. We haven't seen each other in 11 years. In March 1946 I arrived in Chiasso, where I had been waiting for Zotov for more than a month. Unfortunately, he could not get an Italian visa, so our meeting took place "on different sides of the border". He was standing 50 meters away from me, I could only see him.

After returning to Rome, I wrote him a letter asking him to send some of his paintings for sale.

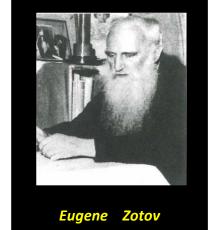
The Americans understood Smolyanov used "Aesop language" when asking about paintings.

Paintings were called clichés of the forgeries.

Smolyanov's hopes for receiving a parcel with *paintings* were not destined to come true. At the end of 1948, Zotov was detained for forging 100-dollar and British pounds sterling.

### Picture #70: Eugene Zotov

When the Americans saw in the cell an old man with a snowwhite beard, which gave him a resemblance to the biblical Moses, they assumed that Zotov was not able to perform these clichés on his own and somehow was able to get



others previously used in Sachsenhausen. However, as a result of numerous checks, it was found that these clichés have nothing to do with *Smolyanov's friends* and were his own work of art.

In February 1947, Solly married Charlotte Raphael (her first husband, Alexander Berenson, was a professor from Moscow). The \$500 notes belonged to her. Smolyanov, at his wife's request, only tried to exchange them for Italian Liras.

On September 8, 1947, Charlotte flew to Montevidio, Uruguay, where her brother lived, and a year later, having received a visa, Solly was reunited with his wife.

In 1955, Smolyanov and his wife moved from Montevideo to a small town in southern Brazil. Friends who came to visit them, said that he took up drawing, and even had a small art gallery, and his wife was engaged in the production of soft toys for children. Both were happy with their lives.

To his previous profession, Solly never returned. 81)

When the war ended and we were released, I said goodbye to Sally: Give me your honest word that you will never engage in counterfeiting money.

He promised me this and said that he would return to painting.

By the way, in Sachsenhausen he painted my portrait, all these portraits, of course, disappeared ... [author's note: this portrait was preserved, see further in the text]. I never saw him again. 82)

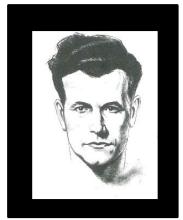
Professor Zotov, after his release from prison in 1953, still went on a steamer, to meet with his famous student. But they were not destined to see each other again. Zotov died of a heart attack a few days after arriving in Buynos Ayres.

Solly held on until he was crippled by Parkinson's disease. He died in 1978.

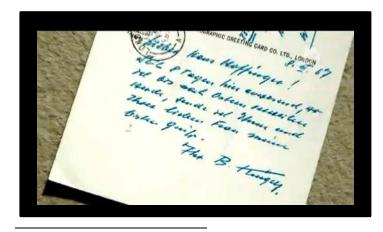
Hans Kurzweil - a senior switcher in the forgery unit of passports, after the war received a kind of revenge. After Höttle in his book cited "the facts of the use of only criminals in the production of banknotes" - Kurzweil sued him for defamation.

<u>Picture #71</u>: Drawing by Solomon Smolyanov.

Hans Kurzweil



He won the case largely because of the testimony of Kruger, who confirmed that only one person (Smolyanov) was a real forger. (Pictured below).



<u>Picture #72</u>: Kruger's testimony, 1956 Courtesy of "History" channel, Germany.

<sup>81.</sup> Murray Teig Bloom, (N1), pp.269-71

<sup>82.</sup> From an interview with Adolf Burger. (N26)

Oskar Stern (Scala) - accountant and chronicler of the "Operation Bernhard" returned to his native Pilsen, where for a very long time he worked in a beer bar (which he also owned).

- Hirsche and Moisha Kozak, two brothers, typographers, emigrated to America, and worked for the Jewish newspaper "Forverts" in New York for the rest of their lives.
- Felix Sytrin, the senior engraver, arrived in America, New Jersey, in 1955, as a displaced person, and was under Secret Service surveillance until his death in 1971.
- Norbert Levy changed his name to Norbert Leonard and worked in photography while rotating in "high society". For a time, he even worked as a photographer for Aristotle Onassis.
- At least five of those who took part in "Operation Bernhard" published their memoirs. Moritz Nachstern was the first. His book was published in Norway, in 1946, and in 2008 was republished and translated into many languages of the world. Returning to Norway, Moritz returned to work as a stereo tweeter in the magazine "House". Nachstern died in 1969.

When Lawrence Malkin interviewed Max Groen, who lives in Amsterdam, in 2002, he mentioned that Moritz Nakhstern had written a book about the events taking place in Barak.19. Max was very happy for him and said:



- Did Moisha write a book? Great! It must be a REAL book.

<u>Picture #73</u>: Drawing of a banknote of 5 pounds drawn by Moritz Nachshtern from memory, after the end of the war.

A fragment of this drawing was used in the design of the book cover. Abraham Krakowsky - after the war reunited with his wife, and moved to Brooklyn (New York), where until the last days he worked as an accountant. To this day, in the Flatbush area where he lived, he is remembered as a rabbi, although he was not.

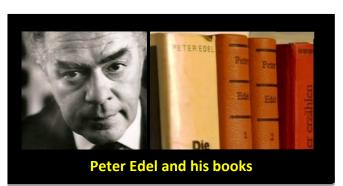


<u>Picture #74</u>: Abraham Krakowski with his wife. Before, and after the war. Courtesy of "History" channel, Germany.

#### **Brooklyn Yellow Pages**

KRAKOWSKI ABRAHAM, Rabbi - 1274 E 7th St, Brooklyn, NY, 11230 tel. (718) 253-3385

Peter Edel became a writer, a theater screenwriter, in the GDR. He was in favor of the communist regime. He also wrote memoirs, which enjoyed great success, however, only in the countries of the socialist camp.



<u>Picture #75</u>: Peter Edel. Courtesy of "History" channel, Germany.

Max Groen worked as a prompter in the Dutch branch of the film studio 20<sup>th</sup> Century Fox, which his father owned before the war, and for the rest of his life he said, "I knew the future, I was sure we would be released.

He quietly passed away, with his family, in his apartment in Amsterdam in 2004.

Adolf Burger returned to Czechoslovakia after the war. The first version of his memoirs was recorded (from his words) in 1945 by Czech journalists Silvia and Oskar Cresci under the title"Number 64401 remembers" and was published only in Czechoslovakia. The book cover drawing for the first edition was done by Leo Haas.<sup>83</sup>

Picture #76: 2nd edition, 1945. "Number 64401 remembers"

Later, in the 70s, Burger wrote his own memoirs. Here are his memories of what prompted him to do so: When I was released, I came home calmly... I didn't have nightmares... For decades I was silent... until neo-Nazis started lying about concentration camps...

After his [Burger's] retirement, this memoir was translated and republished in the DDR (in 1983), under the title "The Devil's Workshop". The story of "Operation Bernhard" told in this version of the book, which is familiar to the modern reader, has been used for many years by the communist regimes of Eastern Europe for propaganda purposes.

Burger himself, at the age of 89 [article dated January 22, 2007], continues to travel around the world with tireless energy with lectures on the Holocaust. He performs in schools, universities, military bases, police stations.

147

<sup>&</sup>lt;sup>83</sup> In 2017 I was in Prague, where I purchased the 2nd edition of the 1945 book "Number 64401 remembers"

-When he tells his story, he looks like a 40-year-old man,- said Jürgen Schmidt, former head of the Hamburg police's anti-counterfeiting unit.

\*\*\*

The script of the film *The Counterfeiter was* rewritten three times at his request. Burger insisted on changing many details, giving them the greatest possible historical coloring. Although he could not fully resist *"the Hollywood flair"*.

- How is that possible! There are two bed scenes!- Burger launted his eyes.

In Sachsenhausen, Burger befriended Smolyanov, the only professional counterfeiter on the team [author's note: two factors apparently contributed to this. First: the place of work. The room in which they worked barely accommodated 8 people from the "dollar team". Second: the Slavic roots of the languages in which they communicated].

- I was an ordinary book printer, and Smolyanov was an order of magnitude higher - he was a real professional, - Burger recalled about Smolyanov.

Burger's house, located in the suburbs of Prague, is a complete archive of materials, photographs, and documents about the events that he experienced. He has several well-preserved in the archive "product samples" produced in Barak19. But the most expensive exhibit that hangs over his bed is his portrait with charcoal painted by Smolyanov in 1945 in

- -Why are you drawing my portrait?- We will still be sent to the gaschamber,- I asked Solomon.
- Who knows, who knows,- Smolyanov answered with sadness in his voice, Just sit...

Picture #77:

Adolf Burger with his portrait painted by Solomon Smolyanov in 1944.



Sachsenhausen.

<sup>84.</sup> Marcus Walkerand, and Almut Schoenfeld, (N28)

In the 2002, american television SBS, together with representatives of the Jewish International Congress, united to perform sonar studies of the bottom of LakeToplitzi. They also invited Adolf Burger to take part in a tour of the old places. <sup>85)</sup>

I was sitting on a raft that was floating on the lake, and suddenly I saw a diver on the monitor, pulling out bundle from under the wooden covering. I recognized him right away, it was one of our bundles.

Then we opened it, it was five hundred pounds...

The past came back into me, all these months and years when I stopped believing that I would get out alive from this hell. <sup>86)</sup>

The film "The Counterfeiter", based on Burger's book, won the 2008 Academy Award for Best Foreign Film.

Here's what Lawrence Malkin, a veteran of American journalism whose book *Kruger's Men*, according to many critics, is recognized as the most truthful and reliable description of the events that occurred, said about this film:

- To me, it's barely a Holocaust story ... It's a story of survival and deception in wartime.

Malkin denied the film's director, Ruzovsky, the right to use his own book as the basis for writing the script. The main reason for the rejection: the idea of the film was that the Jews doubted whether to sabotage the production or not, and that the film was based on a moral dilemma that did not really exist:

Jewish prisoners argued about whether it was moral to work for the Germans. There is not a single word about this in any of the memories.

Malkin said that Ruzovsky's film:

- Beautifully produced, wonderfully acted, but it's totally false... It's morally false.<sup>87)</sup>

**<sup>85.</sup>** Guardian, London (N29)(John K. Cooley, (N2), pp.113-133)

<sup>86.</sup> From an interview with Adolf Burger. (N26)

<sup>87.</sup> John Kalish, (N30).

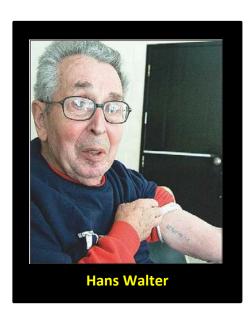
Sam Stahmer, after the war, lived in Austria, working as a jeweler. He later emigrated to the United States in Charleston, Virginia, and then moved to Cincinnati, Ohio. 88)

• Paul Landau, after the war moved to France. Until now, as a shrine, he keeps his robe of a prisoner, in which he was in the Sachsenhaus camp.



Picture #78: Paul Landau. Courtesy of "History" channel, Germany.

• Hans Walter (born December 14, 1921). He is the only one living in the United States (Mansfield, Ohio). In an interview on April 19, 2010, to Daniel Spungen, one of the founders of the Holocaust Remembrance Foundation, he said:



- I don't think that the story of my life, [author's note - time spent in Sachsenhausen] is significant enough to be illuminated in a feature film, especially in an Oscar-winning one.

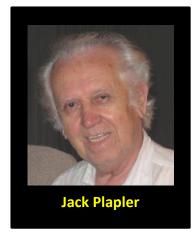
Sitting in the guest room, before the beginning of his speech, he rolled up the sleeve of his shirt and showed me a barely visible tattoo on his left arm - "75199". <sup>89)</sup>

Picture #79: Hans Walter

<sup>88.</sup> Michael Berkowitz, (N31), p.161

<sup>89.</sup> Hassan Dungar(N35) www. independent collegian. com, April 19, 2010

Jack Plapler lived in Berlin. At 88, he looks very cheerful. Photo taken in Berlin on August 28, 2009.



Picture #80: Jack Plaper

- One day in June 1945, Schwend was detained by two CIC officers.
- According to our information, you own a painting by Rembrandt "The Man with the Sword",
- Yes, I own,
- Then we should arrest you,
- Why?
- For possession of property stolen from occupied territories,
- This is nonsense, I paid for it, and issued all the documents,
- That's from your words, but we must check it all.
- Please check, you can always find me at this address,
- That's not enough, you'll have to go with us.

Two months later in Stadelheim prison.

Two Americans in perfectly fitting suits, shiny shoes, and with the same smile on their faces appeared in his cell. They introduced themselves, and immediately got down to business:

- We know you "want to make" a statement.
- Could you first confirm that if I cooperate with you in good faith, I will be released?
- Yes, we confirm that,
- Then I want to make a statement, but without written documents,
- Okay, no documents,
- I want to give you a very large amount of money. I will voluntarily show the place

where they are buried in the form of a treasure.

Despite this loss, Schwend had another 1.5 million Swiss francs in one of the banks in Liechtenstein, and about a million in possession of property inTrieste.

In 1947, Schwend and his wife went to Italy and from there emigrated to South America, to Peru. In the mid-60s, he, nominally listed as the manager of the branch of *the Volkswagen plant* in Lima, was engaged in completely different things.

American intelligence had information that Friedrich Schwalm was involved in the distribution of counterfeited dollars, was engaged in the sale of weapons, and, enlisting the support (i.e., buying support) of influential politicians, secured a powerful defense. This information was enough for the CIA to identify Schwalm as Schwend, who was described as: an unscrupulous person capable of any illegal actions for the sake of his own enrichment.

On November 30, 1966, an adviser to the President of Costa Rica accused the regime of Fidel Castro of producing counterfeited dollars and distributing them in Costa Rica, while comparing this situation with the actions of the Nazis during the Second World War. [the question is: where did Fidel Castro get the clichés of American dollars?].

It is reliably known that Schwend collaborated with Klaus Barbier (who also lived in Lima) in the murder of left-wing politician Victor Etransoro. Another source indicates that Schwend was the head of the organization ODESSA - a secret organization of former SS officers. In any case, ODESSA had at its disposal the clichés of American dollars that it could get from Schwend.

In 1972, on suspicion of murdering a local businessman, Schwend was arrested. The investigation also established that he was engaged in blackmail of Peruvian politicians and illegal currency transactions. He was sentenced to a long term but released two years later. Schwend died in 1980. 90)

It was a great surpize for me when the former Nazi Schwend visited Labers Castle in 1978, as a tourist (Labers Castle was the residence of Schwend during the war). He gave

<sup>90.</sup> Richard Breitman, (N32), p.127

the impression of a man who was "able to pay his bills," recalled the manager of the castle, Jörg Staff-Neubert. 91



Picture #81: Schwend and Staff-Neubert

The captain of the yacht Aurora, Patros, shortly after the end of the war towed it to Portugal and returned to the owner. After that, he went to Sweden, where he lived quietly on dividends from "Operation Bernhard".

In 1952, Patros came to West Berlin to pick up things from an apartment owned by him. He was lured to the eastern part of Berlin, and since then no one has heard of him ... [There were rumors that it was the work of the Russians. They apparently believed that Patros had some information.]

At the end of 1945, one of Schwend's sellers, Frederiksen, was detained in Copenhagen by a French raf intelligence officer—when he offered to buy a large sum of "Uncle Kruger" pounds from him. Interrogations continued for seven months, after which Frederiksen was released, however, confiscating all his property.

Just a month after his release, Frederiksen, through a Swedish captain who sold "Uncle Kruger" pounds to the Russians, receives an invitation to visit Moscow, which he accepts without much objection. In Moscow, he was given a royal reception. He was accommodated in the best hotel, fed, watered, taken on excursions, until he himself asked how he deserved such hospitality.

He was first asked about "Operation Bernhard":

153

<sup>91.</sup> Ralph Blumenthal, (N33)

- -Are you familiar with Bernhard Kruger?
- Never heard of it,
- Maybe you know anyone who knows him?
- Unfortunately, not. I've spent my whole life in Scandinavia,
- Maybe you know Friedrich Schwend?
- Of course, I know, it's my old friend!

After that, the nature of the questions changed.

- Could you contact Schwend and offer him any amount of money he wants to work for us.

Frederiksen promised that he would contact Schwend at the first opportunity, but when he returned to Sweden, he completely forgot about his promise. He was glad that he was able to escape from the Russians alive.

Peppiat and his colleagues at the Bank of England "locked their mouths" for more than half a century. Peppiat himself retired in 1957, and became a director of Cautts & Co., a bank that had the Queen of England as its most honorable private client.

In 1983, Sir Leslie O'Brien, the next Chief Cashier of the Bank of England, speaking with a mourning speech at his [Peppiata's] funeral, did not say a single word about the events of the Second World War, in which Peppiat was involved.

- Or. Albert Langer (let me remind you he was the technical director of "Operation Andreas") in 1952-53, working in the American intelligence unit in Germany, wrote his memoirs about the events in which he took part. ("12 1/2 years ago"). This document is held in the National Archives of the United States. <sup>92)</sup>
- What happened to "Uncle Kruger"?

In 1958 I spent two weeks with Kruger in Hanover.

<sup>92.</sup> Lawrence Malkin, (N6), p.217

I showed him a draft of an article written from his memoirs. With his usual pedantry, Kruger noted several mistakes.

- I never had any romantic relationship with my secretary, Frau Hilda Müller.

Later, the two of us went to Berlin to meet max Brebo, and Hilda Müller, who by that time was already Elsa Beer.

That's when Kruger for the first time revealed what happened to him after he left Ebnesi in April of '45. <sup>93)</sup>

- My car, with all the contents, and the [forgered] money that I had with me was stolen. I was barely enough to pay, a young German working as a translator for the Americans, for false documents.

Until September [1945], when I felt safe, I could not contact my wife and son, who lived in Dassel.

My wife hid me in the closet for eight days until, by chance, my four-year-old son opened the door there:

- Mom, Mom. We have a terrible uncle in the closet.

I left home the next morning. I knew that the British would get my wife until I surrendered, so on November 26, 1946, I voluntarily surrendered to them.

The British held him for about two years in prison, conducting daily interrogations, but, having lost all hope of learning anything from him about "Operation Bernhard", handed him over to the French.

In March 1949, three French officers entered my cell at once. The senior in rank made me an offer: we offer you and your family a permanent place of residence in France, a house in Paris, and directly to you - a high position in the Secret Service. You will have to do the same work as under the Nazis – issuing false passports and documents for our agents.

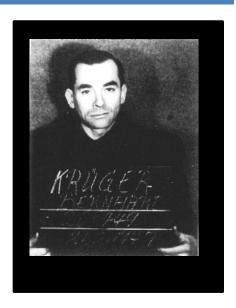
I responded: Thank you, no. I've been produsing forgered money and documents enough in my life, and what did I get in return- three years in prison? Thanks again for your generous offer, but my answer still NO.

<sup>93.</sup> Murray Teig Bloom,(N1), pp. 271-75

#### Picture #82:

Kruger, after his voluntary surrender to the British, November 1946. Courtesy of Lawrence Malkin.

In July, the French released me, and I returned to my family, in Dassel. There was not a single mention of me in the press until 1952, when I read with astonishment a note about my own death in Baghdad, where I sailed after the war, with ten million pounds. In fact, I was unemployed, and lived on state benefits.



## From the memoirs of Hans Hofinger 94

Four years later, in 1949, after graduating from high school, I was again sent to work in a paper mill in Hanemülle. This time, as an accountant. A few months after I started my work, a new employee appeared in the accounting department. It was the former head of the VI-F-4 Division, Bernhard Kruger, who was also the head of Operation Bernhard. (Burger's note: Robert Bartsch, in exchange for Kruger's silence, gave him "cover" for seven years.)

Until 1956, Kruger worked with me in the same room.

I learned a lot of interesting details about Operation Bernhard from him. Kruger told me how he "hacked" the American banknote numbering system.

\*\*\*

The Russians were also looking for Kruger. They tracked down several of Schwend's agents in Italy and Sweden and offered them large sums of money in exchange for information about Kruger. They continued to believe that he had with him the clichés of the American banknotes of the new design, so necessary for them ... to continue their own issue of counterfeited dollars.

The search for Kruger was waging around the world (the British, following the instructions of Charles Gaston, did not share any information with the Americans). He "was seen" in Hong Kong, Spain, and even in South America - where many of the former

156

<sup>&</sup>lt;sup>94</sup> from the book by A. Burger "The Devil's Workshop"

Nazis took refuge. In fact, all this time he worked as an accountant in a paper mill in Hanemüll.

This continued until, on September 27, 1955, German radio, based on a very short article published in the "London Times" on September 15, announced that Küger was alive and living in Dassel.

Soon after, he was summoned to denazification court. The news spread around the world, and many of "Barak's 19 employees" sent their testimonies to the court telling how Kruger helped save their lives.

The court hearing lasted 15 minutes, after which Kruger was released from the courtroom.

After the trial, he took a job at a trading firm in Braunschweig, and later moved with his family to Hanover.

The communist regime of the GDR[i.e., the USSR], acting for propaganda purposes, in the early 60s initiated a lawsuit against Kruger in Germany, accusing him of killing four prisoners. Like in the first case in 1955, Kruger was found not guilty.<sup>95)</sup>

In fact, it was Julius Mader, an anti-fascist writer, and "Stasi" agent, courted by the DDR authorities, who in January 1964 sued Kruger in Ludwigsburg: as a participant in the murder of concentration camp prisoners of Jewish nationality.

But the proceedings, transferred to the Stuttgart prosecutor's office, were terminated on May 7, 1965, for lack of evidence. <sup>96)</sup>

In May 1958 I met Kruger in Hanover, and later the two of us went to Berlin to meet max Berbo, who confirmed the whole story told by Kruger earlier.

Life went on. Kruger was able to get a job in a company selling philatelic stamps. The fee for the script for the film, which we wrote together, was not enough for a long time, so he took a loan from the bank. But the troubles did not leave him. In May 1971, his wife died of cancer, and in 1975 he was diagnosed with cancer.

Our correspondence lasted for many years. In 1979, I wrote to Kruger that I was going to meet Siegfried Otto in Munich. In thinking about this meeting, I thought Siegfried would be interested in meeting a man who got a job that G&D rejected.

96. Günther Vermusch, (N21), p.174

<sup>95.</sup> Ibid., p.193

But I was wrong. Siegfried didn't want to get news from the past. Kruger was more diplomatic, he replied in a letter: I'm 75 years old, I'm too old for that<sup>97)</sup>

In 1987, shortly before his death, at the age of 83, Kruger received an invitation from a biologist, researcher of the deep sea, Hans Friske, working at the Max Planck Institute, to visit Lake Toplitzsee.

... At depth, the searchlight snatched out of the darkness bundles of banknotes, perfectly preserved without access to oxygen. Kruger looked at them fascinated and quietly, with sadness in his voice, repeated the slogan of the Nazis:

"Alles für Führer, Volk, und Vaterland (All for the sake of the Fuehrer, the People and the Fatherland) I did everything forthem. Everything in my power, and they [after the war] treated me like a fraud. 98)

Honestly, Kruger never said too much. I wrote [about him] in the article "Interview with the Chief Counterfeiter".

He was *offended* by the whole world after two years in a French prison, where they tried to use him as a counterfeiter. He continued to be offended by everyone when I interviewed him [in 1987] and did not tell me anything particularly interesting.<sup>99)</sup>

<sup>97.</sup> Murray Taig Bloom, (N1), pp. 271-75

<sup>98.</sup> Lawrence Malkin, (N6), стр.195

<sup>99.</sup> From personal correspondence with Herbert Friedman, April 2009 (N34)

# **©**THE FATE OF THE SACHSENHAUSEN CAMP

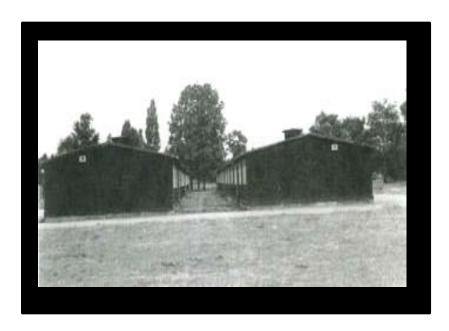
In August 1945, the first 150 prisoners from the Soviet Special Purpose Camp No. 7 arrived on the territory of the former Sachsenhausen camp, and by the end of the year it was completely transferred here. Most of the buildings, except for the crematorium and the "firing trench", (the scheme of the camp - see Appendix No.5) continued to be used for their intended purpose. Along with the imprisoned Nazis in the camp were held Soviet political prisoners, and prisoners who got there by the decision of the Military Tribunal.

In 1948, Sachsenhausen was renamed in "Special Purpose Camp No. 1", and by this time had become the largest in the Soviet Zone of Occupation.

By the time it closed in the spring of 1950, it held about 60,000 prisoners and at least 12,000 prisoners had died of disease and exhaustion.

In 1956, the DDR government decided to build a memorial on the site of the former concentration camp.

The construction plan provided for the demolition of almost all existing buildings, and the construction of an obelisk and a sculptural group. The opening of the memorial took place on April 22, 1961.



Picture #83: Barracks 18 and 19, on the opening day of the memorial. April 22<sup>nd</sup>,1961.



# **EPILOGUE**

I spent a few weeks exploring Labers Castle, and I walked down all the hallways, went down to the wine cellar, went up to the bell tower, trying to find some mention of the events that took place during the war, but all in vain.

There is absolutely nothing left here.

Nothing, but a painting hanging on the wall in the main hall...



It was an enlarged copy of a forgered £10. 100)

## LIST OF REFERENCES AND E-SOURCES

- 1) Murray Teigh Bloom "Money of their own", BNR Press, 1982,
- 2) John K. Cooley "Currency Wars", Skyhorse Publishing, NY, 2008
- 3) William R. Corson & Robert T. Crowley "The new KGB, Engine of Soviet Power", W. Morrow & Co, NY, 1985
- 4) **William Mackenzie** "The Secret History of S.O.E., Special Operations Executive, 1940-1945, London, St. Ermin's Press, 2002,
- 5) Laurence Malkin "Kruger's Man. The secret Nazi counterfeit plot and the prisoners of Block19" Little Brown and Co, New York, 2006.
- 6) **Mathieu Deflem**. "The Logic of Nazification: The Case of the International Criminal Police Commission ("Interpol"), 2002
- 7) Walter Krivitsky,"I was Stalin's agent", London, Right Book Club, 1940
- 8) **Burke, Bryan** "Nazi Counterfeiting of British Currency during World War II: Operation Andrew and Operation Bernhard", The Book Shop, San Bernardino, USA, 1987
- 9) Anthony Pirie, "Operation Bernhard" William Morrow &Co, New York,1962,
- 10) **Bernhard Kruger** "Operation Bernhard, the Greatest Espionage Operation of All Time"- unpublished manuscript in German. Translated into English by Murray Taig Bloom. The manuscript was purchased by "Enigma Books" and is stored in the Duke University Library in North Caroline, USA.
- 11) Richard Breitman "U.S. Intelligence and the Nazis" Cambridge Univ. Press, 2005
- 12) **Moritz Nachtstern** "Counterfeiter. How a Norwegian Jew survived the Holocaust" Osprey Publishing, USA, 2008.
- 13) **Michael Berkowitz** "The Crime of My Very Existence. Nazism and the Myth of Jewish Criminality", California University Press, 2007,
- 14) Adolf Burger, "The Devil Workshop" Frontline Books, London, 2009
- 15) **Murrey Teigh Bloom,** "The World Greatest Counterfeiters", Harper Magazine, 1957 (№4)

16) Herbert A. Friedman, SGM (Ret.) "Axis Propaganda Currency of WWII", 2009

- 17) Herbert A. Friedman, SGM (Ret.) "Conversations with a Master Forger", 2001
- 18) Stefano Poddi, "The Devils Workshop". IBNS Journal, Vol.47(2008) p.32
- 19) **Kirill SHCHELKOV,** Counterfeiter Adolf BURGER: "I forged 133 million British pounds." Newspaper "Komsomolskaya Pravda", 08.07.2008
- 20) Gunther Vermusch, "Scams with Faked Money", M.O., Moscow, 1990
- 21) G.N.Polskoy, "Secrets of the "mint", 1996, M. "Finance and politics",
- 22) From a letter from Francis Kaiser [judges at the 1924 trial of Myasoedov] to Murray Bloom, May 10, 1959.
- 23) Adolf Burger's interview with Czech journalist Nelly Pavlaskova, 2008.
- 24) "Brooklyn Yellow Pages"
- 25) Marcus Walker and Almut Schoenfeld, "How a Nazi counterfeiting ring saved book printer", The Wall Street Journal, January 22, 2007
- 26) "Guardian", London, April 6, 2005 (John K. Cooley "Currency Wars", Skyhorse Publishing Inc, New York, 2009, ctp.113-133)
- 27) **Jon Kalish**, "The Counterfeit Saga(s): What Really Happened at Sachsenhausen?" The Jewish daily "FORWARD" June 25, 2008
- 28) **Ralph Blumenthal** "The Secret of Schloss Labers", The New York Times, 6.22.1986
- 29) From personal correspondence with Herbert Friedman, April-September 2009
- 30) <u>www.spywarrior.org</u>
- 31) <u>www.bonistika.net</u>
- 32) www.bonistikaweb.com
- 33) www.fox-notes.ru
- 34) <u>www.akg-images.com</u>
- 35) <u>www.ushmm.org/photo-archives</u>

# TABLE OF CONTENTS

Preword	2-3
The Guide	4-6
The Beginning	7-10
The Origins	11-15
Unternehmen Andreas	16-18
Reichard Heydrich	18-20
Alfred Naujoks	20-21
Wilhelm Hottle	21-22
Albert Langer	22-29
Millions for SS	30-34
The person who said "NO"	35-36
Unternehmen Berhhard	37-43
Arbeit Macht Frei (Laror Liberates)	44-55
How Norwegian Jew Survived the Holocaust	56-66
The Devil's Workshop	67-68
[In Parenthesis]	68-78
Geheime Reichssache	79-81
Major Weding	79-81
Resurection from a Dead	82-85
"Uncle Kruger's" Money	85-98
The Production Lines	98-102
Propaganda Issues	102-104
By the Order of Himmler (B. Kruger)	104-105
Bucks	106- 108
Solly	109-113
Magic Brashes	114-116
My Dear Comrade	116-119
Road to Nowhere	120-132
Let's Sleeping Dogs Lie	133-134
The Treasure Lake	135-141
Lives	142-158
The fate of Sachsenhausen Camp	159

Epilogue	160
List of References and e-sourses	161-162
Table of Contents	163-164
Appendixes #1-#36 (separate file)	

DMITRIY LITVAK

# YAD VASHEM



しること הזיכרון לשואה ולגבורה The Holocaust Martyrs' and Heroes' Remembrance Authority

Litvak Greenberg.doc

Jerusalem, 22 August 2011

Brooklyn N.Y. 11224 Mr. Dmitriy Litvak 2940 W 21<sup>st</sup>. apt. 3-y

Dear Mr. Litvak,

ДЕНЬГИ ДЯДЮШКИ КРЮГЕРА, constitutes an important contribution to our library. We gratefully acknowledge your gracious donation to our collection. Your book The book was forwarded to us by Ms. Hannah Greenberg.

Your donation is particularly welcome because our library not only seeks to serve its readers today, but is a repository for published and book-form information about the Holocaust and related events for the generations to come.

yours, Sincerely

Rachel

Cohen Library Director Assistant to the