

59. Helms to ADSO, "Rusty," 19 March 1948

~~SECRET/RELEASE
TO GERMANY ONLY~~

19 March 1948

MEMORANDUM

TO: ADSO

VIA: COPS

SUBJECT: Rusty

1. I thought you might be interested in the fact that in a conversation two months ago with General Walsh stated that when he next visits the United States, he is going to raise again the question of CIA taking over operation Rusty. He apparently told that he thought a mutually satisfactory arrangement could be arrived at.

2. According to evidence from Germany, nothing about Rusty has been altered which would lead us to change the position taken by us last year. In fact, the reports in the Soviet dominated press in Germany concerning the use of former German staff and intelligence officers are such that there is no question that the Russians know this operation is going on even though they may have some of the details wrong. Certainly the fact that so much publicity has been given to this indicates serious flaws in the security of the operation.

3. Although our men in Germany have scrupulously followed your instructions to take a neutral attitude with regard to Rusty, the activities of that operation are well known to all our case officers and are a subject of real concern to them, largely on the grounds of security.

4. There is nothing new in the foregoing, but I thought you would want to be kept up-to-date.

RICHARD HELMS.

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