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24 March 1967

67-3477

MEMORANDUM FOR: Chief, CI/R&A

SUBJECT: Trace Results on Persons Connected with
Centro Mondiale Commerciale (World Trade
Center)

REFERENCE: Our memorandum of 8 March 1967 on Italian
aspects of the Clay Shaw affair

1. The 5 March 1967 edition of Il Messaggero contains a story linking Clay Shaw, currently under investigation in New Orleans for his alleged part in a Kennedy assassination conspiracy, with Centro Mondiale Commerciale (CMC) in Rome. The story mentions four other persons as having been involved with CMC: Carlo D'AMELIO, a lawyer and former president of CMC; Ferenc NAGY, former Prime Minister of Hungary; Henrich MANDEL-MANTELO, president of the Italo-American Hotel Corporation, who was managing director of CMC; and George MANDEL, father of Henrich MANDEL-MANTELO and founder of CMC. A copy of the Il Messaggero story was forwarded with the reference memorandum.

2. D'AMELIO, Carlo appears to be identical with the Rome lawyer Carlo D'AMELIO listed on page 464 of the 1956 edition of Panorama Bibliografico degli Italiani D'Oggi. According to Panorama, D'AMELIO was born in May of 1902 in Naples, is a lawyer and publicist, represented the Savoy (Italian royal family) heirs' claims, and was King Farouk's lawyer. The Il Messaggero story noted above states that D'AMELIO was the lawyer and administrator of the estates of Italy's ex-royalty. OIR-605, 15 January 1953, mentions a fnu D'AMELIO, a lawyer for ex-King Farouk of Egypt. NECA-5013, 28 April 1955, mentions a lawyer, Carlo AMELIO. This document cannot be located and no further information is available. It seems likely that all the above are identical with the Carlo D'AMELIO of CMC.

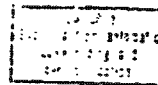
3. NAGY, Ferenc, the subject of 201-11893, was a cleared contact of the International Organizations Division. His 201 file contains a number of references to his association with the World Trade Center. (See attachments.)

4. MANDEL-MANTELO, Henrich. As reported in OIRA-32933, 28 January 1963, an [redacted] stated

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See file

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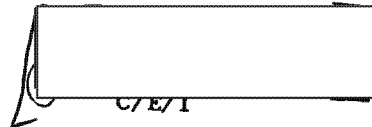
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that a Heinrich MANDEL-MANTELLLO, an Austrian citizen, formerly an Hungarian citizen, is the administrator of the World Trade Center, PERMINDEX, Piazza degli Uffici, Viale del Lavoro, EUR, Rome. He reportedly had contact with Hungarian Minister Gyula SIMO (201-257724). According to the 5 March 1967 story in Il Messaggero, Heinrich MANDEL-MANTELLLO's father is George MANDEL. ESBW-1819, 17 June 1954, states that George MONTELLLO (an alias of George MANDEL) had a son between the ages of 22 and 26 years old in 1954. It is possible that this is Heinrich MANDEL-MANTELLLO of CMC.

5. MANDEL, George (aka MANTELLLO, George [and other aliases]) is the subject of 201-11728. He is described as an unsavory person who has been involved in shady deals since World War II. (See attachments.)

6. No pertinent identifiable information was found on Nikolaus FISCHER in addition to his being listed in the 1963-64 Annuario Parlamentare as managing director of CMC.

7. The attached documents are related to an investigation of PERMINDEX initiated by CIA in 1959. This was the result of a query from NAGY asking if CIA would be interested in using PERMINDEX in some capacity. The documents did not indicate whether or not CIA decided to use PERMINDEX.



ATTACHMENTS:

- A - A copy of a 10 November 1959 memorandum from Chief, IOD to Chief, Commercial Staff requesting information on NAGY and PERMINDEX of Basel, Switzerland. (Copy received from Non-official Cover section of Central Cover Staff.)
- B - A 23 November 1959 memorandum from Commercial Staff to Chief, RID/Index section requesting information on a number of individuals including NAGY, MANDEL, and D'AMELIO. (Copy extracted from 201-11728 on George MANTELLLO.)
- C - A group of documents concerning PERMINDEX and CMC, apparently in answer to Attachments A and B above. (Copies extracted from 201-11893 on Ferenc NAGY.)

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1-20-1959

MEMORANDUM FOR: Chief, Commercial Staff

SUBJECT: (1) Ferrindex - World Trade Center

(2) *cc'd*
1. Dr. Ferenc Nagy, former prime minister of Hungary, presently resident in the United States, and a covert associate of IOB is President of Ferrindex, a Swiss corporation with principal offices in Rome and representatives in various parts of the world. The World Trade Center, in which Nagy is also interested is associated with Ferrindex. Brochures describing these organizations are attached.

2. Nagy has asked a representative of IOB if CIA would be interested in:

- a) Placing an American businessman on the Board of Ferrindex.
- b) Placing a CIA agent on the staff of Ferrindex.

c) Purchasing some shares in Ferrindex through the above representative on the Board in order to have a voice in the management of it. (Nagy emphasizes that the firm is well financed and that this is not a pitch for funds).

3. The advantages which in Nagy's judgment Ferrindex offers to CIA include opportunity to develop information on and contacts in many developing countries of Asia and Africa; cover; and the possibility of influencing the economies of these countries to some extent. (Ferrindex is reported to have representatives reaching 52 countries, including the Bloc and several countries of Africa and Asia.

4. Ferrindex has just opened its offices and exhibit halls in Rome and expects to be in full operation in the spring of 1960.

5. Before pursuing this further, IOB would appreciate CBI Staff's judgment on the following:

a) Financial condition of Ferrindex and the World Trade Center. Dr. Nagy says that Banca Del Lavoro, Rome, Italy can supply full details on such matters.

b) Business potential of Ferrindex in the exhibit and international trade field; its competition; etc.

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c) Any comments CI might make on the background business careers and potential of D. M. [redacted] Managing Director of Permindex; Genit. C. D'Amico, President of the World Trade Center; [redacted] Managing Director of the World Trade Center.

6. Anything CI Staff might furnish on the above would be very much appreciated. We understand that Embassy Rome, the U.S. Department of Commerce, and ICA have favorably reported on the possibilities of this organization.

INTERNATIONAL ORGANIZATIONS DIVISION

CORD MEYER, JR.
Chief

International Organizations Division

Attachment:
Brochure describing Permindex

IO/1/EBB:ek (6 November 1959)
Distribution:
2 - Addressee
1 - C/Cover Div. ✓
1 - C/CD/CO
1 - C/IO
3 - IO/1

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23 November 1959

MEMORANDUM FOR: Chief, RI Index Section

ATTENTION: Mr. A. J. Zarichak
1001 L Building

1. This Staff has recently been deputed to render a report on a certain organization and an affiliate and we need historical data concerning several individuals, which appear on the attached list.
2. The fullest information available, including financial standing and integrity, as well as political affiliations, etc., is required.

CHARLES P. WHITE
Commercial Staff

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1. Dr. Ferenc Nagy
Ex-Prime Minister Hungary, pre 1945. Has resided in United States, latterly from 1950 has been in Switzerland - Basel. Reputedly involved in PIRMINDSK Ltd.
2. Dr. Ernst W. Infeld
Lawyer, 3 Losenstrasse, Zurich, Switzerland.
3. Dr. Ernst Zeisst
Bern, Switzerland
4. Count Carlo D'Amelio
Rome. Reportedly President "World Trade Center" (Centro Mundial Commerciale di Roma)
5. Georges Mantello:
Naturalised Swiss of Hungarian-Rumanian origin.
Also known as: Georges Mandel or Georges Mandel-Montello.
May have resided at:
10 Avenue Pechier and
Place Derouleds, 3. Geneva
Is said to have a police dossier of extensive proportions.
6. E. A. Mantello
? Rome, Italy. Is there any connection with 5 above?
7. Fritz Schurch
Basel, maybe Pome at present.
8. Hans Seligman-Schurch
Basel. Banker
9. Dr. Edgar Salin
Basel

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25 February 1960

MEMORANDUM FOR: IO Division, Chief, Branch-1

SUBJECT: PERMINEX and World Trade Center
Memorandum of 10 November 1959

1. We regret to say that up to date the information obtained via Agency channels does not provide us with sufficient data to form any opinion with respect to the items contained in paragraph 5 of the subject memorandum. Consequently, as we have discussed with you, the only logical source of the essential facts is Dr. Nagy himself. We attach a list of the requirements as we see them.

2. We have one more line of inquiry out via reliable friends in the hope of obtaining some up to date information on certain aspects, although we are not too sanguine. Cards are being held very close to the chest. We should have the answer shortly.

3. We shall then try and assemble the ragged and somewhat conflicting information that we have been able to collect and furnish same although it will be of little real value to the main subject matter.

4. Dr. Nagy is, we are convinced, the only one who can give the necessary information by furnishing the answers and data requested in the attachment.


CHARLES P. WHITE
Commercial Staff

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INFORMATION TO BE FURNISHED BY DR. NARY
WITH RESPECT TO PERMINDEX LTD. AND ITS
SUBSIDIARY

1. It has been learned that the original authorized and paid up capitals of the two companies involved in the World Exhibit Enterprise, initiated by Dr. Nary, are as follows:

	Foreign Currency	Equiv U. S. Currency
PERMINDEX LTD. Registered Jan. 30, 1956 Swiss Corporation	Sw Frcs 1,000,000	\$230,000
CENTRO MONDIALE COMMERCIALE S.P.A. Registered April 22, 1958 Italian Corporation (Affiliate)	Lira 1,000,000	\$160,000

2. It is assumed that the capital of the Rome affiliate is wholly subscribed and paid up by the parent company, PERMINDEX. Is this a correct assumption?
3. Has there been any increase in the authorized capital of the Italian company since the inception? If so, to what extent? Names of subscribers and amount subscribed? Amount paid up.
4. What was cost of completion of EUR buildings and preparation of same for opening date of Permanent exhibit? Was this cost borne by owner or lessee?
5. Financial statement as at December 31, 1959 or more recent date of both companies consisting of certified Balance Sheet and Profit and Loss Statement prepared on the accrual basis.
6. Contracted space by Exhibitors by countries for first year commencing May 1, 1960 opening date and subsequent years if any.
7. Amount of first year's expected gross income segregated as to type.
8. Amount of first year's expenditures segregated
 - (a) Annual rent of EUR buildings
 - (b) Other departmentalized.

February 25, 1960

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24 March 1960

MEMORANDUM FOR: Chief, IO Division

SUBJECT: PERMINDEX and World Trade Center

REFERENCE: Your Memorandum Request, 10 November 1959

1. We wrote to Chief, IO/1 on 25 February last that we had to date received some information via Agency channels but it was not sufficient to come to any intelligent conclusion with respect to the items contained in paragraph 5 of the memorandum in reference.

2. We, however, were hopeful that more valuable information could be obtained through another source. This has now been received and while it is not complete it does furnish considerably more information than heretofore obtained. The information has been obtained from a recently formed New York Company as U. S. representative of the World Trade Center and, more particularly, the firm engaged to promote interest amongst U. S. industries and obtain contracts for space for the opening on 21 May 1960.

3. Attached Exhibit "A" summarizes the information received and the following comments are offered thereon:

a. Capital

It is conceivable that the capital of the Italian company is not in addition to that of Permindex as previously it has been stated that Permindex was the investing entity in the World Trade Center.

b. Loans

This information was sought at the inception of our inquiry for it was inconceivable that the company could have prepared the buildings for an international exhibit over a period of 18 months with only the subscribed capital as the source of funds. The funds raised from the two syndicates must have provided the cost of management and all the multifarious plans in preparation for the establishment of the Permanent International Exhibition, the main purpose of the organization, including the preparation of the various "Palaces" with all the utilities required which in various press releases and the like had reached one million dollars. There would also be the down payment on the 18 year lease referred to later.

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c. Operations

On the basis of hopes expressed in item 2 of Exhibit "A" there would appear to be a possibility of gross income from rental space of \$1,625,000 for the initial year, which is approximately 50% of the potential. Plus admissions of, say, 1,500,000, against the hope of 2,500,000, which would return \$750,000. This would give a total gross income from those two sources of \$2,375,000 for the first year. There are no figures available of offsetting costs of the venture, including the annual cost of the leased premises. With respect to the cost of finishing the buildings leased and the installation of electrical, telephonic and other facilities, it is not known why the lessees should be called upon to meet the cost; normally the same would be borne by the owners, in this case the Italian Government.

d. It is believed that a considerable number of the estimated attendance is based on U. S. tourists but we question the validity of this theory unless the exhibitors who can take orders are dealing in over-the-counter type of merchandise, which would not seem practical. There are other points of interest for the short term tourist to Rome.

e. With regard to the failure to obtain U. S. exhibitors and the restrictions imposed upon them and other non-members of the European industry organizations, as mentioned in Exhibit "A", it would seem that there has been a lack of research on the part of management since one of the features stressed was the selling that could be done at the site. This is contrary to the rules at the Milan Trade Fair which takes place between 12-27 April 1960.

4. At this stage, the venture seems highly speculative from an investor's point of view. For, if the present exhibitors failed to renew their contracts for space at the end of the first year, the possibility of obtaining replacements and extending the space sold would appear to be rather remote. If the Agreement of Lease signed by the Corporation, said to be for a period of 13 years, should be breached the penalties involved would no doubt be high. Failure to achieve success by rental of all space to International Exhibitors on a broad base would be a serious handicap of such proportions that it would be calamitous.

5. The preliminary reports from various consulates and embassies were virtually useless as they consisted principally of propaganda claims to bolster interest in the grandiose plans of the principal or ostensible entrepreneur.

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6. The biographical information referred to in your memorandum in reference, paragraph 5(c), was pursued at the outset.

a. Attached are Exhibits "5" and "B-1" furnished by Chief, RI Index Section and would seem to contain no derogatory information except in the cases of HANS SELIGMAN SCHURCH and GEORGES MANTELLO ("B-1").

b. On 19 March 1960 an unexpected report was received, CD/00, covering FERENC NAGY and E. A. MANTELLO, see Exhibit "B-2". The information contained therein was, as regards FERENC NAGY, diametrically opposite to that heretofore on record, and that on his associate and Managing Director of the Italian Corporation, E. A. MANTELLO, is particularly damning if true. The contents of this report were that same day conveyed to you personally and a copy left with you.

c. We were advised that a copy had been furnished another element of the Agency. We were successful in finally obtaining the information that it would ultimately reach the Hungarian Desk. Personal interview was arranged, but the copy had not yet reached him. He, however, read the report and stated that the credibility of the report should be tested by a thorough cross-examination of the source to eliminate the possibility of it being the offspring of an angry squabble.

d. It would seem eminently desirable that an evaluation of the report should be undertaken prior to any involvement with the subject corporation either as an investor or in any other capacity.

7. With respect to your request in item 5(a) and (b) for an expression of our opinion on the following points:

a. Financial condition of the subject companies;

b. Business potential of the companies in the exhibit and international trade fields,

we have not been able to obtain the essential information to determine the financial condition. As we suggested in our memorandum of 25 February last, Dr. Nagy is the only person available to supply the financial condition. From what we have so far gleaned, the prospects of success are precarious and unless exhibitors are found to occupy the whole available space in the exhibition buildings, and soon, the first year's exhibit will be unsuccessful with the consequent result that continuation will not be possible on a profitable basis (see item 4 above).

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3. It has been stated by the United States Representative that many firms throughout the world have applied for participation, and many have, meanwhile, signed contracts. Contracts have been signed in

England
France
Greece
India

Israel
Italy
Japan
Norway

Rhodesia
Switzerland
Turkey

It will be noted that no contracts are claimed with any of the Soviet Bloc countries, which may be a consideration in your decision whether to inject anyone into the organization's staff as suggested by the ex-Prime Minister.

CHARLES P. WHITE
Commercial Staff

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EXHIBIT "A"

Data On PERMINDEX - WORLD TRADE CENTER

A

1. Financial

Capital:

Ferminindex Ltd.	\$230,000	
World Trade Center Inc.	<u>160,000</u>	\$ 390,000

Equivalent of one million Swiss Francs and ten million Italian Lira respectively.

Loans:

Foreign Syndicate	\$832,500 1/	
American Syndicate	<u>500,000</u> 2/	1,332,500

\$1,722,500

1/ Supposedly against issue of preferred stock.

2/ To be repaid from income.

The venture is still seeking \$250,000 to \$500,000 either in the form of loans or as an investment.

2. Operations

The organization has reportedly leased 80% of the space available in the four buildings in the EUR group. One of the four buildings is being used in connection with the Olympic Games and part of another as a museum.

There are reportedly 25,000 square meters of space available to exhibitors and the target of rental income is \$150 per square meter per annum. Admission income has been set at \$0.50 and it is hoped that 2½ million persons can be induced to visit the exhibition annually. Additional income is expected from sale of catalogs, wall space (for advertising) and services.

3. Exhibitors

The exhibition will open on 21 May 1960. However only 50% of the available space has thus far been contracted for 12 months with an option to renew on an annual basis. Thus there still remains the problem of obtaining contracts for the other 50% of the space and to obtain renewals of contracts when the present commitments expire. The principal selling feature to the exhibitor has been the fact that

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orders could be taken on the spot. However it has transpired that there are restrictions which preclude American firms, or others, who are not members of European industry organizations from taking orders.

As of now only four or five U. S. firms have shown interest in participating, because they feel that they cannot afford not to be represented owing to the broad line of products they manufacture.

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Exhibit B

MEMORANDUM

SUBJECT: NAGY, Dr. Ferenc; DEKELD, Dr. Ernst W.; FELSBY, Dr. Ernst;
D'ARCELIO, Count Carlo; MARTELLO, Georges; MARTELLO, E.A.;
SCHUBCH, Fritz; SKLIOMAN-Schurch, Hans; and SALIN, Dr. Edgar

1. On 8 February 1957, a usually reliable source indicated that, in early November 1956, Dr. Ferenc NAGY, Georges MARTELLO and one SKLIOMAN, [probably identical with Hans SKLIOMAN-Schurch] who was described as a "Basel banker", were in contact with each other concerning the Hungarian Revolution. It should be noted that information in our files indicated that, as early as February 1948, MARTELLO and NAGY's secretary, Henrik HIVEN, had taken an active interest in the activities of Hungarian refugees. Source further reported that NAGY and MARTELLO were both actively interested in the establishment of permanent exhibition grounds in Basel, Switzerland. The enterprise was called Permindex and the grounds and buildings were to cost fifty million Swiss francs. According to Source, the Basel banker SKLIOMAN [probably again refers to Hans SKLIOMAN-Schurch] was also involved. On 29 December 1956, NAGY held a press conference at Basel, in which he stressed the importance of permanent exhibition grounds for Basel. NAGY also stated, according to Source, that Permindex had the backing of "several big financiers".

2. Source stated that, because of NAGY's political notoriety and MARTELLO's long history of involvement in shady deals, the Swiss police were watching developments closely, and were of the opinion that Permindex was the cover for some other, as yet unknown, activities on the part of NAGY and MARTELLO.

3. The files contain the following additional information concerning Subjects:

a. Dr. Ferenc NAGY: A fully cleared contact of this office, his political reliability is unquestionable. Several excellent biographies of NAGY exist in the files of the Biographies Register, Office of Central Reference, and of the Biographic Intelligence Division of the Department of State. We are unable to give detailed information concerning NAGY's financial standing and integrity. Should you wish to contact NAGY and question him as to his financial status, this office is in a position to arrange a meeting between NAGY and a member of your office. If you desire further information concerning such a meeting, contact Mr. Records Room, Extension 3241.

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b. Dr. Ernst W. DOWELD: Information concerning DOWELD can be found in Department of State Foreign Service Despatch #243, dated 16 March 1955, from Zurich, Switzerland. DOWELD's name is also included on the Department of Commerce, Bureau of Foreign Commerce Checklist, edition #20 dated 1 April 1955, and edition #24 dated 1 May 1956.

c. Dr. Ernst FEISST: A man of the same name, who is probably identical with your subject, was formerly Swiss Minister to Hungary. It is suggested that, for information concerning FEISST, you contact the Biographic Intelligence Division of the Department of State.

d. Georges MANTELLO: Well known to this office, MANTELLO is a shady character. This office holds extensive information concerning MANTELLO, a summary of which will be furnished you in several days.

e. Hans SELIGMAN-Schurch: In addition to the information contained in paragraph one above, the files contain a copy of a letter dated 8 May 1944, from the United States Consul General in Basel to the American Minister in Bern. In this letter the Consul General informs the Minister that the British Consul General stated that an important German industrialist was in Basel in April 1944 on a "peace mission". The United States Consul General wrote that "It would appear that Mr. Hans SELIGMAN, a former Berlin banker who has been conducting a banking business here since 1935 under the name of Hans SELIGMAN-Schurch and Company, Kaufhausgasse 7, served as an intermediary between" the British Consulate General and a Basel representative of the German industrialist.

4. The files contain no pertinent identifiable information concerning Count Carlo C'AMPLIO, K. A. MANTELLO, Fritz SCHURCH, or Dr. Edgar SALIN.

111 N.C. 1959

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Subject: D

MEMORANDUM

SUBJECT: MARTELLO, Georges

1. In substance, the files contain the following information concerning Subject who was born Baruh MARDL on 11 December 1901, in the Bucovina-Transylvania region of East Central Europe, possibly in the village of Lechinta (47° 01" N 24° 21" E) in what is now Rumania. In June or July 1942, Subject took up permanent residence in Switzerland, and has resided in Geneva almost continuously since that time.

2. Generally described as being dishonest, unscrupulous and untrustworthy, Subject has firmly established an unseamy business reputation in the transactions he has conducted over the last twenty years. In late 1943 or early 1944, Subject spent a brief time, one source reported that it was two weeks, in a Swiss jail for illegal gold transactions. A usually reliable source with wide knowledge of the European business community once refused to invest in a firm with which Subject was associated because he would have nothing to do with such a "louché" character.

3. Subject's one determinable loyalty is to his Jewish co-religionists. Beginning in at least September 1944, and perhaps starting a few months earlier, Subject supplied Jews trapped in Hungary with false documentation which enabled them to flee Hungary. Subject was able to provide this documentation by virtue of his position as XI Salvadorian consular representative (his exact consular title was not made clear) in Geneva during the latter part of World War II. It has been reported that Subject assisted persons not in favor with the Nazi's to escape from Germany during World War II. The files indicate that Subject performed most of these services without remuneration, however, at least three un-evaluated reports state or indicate that he sold the false documentation he was able to provide.

4. Subject has been frequently mentioned in cases of false documentation. In a report dated 16 November 1948, an official French source stated that one Eugene VEPTULIEF had fraudulently obtained French passports for Subject, his wife Irene, and their son Enrique. When questioned about these passports by the French authorities, Subject stated that VEPTULIEF had been entrusted with the task of procuring French citizenship for Subject and his family, that VEPTULIEF was to prove he had secured French citizenship by giving Subject and his family French passports, and that Subject had never used the French passports VEPTULIEF had given them because he suspected that they had been obtained irregularly. Subject's most recent known involvement with illegal documentation was reported in February 1952, when Subject was in serious trouble because an XI Salvadorian passport he issued was found in the possession of an Italian Communist arrested for counterfeiting

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by the police of Milan, Italy. This report further states that the "regular" El Salvadorian Consul in Geneva had recently received a bill for several El Salvadorian stamps and seals, which were "obviously ordered by Subject." The Consul had reportedly referred the matter to the Swiss police.

5. In 1951, two well-placed sources, one of known reliability reported that Subject was closely connected with the Israeli Intelligence Service (IIS). One of these sources, who was of unknown reliability stated that the IIS had separated Subject from their service; no reason was given for this alleged separation. In October 1951 Subject was a partner in the "Banque Four le Commerce Suisse-Amerique Centrale" of Geneva, which supplied cover employment for IIS agents. Subject's partner in the bank, Jack FARDI, was closely and actively associated with IIS work.

6. In a report dated 16 June 1946, a fairly reliable source reported that a Rumanian agent who was also a representative of the Yugoslav Intelligence Service, was in contact with Subject and with one Josef MARIN, who is probably identical with Subject's brother. In 1944 and 1946, unevaluated sources reported that Subject had been an agent of the Gestapo.

7. According to a report from the Federal Bureau of Investigation, a "source of known reliability" had supplied the Bureau with a "List" (Black Book) used by officials of the Yugoslav diplomatic and consular services. Persons who applied for Yugoslav visas were checked against the list and, if their names appeared therein, it was necessary to seek prior approval of the Federal Secretariat of Foreign Affairs or the Federal Secretariat of Internal Affairs. The basis upon which the list was compiled and the source of the information on the list were unknown to the Bureau's source. On page 111 of the list, under the heading "Israel", appeared an entry for MARTELLO-MARINEL, George, (one of Subject's aliases) born 12/11/01, Leschnitz.

30 June 1959

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COUNTRY: Hungary/Italy/Switzerland
SUBJECT: International Manipulations of
Povodina Ltd./Alleged Arms Smuggling
to Asia and Africa

REPORT NO: OO-
DATE DISTR:
NO PAGES: 2
REFERENCES: Case 31,785

DATE OF INFO: up to Mar 60
PLACE & DATE: 10 Mar 60

THIS IS UNEVALUATED INFORMATION

SOURCE: Hungarian national, a former member of the Hungarian Parliament.

Before World War II, source was a prominent political personality in Hungary. As he was opposed to the alliance with Germany, the Nazis, after breaking his left leg, took him into "protective custody" in 1944. After the "liberation" of Hungary by Soviet troops in 1945, he was arrested for "subversive activities" and for his outspoken criticism of Communism, and sentenced to death which was later changed to life imprisonment. During the October 1956 revolution, he was released and, after the suppression of the revolution, he managed to escape to Austria. Source, who came to the US in 1957, is well informed on Hungarian refugee matters.

1. Before World War II, as a member of the opposition party I was known as Hagy very much. He was a political opportunist, who became Prime Minister after World War II. As is known, while in Switzerland on a visit in May 1947, he was forced to resign. Hagy signed his resignation after his son was allowed to join him in Switzerland. What is not well-known is the fact that he was permitted to retain an expensive luxury car - Stalin's gift - and was paid 120,000 Swiss francs by the Hungarian Communists as the price for his "sacrifice".
2. Hagy managed to escape to the US and established funds and realized to prosper as an excellent but unscrupulous businessman. He acquired a farm and also engaged in international business ventures. Recently, he became associated with Enrico Mantello, alias Uro Mantel, a native of Hungary, a financier with a shady past.
3. Shortly after World War II, Mandel became known in Hungary as an audacious speculator. In 1946, he became an executive of the notorious Duna (Danube) Bank in Budapest. At that time, this bank was given authority by the Hungarian government with foreign currency and export-import matters. In addition, members of the government, leading Communist personalities and members of the various political parties kept their money in the Duna Bank. Mandel, who made several trips abroad, became a confidant of Prime Minister Hagy.
4. After the Communist coup d'etat in 1947, Mandel left Hungary, and in the early 1950's (the exact date is not known to me) he appeared as Enrico Mantello, an Italian citizen.

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2.

5. According to information I have received from Hungarian refugees, Mantello needed a reputable front man and "persuaded" Ferenc Nagy to become president of Mantello's business organization, Permindex Ltd. As Mantello managed to smuggle considerable funds from Hungary, to which he added large sums in Italy, it was not too difficult for him to obtain Nagy's services for the corporation. Nagy has a large salary, commission and generous expense account. He frequently travels to Europe "on business". In addition, his family also benefits from his association with Mantello; Nagy's daughter and son-in-law, Priyos (is) - chmidt (a former AVC - security police - officer) are well paid employees of the organization's Italian affiliate in Rome.
6. Permindex, abbreviated form of Permanent Industrial Exhibition, is also known to Hungarian refugees as an organization deriving its name from Latin and Hungarian, a well-known "linguistic" phenomenon in Hungarian Communist terminology. The PER (Latin) in Permindex means throughout (that is, throughout the world); index (Hungarian) denoting the word ~~everything~~ and all (Hungarian) meaning the abbreviated form of ~~export~~ or ~~shipment~~. The organization has huge warehouses in Switzerland and Rome, Italy. Nagy failed to obtain permission to establish an affiliate in Austria.
7. I heard the following rumors circulating among Hungarian refugees concerning the activities of Permindex:
 - a. It arranges world fairs for fat fees.
 - b. It delivers agricultural machinery to various international exhibitions. In this respect, the services of the former Prime Minister, a farmer, are beneficial to Permindex.
 - c. It engages in smuggling arms to Asia and Africa.
 - d. After world war II, it purchased surplus and obsolete US arms, which were primarily sold in Africa.
8. Some ~~fide~~ refugees, who have little respect for Nagy, are afraid that these international manipulations will sooner or later bring discredit to the good name of genuinely anti-Communist Hungarians.

SECRET

5 April 1960

MEMORANDUM FOR: Chief, IC Division/Branch-1

SUBJECT: PERMINDEX Personalities - OO-A 3,154,897

1. Here is a supplemental piece of information concerning Mantello, to that contained in OO-A 3,153,706 previously furnished you. This was received today.

2. It is noted that the subject is stated as the founder of Permindex Ltd. whereas, according to corporate information, he is Managing Director of World Trade Center with which Permindex is closely associated.

Charles P. White

CHARLES P. WHITE
Commercial Staff

P.S. (Emmons: I shall give you this when I see you on the 7th.) *Ward*.

SECRET

201-813493