

OUTGOING CIPHER MESSAGE

TO: 0

MUN 12

3 JUL 67

TO: RICHARDSON INFO YARROW KAPPEL ROWSON DUNNING KAUFMANN
FM: WALTER INFO KINGSLEY GITLIN LANGENDORF

03/1822

NEPSZABADSAG ON JULY 2 CARRIED AN ARTICLE ALLEGING THAT ONE LASZLO GERESDI WAS ENLISTED BY RFE AS "ITS AGENT" DURING A VISIT TO WEST GERMANY. WE ARE MAKING THOROUGH INVESTIGATION HERE TO SEE IF SUCH A PERSON HAS EVER HAD ANY CONTACT WITH RFE PERSONNEL AND IF SO, WHAT KIND OF CONTACT IT MIGHT HAVE BEEN. SO FAR WE HAVE HAD NO LOCAL INQUIRIES ON THIS SUBJECT.

THERE FOLLOW ITEMS CARRIED BY RADIO BUDAPEST, MTI, UPI, AND THE DAILY TELEGRAPH ON THE GERESDI CASE. AFN ALSO CARRIED THE STORY THIS MORNING.

(TEXTS ATTACHED)

NEPSZABADSAG ON RFE

MUNICH, JULY 2, (CMD)-- IN AN ARTICLE, ENTITLED "THE FOLLOWERS OF MR. CSEKE" THE HUNGARIAN COMMUNIST ORGAN "NEPSZABADSAG" SAID TODAY THAT A "FORMER HUNGARIAN JOURNALIST", LASZLO GERESDI, WAS ENLISTED BY RFE AS ITS AGENT.

RADIO BUDAPEST SUMMARIZED THE "NEPSZABADSAG" ARTICLE IN ITS DAILY PRESS REVIEW.

THE RADIO SAID THAT ACCORDING TO "NEPSZABADSAG": "LASZLO GERESDI, FORMER HUNGARIAN JOURNALIST WAS ENLISTED, DURING HIS WEST GERMAN VISIT, BY RFE AS ITS AGENT".

"FOR A HIGH PRICE GERESDI BETRAYED HIS HOMELAND AND ACCOMPLISHED SUBVERSIVE AND SPY ACTIVITIES. HIS ACTIVITY WAS IN FACT NOT PROFITABLE FOR HIM, BECAUSE ITS PRICE WAS IMPRISONMENT FOR MANY YEARS", "NEPSZABADSAG" SAID.. RADIO BUDAPEST DOMESTIC/M, JULY 2, 1967, 1200 HRS.)
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BUDAPEST (UPI)- A HUNGARIAN COUPLE HAS BEEN ARRESTED FOR ALLEGED ESPIONAGE AND SUPPLYING RADIO FREE EUROPE (RFE) IN MUNICH WITH INFORMATION, ACCORDING TO HUNGARIAN PARTY ORGAN "NEPSZABADSAG".

LASZLO GERESDY AND HIS WIFE SINCE 1965 HAVE BEEN COOPERATING WITH RADIO FREE MUNICH AND THEY HAVE BEEN CONTRIBUTING POLITICAL, CULTURAL AND ECONOMICAL NEWS AS WELL AS INFORMATIONS ABOUT MILITARY PROJECTS AND OBJECTS, "NEPSZABADSAG" SAID.

THE PAPER CLAIMS THAT GERESDY HAD BEEN A JOURNALIST WITH "NEPSPAORT" FOR TEN YEARS WHEN HE WAS FIRED IN 1960 AFTER A FRAUD AND HE THEN BECAME AN EDITOR WITH "TANCSICS" PUBLISHING COMPANY, BUT COULD NEVER FORGET THAT HE HAD BEEN FIRED FROM HIS FORMER JOB.

IN 1965 WHEN GERESDY AND HIS WIFE RECEIVED A PASSPORT, HE CONTACTED LASZLO CSEKE OF RADIO FREE EUROPE IN MUNICH WHILE HIS WIFE OFFERED THEIR SERVICE TO ALBERT VAJDA OF RADIO FREE EUROPE IN LONDON, "NEPSZABADSAG" STATED.

TO HAND OVER THEIR INFORMATION TO RADIO FREE EUROPE, THEY USED SEVERAL HUNGARIAN INTERMEDIARIES GOING TO WEST GERMANY. THEY WERE TO BE PAID FOR THEIR SERVICE AT THEIR NEXT VISIT TO WEST GERMANY, "NEPSZABADSAG" CLAIMED.

THE ARTICLE DID NOT DISCLOSE WHEN THE COUPLE HAD BEEN ARRESTED AND IF COURT PROCEEDINGS ALREADY HAD BEEN STARTED. "NEPSZABADSAG" ONLY SAID THAT THEY WILL PAY FOR "THAT CRIME" WITH SEVERAL YEARS IMPRISONMENT.
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MTI/4.-

ESPIONAGE ACTIVITY OF RADIO FREE EUROPE.

THE SUNDAY ISSUE ON THE BUDAPEST DAILY "NEPSZABADSAG" FURNISHES NEW EVIDENCE OF THE ESPIONAGE ACTIVITY OF RADIO FREE EUROPE. THE AUTHOR OF THE ARTICLE RECALLS THAT "NEPSZAVA", AN OTHER BUDAPEST DAILY -, ALREADY HAD EARLIER REPORTED ABOUT THE PROPAGANDA ACTIVITIES OF A FREE EUROPE PROGRAMME EDITOR ACTING UNDER THE NAME OF LASZLO CSEKE, INDUCING TWO HUNGARIAN YOUTHS TO SEND RADIO FREE EUROPE ESPIONAGE REPORTS ABOUT MILITARY AND STATE SECURITY DATA.

LASZLO CSEKE RECENTLY ENLISTED FORMER SPORT JOURNALIST LASZLO GERESDY TO ACT AS AGENT. HE GAVE GERESDY THE FOLLOWING INSTRUCTIONS: "WE NEED ALL MILITARY, STATE SECURITY AND MILITARILY IMPORTANT ECONOMIC DATA. IT IS PARTICULARLY IMPORTANT THAT YOU WATCH SOVIET MILITARY OBJECTS." IN ADDITION, THE CO-WORKER OF RADIO FREE EUROPE STATED HE WAS INTERESTED "IN ALL SORT OF SOCIAL, ECONOMIC AND CULTURAL INFORMATION."

THE HUNGARIAN AUTHORITIES HAVE ARRESTED LASZLO GERESDY ON CHARGES OF ESPIONAGE. ON THE STRENGTH OF HIS CONFESSION, "NEPSZABADSAG" NOTES THAT THE WEST GERMAN OFFICIAL AUTHORITIES HAND OVER TO RADIO

FREE EUROPE THE NAMES OF ALL HUNGARIAN CITIZENS TRAVELLING TO WEST GERMANY WITH A VISA, AND THOSE SEEMING TO BE SUITABLE ARE APPROACHED BY THE "ROVING" AGENTS OF RADIO FREE EUROPE TO OBTAIN INFORMATION FROM THEM DURING A CHAT OR IN ORDER TO ENLIST THEM.
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LONDON JULY 3--(RFE SPECIAL)-- THE CONSERVATIVE DAILY TELEGRAPH TODAY CARRIES THE FOLLOWING ITEM FROM ITS CORRESPONDENT IN VIENNA:-

LASZLO GERESDY, EDITOR IN A HUNGARIAN STATE PUBLISHING HOUSE, AND HIS WIFE, HAVE BEEN SENTENCED TO UNSPECIFIED PRISON TERMS FOR SPYING ON SOVIET FORCES IN HUNGARY AND REPORTING "INTIMATE DETAILS" OF THE PRIVATE LIVES OF HUNGARIAN COMMUNIST OFFICIALS TO THE WEST.

REPORTING THIS SUNDAY NEPSZABADSAG, HUNGARY'S COMMUNIST PARTY NEWSPAPER, SAID THE COUPLE HAD ACTED AS "CLANDESTINE REPRESENTATIVES OF RADIO FREE EUROPE," THE AMERICAN RADIO NETWORK SERVING EASTERN EUROPE. NO DETAILS OF THEIR TRIAL IN BUDAPEST WERE GIVEN

END MSG