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ITEM No. 11965/52

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17 Sept
V-1286/W

COMMUNIST PARTY
Foreign Relations
Cominform

SOUTH AMERICA
RUMANIA

CORRUPTION

Comrades In Latin America Untrue To Party
Ideology.

SOURCE ISTANBUL: No information available

DATE OF OBSERVATION: June 1952.

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It has been learned through confidential channels, that the Central Bureau of the Cominform in BUCHAREST has been very alarmed with news coming from Latin America. Cominform employees, shrouded in mystery and whispering, had just one topic: South America.

The cause for all this serious thinking and nervousity was the discovery of large-scale corruption and embezzlement in nearly all Latin American branch offices of the Cominform, especially so in the Latin American Cominform headquarters at MEXICO CITY.

Reliable sources have reported that specially-trained controllers have been sent to Latin America, to investigate the abuses, which run into millions of dollars. Purges are to be expected among South American "comrades" following the visit of the "fings" (Cominform slang for corruption controllers.) Minor purges have been witnessed in all non-Iron Curtain Communist Parties after similar visits.

EVAL. COMMENT: No full confirmation available here. See for reference item 8909/52 (Organization of the Cominform.) Item 8857/52 (Financial operations of the Cominform) and item 5485/52 (Article published by CARDWELL Ann in the Christian Monitor. It was reported that the Economic Section has a subdivision for central bookkeeping for International Communist Parties, which uses the "Banque du Credit du Nord" in PARIS (with 95 percent Soviet capital.) Large sums were known to have been deposited for the use of the Fifth Column in the West. The purge of PAUKER Ana and LUCA Vasile who were members of the Cominform and are supposed to have handled many such transactions with various camouflaged enterprises in the West, was preceded by the rupture between NICOLE Le-on and VINCENT in Switzerland. It is believed that other leaders of the people's Democracies were also involved in the affair of foreign deposits. (The case of SLANSKI in CZECHOSLOVAKIA). See also article published in "Corriere della Sera" on purge of high ranking Cominform officials.