

Nazi Gold

The Sensational Story of the World's Greatest
Robbery – and the Greatest
Criminal Cover-Up

Ian Sayer and Douglas
Botting



Also by Douglas Botting

Humboldt and the Cosmos

The Second Front (1981)

Aftermath in Europe (1985)

In the Ruins of the Reich (1985)

Gavin Maxwell - A Life (1983)

Also by Ian Sayer and Douglas Botting

Hitler's Last General (1989)

America's Secret Army (1989)

About the Authors

Ian Sayer's interest in Nazi Gold was first aroused by the *Guinness Book of Records'* account of the greatest robbery of all time. A transport executive and one-time truck-driver and insurance clerk, Sayer began his research at Christmas 1974. During the next nine years his enquiries as an unofficial private investigator led across three continents and resulted in several hundred hours of recorded interviews and forty feet of files containing over 50,000 documents. By the end he had not only assembled one of the largest private archives of original World War II documents in the country but had cracked the secrets of Nazi gold.

Douglas Botting is a writer whose previous books reflect his interest in travel, exploration and 20th-century war. He has accompanied expeditions to Socotra, the Sahara, the Amazon and Arctic Siberia, and was an exploration filmmaker for the BBC's *World About Us*. He became a full-time writer with the publication of his highly praised biography, *Humboldt and the Cosmos*, in 1972, and in more recent books - *The Second Front* and *Aftermath in Europe* - he has pursued his interest in wartime and post-war German history. He is at present engaged on a biography of Gerald Durrell.

In 1964 the *Sunday Times* assigned its Insight Team the task of tracking down the Nazi escape organisation ODESSA and the source of its seemingly unlimited funds. Later the team made their resources available to the authors of *Nazi Gold*, along with the investigative talents of a number of senior journalists.

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This book is dedicated to the memory of Herbert Herzog

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Introduction

The robbery of the German Reichsbank, the State Bank of the Third Reich, in 1945 was not only the biggest robbery in history but for many years the least known to the world at large.

The Nazi era inspired almost as many myths of gold and treasure as the buccaneer days of the Spanish Main - myths of SS loot at the bottom of Alpine lakes, of sunken U-boats stuffed with jewels, of Rommel's gold buried beneath the Libyan sands. A few of these legends have a basis in fact - as, for example, those surrounding Lake Toplitz in Austria. Millions in counterfeit English pound notes were recovered from this deep lake in the Tyrol some years ago, and at the time of writing more mysterious treasure chests have been sighted on the lake bed, lying beside the wreckage of a German aircraft, whose pilot has remained perfectly preserved in the highly saline water. Probably it is to Lake Toplitz that most people's minds turn at the mention of Nazi treasure. But *Nazi Gold* is about a very different kind of treasure, and its subject is a story which has lingered for years in the half-light of rumour and speculation - the disappearance of millions of dollars' worth of gold and currency from the Reichsbank reserves buried somewhere in the mountains of Bavaria.

In the chaos of the German collapse at the end of the Second World War, and in the administrative confusion of the American occupation that followed, such facts as were known about the loss of part of the Reichsbank reserves were largely ignored, and belated efforts by the American military and German civil authorities to put two and two together in the post-war years were dogged by ignorance of

what had gone missing, by lack of co-ordination between investigative agencies, and by the total disappearance of key witnesses from the scene.

The first public utterance on the subject of Reichsbank treasure seems to have been an article by Henriette von Schirach (the wife of Hitler's former Youth Leader) entitled 'What Happened To The Reichsbank Gold?', which appeared in the now defunct picture magazine, *Wochenend*, in 1950. This article at least posed the right questions, even if it did not actually answer them, and it seems to have provoked the Munich CID of the Bavarian Police to carry out their own investigation into certain aspects of the case. But even they had only limited facts at their disposal, and they were unable to bring any prosecutions and never made their report public.

While the CID investigation was in progress, the story was taken up again by a German journalist, Ottmar Katz, in an article - 'Where is the Gold from the Walchensee?' - which appeared in *Quick* magazine in 1952. Before long this came to the attention of an English writer, William (Billy) Stanley Moss, who began his own private investigation into the Reichsbank robbery and its aftermath. The resulting book, *Gold Is Where You Hide It*, was published in London in 1956. It was incomplete and in parts misleading. But it was the first attempt at a coherent account of the Reichsbank affair and the first to appear outside of Germany. Indirectly it was to lead to this present more definitive history.

Billy Moss, author of a bestselling war adventure, *Ill Met By Moonlight* (an account of his part in the daring kidnapping of the commander of the German Forces in Crete), first stumbled on the Reichsbank robbery through an intermediary - a Polish-born, naturalised Briton by the name of Andrew Kennedy. During the war Andrew Kennedy had served as the head of an escape organisation in Hungary, and later as a member of the British resistance organisation, SOE. After the war he lived and worked as a businessman in

Germany, forming a wide circle of friends, which included not only Billy Moss but two inhabitants of the Bavarian mountain resort of Garmisch-Partenkirchen – Gusti Stinnes and her English husband Eric Knight. It was from Eric and Gusti Knight that Kennedy and Moss first got wind of the story of the Reichsbank treasure.

Billy Moss laboured under several disadvantages. He was not in the best of health, nor did his financial resources stretch as far as a project of this scope required. Above all, he was denied any kind of co-operation from the United States authorities, whose various archives it was thought might contain vital information about the Reichsbank robbery. Indeed, the US government denied, and have continued to deny, that such a robbery ever took place or that any US Army personnel had any part in it or the events that followed. The archives, the government maintained, possessed no records that bore on such a case. Denied the crucial documentation the investigation needed, Moss's book was inevitably somewhat skimpy and speculative. Nevertheless, it got commendably near to the heart of the matter, and for nearly thirty years it was to remain the best attempt at a solution to the mystery of what happened to the Reichsbank treasure.

Soon afterwards the *Guinness Book of Records* picked up a Reuter message on the story in the Press Association-Reuter files in London and recorded it in earlier editions under the heading 'Robbery: Biggest Unsolved'. The entry accused officers of both the American Army and the former German Army of taking part in the theft and rightly pointed out that no one had ever been charged with it, though its inventory of what had been taken was wide of the mark. The entry was reprinted in the Guinness book in various forms in every subsequent year (except one), and it was there that the present authors, independently of one another, first came across the spoor of the remarkable events which form the subject of *Nazi Gold*.

Douglas Botting, a writer and traveller, first noticed the Guinness entry in 1969 following a visit to Brazil in which he believed that he had discovered the whereabouts of Hitler's missing Party Secretary, Martin Bormann. Like Moss, Botting got nowhere with the US archives, came to the conclusion (wrongly, it turned out) that the Reichsbank robbery was the product of anti-American propaganda by the Soviet-controlled East German press – an entry to that effect was carried in the 1970 edition of the Guinness book and turned his attention to other themes in immediate post-war Germany.

Five years later, just before Christmas 1974, Ian Sayer, a transport executive who was born in the year of the Reichsbank robbery, bought his first copy of the Guinness book. His interest was immediately stirred and, with the help of a colleague, Harry Seaman, he immediately embarked on a private investigation of the Reichsbank case – a project which soon became a compulsive quest to find out the truth once and for all. This was easier said than done. Sayer started from zero. He did not even have Billy Moss's advantage of personal contact with some of the *dramatis personae* in the Reichsbank affair. He knew none of the real names of the people involved and nothing of the techniques of historical and criminal research, the means of tracing foreign nationals in faraway countries or of extracting sensitive records from military and police departments in such places as Washington, Berlin and Buenos Aires. But he was hooked, and he persevered.

At first it was a thankless task, days of dour foot-slogging through the Public Records Office and Colindale Newspaper Library, endless hours poring through the international telephone directories. Many people had died in the intervening years, including Billy Moss. But, although he was not aware of this for some while, history proved to be on Sayer's side. The débâcle of Richard Nixon's second Presidency and the wreckage of the Watergate cover-up

presented Sayer with the first chink in the door, for it led indirectly to the Freedom of Information Act, which provided for a virtual open-sesame to the archives of the US government and to the various departments and agencies of state.

This was the first breakthrough. With infinite gradualness over a period of months and years, the archives began to yield up their secrets. Though the Department of the Army in Washington continued to deny that the Reichsbank robbery had ever taken place or that American soldiers played any part in the events described in the book, one document led to another, one name led to five more names, until Sayer began to build up a growing dossier of crime, corruption and cover-up in American-occupied Germany after World War Two. In 1976, in order to make a personal search of the National and Military archives in Washington and neighbouring Maryland and Virginia, Sayer set sail for America on the *QE2* (he prefers not to fly). He found himself in curious situations that he had not envisaged before – inside the Pentagon, ringing up the CIA, knocking on the doors of the Secret Service, Military Intelligence and a host of other US government and military agencies. The documentation led off on many murky tangents. Often it was heavily sanitised. In certain areas where the records had been deliberately destroyed it dried up all together. This was balanced by Sayer's discovery of the Defense Department's computer – the basic means of tracing individuals across a gulf in time.

Back in England the transatlantic telephone became the medium of contact. The scores of former American Army personnel from the old Bavarian days were located in this way, in places as far apart as Locust Valley in Long Island, Anchorage in Alaska, Concrete in Washington State, Drake Falls in Virginia, Liberty Lake, Hollywood, New York, El Paso, St Petersburg, Fort Worth, and Palm Springs. Almost without exception individual Americans (like US government

agencies) were unflaggingly courteous and co-operative. More than thirty years on some could remember little, others were gifted with almost total recall. Most were astonished that the case had been resurrected after so long. All were even more astonished that it should be resurrected by an Englishman. This was tolerantly viewed as a typical example of British eccentricity.

Ian Sayer's breakthrough in America was paralleled by a similar breakthrough in Europe. This was made possible by establishing contact (through the goodwill of Billy Moss's running-mate, Andrew Kennedy) with a former Pole, Ivar Buxell, who was close to the action in post-war Bavaria and had subsequently emigrated to Venezuela. Buxell had remained in touch with old friends from his German past, the hub of a wheel from which radiated many spokes. He was to prove a tireless and unfailingly helpful source of information for many of the events described in this book. From men with a sense of history like Buxell, or William C. Wilson (a former agent in the US Army CID with a remarkable and astonishingly accurate memory of events and personnel) or Tom Agoston (an English newspaperman who first broke the story of the Garmisch affair and led Sayer to the memoranda and correspondence of Guenther Reinhardt, a crucial figure in the later stages of this story), it proved possible to fill in some of the gaps in the official archives and to enliven the historical documentation with more human and anecdotal material than might otherwise have been salvaged from the past.

The net extended to four continents and to places as widely dispersed as Caracas and Buenos Aires, Harare in Zimbabwe, Rome and Livigno in Italy, Graz and Innsbruck in Austria, and Garmisch and Mittenwald in Bavaria. But it was not all plain sailing. There were times when the project seemed to have run into a brick wall, when months passed without progress and no way forward could be found. As a private individual it was difficult for Sayer to probe official

institutions and reconstruct events which had been the subject of a cover-up several decades before. Certain people, not unnaturally, objected to enquiries into their past, and one or two caused difficulties which were potentially embarrassing in the extreme. In March 1981, for example, following a meeting in Innsbruck with a German journalist to discuss aspects of *Nazi Gold*, Ian Sayer's name was given to the London *Daily Mail* by a person or persons unknown as someone who could help the police enquiries into the disappearance and suspected kidnapping of an Englishwoman, Jeanette May, in Italy during the preceding winter.

Mrs May, whose first marriage had been to a member of the Rothschild family, had disappeared with a woman friend while driving through the remote mountain region of Italy in a blizzard in the winter of 1980. Needless to say, Sayer had absolutely nothing to do with Mrs May's disappearance, nor did he know who had given his name to the *Daily Mail*, though he had his suspicions. In July 1981 he was interviewed for the first time by two members of the Carabinieri from Italy and two members of the Serious Crimes Squad from London. There the matter rested until the remains of the two women were discovered in the mountains in January 1982. A year later the Italian police reopened the case as one of suspected murder. In March 1983 Sayer was summoned to Scotland Yard for interrogation by representatives of the Italian police, and he was implicated by the Italian press not only in the death of Jeanette May but even in the death of the Italian banker, Roberto Calvi, and the activities of P2 (Propaganda 2), a right-wing Masonic lodge, in articles which would have been hilarious had they not been so blatantly untrue and appallingly defamatory.

Though Sayer had no difficulty in establishing his innocence with the Italian police, he was left in little doubt that all this had occurred as a result of his involvement with

the *Nazi Gold* project – as a warning, perhaps, not to probe deeper into the affairs of the past.

In the beginning Ian Sayer had had no thought of producing a book out of his investigations. He had been motivated purely by a spirit of adventure, the thrill of the chase, and a desire to discover the real truth about an episode which, with its dope-peddling, corruption, murder and ‘Third Man’ atmosphere, seemed to contain all the elements of fiction and modern myth. But as the files of archive documents, interview transcripts, court-martial and investigative records and eyewitness correspondence grew until they occupied forty feet of shelving space and over one hundred hours of tape time, it became obvious that they contained historical material of interest to a wider audience and that it should ideally be organised into book form.

Slowly this material was arranged into a rough narrative line. Early efforts to produce a book proved abortive. Then one summer, at Agatha’s waterfront taverna in Nissaki, a small village on the remoter north-east coast of the Greek island of Corfu, Ian Sayer struck up an acquaintanceship with Douglas Botting, whose earlier efforts to crack the Reichsbank mystery were already known to him, and the present collaboration was born. The research had taken eight years. The writing of the book – a task of considerable complexity and magnitude – was now to take two more years. While the resulting work can reasonably claim to be the most definitive study of this remarkable case to date, it is not an exhaustive one. The story of the Reichsbank mystery remains in part a mystery. No one was charged with complicity in the robbery and few have volunteered to confess. There are gaps in the evidence. Some archival material has been destroyed, some has proved extremely difficult to locate, some could not be printed because of the laws of libel.

The research behind this book had begun as an attempt to discover the truth about the world’s greatest robbery. It was

never envisaged that it would eventually reveal a story of corruption in the American occupation of Germany and of deliberate cover-up by the US European Command in Berlin and the Department of the Army in Washington. The authors had never set out to indict American military government in Germany after the war. Both authors were fully aware of the huge contribution made by the government and people of the United States to the defeat of Nazism in World War Two and the salvation of western Europe in the years that followed. They were also aware of the sincere and dedicated efforts made by a great many Americans working in military government towards the restoration of order, decency and hope in the American Zone of Germany in the period of havoc and penury immediately after the war. Nevertheless the evidence that emerged revealed much that was wrong with the US Occupation and a degree of corruption on the part of a portion of American military government personnel that was highly relevant to the story of *Nazi Gold* and could hardly be overlooked. Some American readers of this book may perhaps feel as a consequence that the book is anti-American in tone. The authors contend that this is not so. It simply attempts to tell the truth as clearly as the complex and often opaque raw material will allow and in the process sheds new light on a little-known byway of modern history.

From conception to publication *Nazi Gold* has taken ten years in the making. That it ever reached completion at all is due largely to the help of a great many people, whose names are listed in the Acknowledgements, and whose contributions are gratefully acknowledged here. Particular thanks are due to Mary Sayer, for her steadfast encouragement and active support of the project throughout all its stages; to Melanie Bryan, who kept the complex mass of research material from ever lapsing into chaos and anarchy and typed thousands of pages of research notes and draft versions of the book; to Gail Lynch and Pamela Shaw, who fished so patiently and to such

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Since this book was completed in 1983 there have been many new revelations regarding Nazi gold, This revised edition embraces all the major developments which have occurred since then including the continuation of the US government's conspiracy to suppress the truth surrounding the disappearance of large quantities of missing Nazi treasure from the former US occupation zone in Germany.

18 September 1998

*Ian Sayer
Douglas Botting*

Authors' Note

The Reichsbank robbery was not a single robbery headed by a single mastermind but a series of separate incidents involving different portions of the Reichsbank gold and currency reserves between May 1945 and March 1947. It might help the reader to envisage the Reichsbank treasure as a dead whale attacked by sharks. There are big sharks and little sharks and they take big bites and little bites. They are all devouring the same carcass at about the same time but they are acting independently, not in collusion.

To help the reader comprehend the magnitude of the sums of gold and currency mentioned in this book we have given both the 1945 values and their corresponding 1998 values. We have calculated that the purchasing power of the £1 sterling is approximately 21 times greater in 1998 than it was in 1945. Similarly, the 1998 value of \$1 is 8.9 times greater. The prevailing rate for gold (in September 1998) was \$295 per ounce or 8.4 times the 1945 value, although the relative purchasing power is considerably higher. To simplify the figures in this story the value of all other foreign currencies has been converted to its 1945 US \$ equivalent.

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Part One: The Robbery



1. The Destruction of the Reichsbank

On the morning of 3 February 1945, an anonymous young American air force bombardier in the plexiglass nose of a B-17 Flying Fortress crossing Berlin on a course parallel to and a little south of the city's most fashionable boulevard, the Unter den Linden, depressed his salvo-release bomb switch and, with the traditional bombardier's cry - 'Bombs away! Doors closing! Let's get the hell out of here!' - unwittingly set in motion the greatest robbery in history, and a mystery and a cover-up which threatened to involve the United States Army in Germany, and the Pentagon and the Department of the Army in Washington, in a scandal that predated Watergate by nearly 30 years.

Until that fateful morning there had been no major air raid on the German capital for nearly two months. For much of the winter continuous cloud had covered the city for days on end and the British and American heavy bomber groups had turned their attention to easier targets nearer to home, leaving the Berliners free to concentrate their anxieties on the Russian armies, then pushing rapidly and with overwhelming force towards the banks of the River Oder, only 55 miles to the east. Unfortunately for the Berliners the arrival of the Red Army on the Oder coincided more or less exactly with a break in the weather over Berlin, and for the morning of 3 February the weather forecast was clear skies followed by intermittent cloud and rain later - conditions good enough to permit a massive daylight air strike against the city in support of the Russian push. By destroying military installations, government buildings and transportation centres - especially the Tempelhof marshalling yards - the Allies aimed to bring about a complete disruption of German preparations for a counter-attack against the Russian positions. To achieve this the 9th

US Army Air Force launched the first 1,000-bomber raid ever to be directed on Berlin in daylight.

Though 3 February was a Saturday it was still a working day in the German capital. Shops, banks, offices and ministries were open for business and the streets were crowded with office workers and bewildered German refugees who had fled to the capital from the advancing Russians in the east. The Berliners' first intimation of danger was an announcement on the radio. It took the usual form: 'Attention! Heavy formations of enemy aircraft approaching from the area Hanover-Brunswick.' Later, as the bombers drew nearer, the ominous wail of the air raid sirens announced the first public warning, followed in a short while by the general warning. The railways and tram cars stopped. The office workers tumbled down into their cellars. The refugees ran aimlessly from street to street in a vain search for shelter. The crews of the flak batteries elevated their guns, warmed up their radar sets and fused their shells. At the Zoo the sound-detecting devices on the huge flak towers began to swing round like giant cars. Hospitals, fire services, civil defence and police were put on alert. Hot soup and shrouds were sorted in readiness and emergency mortuaries prepared. As the leading bombers appeared over a seemingly lifeless city towards ten the guns began almost as one.

Nine hundred and fifty Flying Fortress bombers with an escort of 575 Mustang fighters roared over Berlin that morning. One thousand and three had taken off for Berlin from their bases in England, but 25 had had to divert to targets of opportunity and 28 turned back. (On the same morning 362 B-24s of the 8th USAAF had come in the same bomber stream but stopped short at Magdeburg, where they bombed the synthetic oil installations.) They came in at 26,600 feet, so high above the ground that they looked at first like tiny glistening points of light, in formations like perfect triangles, tiny clear-cut patterns, remote and

unattainable, vapour trails streaming behind them from all four engines. Steadily they droned on high above the city in an endless stream that stretched back in a line across almost the whole of Western Europe to the Zuider Zee, and small sooty smudges erupted in their midst and blossomed into tiny round black clouds of flak as the 1,200 anti-aircraft guns, pounding away all over the city, tried to get their range and height. In intensity and accuracy this was the most fearful flak concentration yet encountered by the 8th Air Force and as the raid developed one or two planes in each formation were hit and seen to fall. Now and again the planes dropped white markers and what looked from the ground like tiny marbles - high explosive bombs, fragmentation bombs, incendiary bombs, incendiary clusters and mines.

Berlin was a bomb-aimer's delight. A very broad artery 15 miles long known as the East-West Axis, rebuilt by Hitler in 1938 for his victory marches in the early months of the war, led straight as a die to the very heart of the city, the Brandenburg Gate, clearly visible because of its conspicuous position even from 20,000 or 30,000 feet up. In this central area of the city the key buildings stood out prominently because of their size - the Reichstag, the Reich Chancellery, Goering's huge Air Ministry, the Propaganda Ministry and other principal government ministries on the Wilhelmstrasse. Eastwards from the Brandenburg Gate ran the Unter den Linden, which was virtually an extension of the East-West Axis. Four blocks to the south of this avenue another prominent edifice stood out clearly - the Reichsbank, the heart of Nazi Germany's banking system, the citadel of its national treasure, and a tempting target to any plane which had completed half its run across Berlin and not yet dropped its bomb load. Bombing visually in good conditions with the city centre laid out sharp and clear as a map beneath them, the Americans dropped 2,265 tons