FOR IMMEDIATE RELEASE:
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DEPARTMENT OF JUSTICE

The Department of Justice announces that Special Agents of the Federal Bureau of Investigation, climaxing an investigation begun in 1939, today arrested three persons in Detroit, Michigan, on charges of wartime espionage. Simultaneously, acting on Presidential warrants, FBI agents arrested two German aliens in Detroit, Michigan.

Arrested on warrants charging violations of the wartime espionage statute were the following:

Mrs. Theresa Behrens, 44, of 5050 Harvard Road, German-Hungarian Secretary of the International Center, Young Women's Christian Association;

Dr. Fred William Thomas, 44, of 4631 Audubon Road, a surgeon and physician; and

Grace Buchanan-Dineen, 26, of 7716 East Jefferson Avenue.

Mr. Hoover disclosed that activities of the group since America's entry into the war centered about Grace Buchanan-Dineen, attractive, well-educated descendant of French nobility who, though a native of Canada, had been carefully trained by Germany in espionage work. After being recruited for espionage work by the Nazis in Budapest, Hungary, she entered the United States on October 27, 1941, arriving in New York City by Atlantic Clipper. Before leaving Lisbon, Portugal, for the United States she was given last-minute instructions by a German Naval Attache there.

Mr. Hoover said Miss Buchanan-Dineen first came to the attention of the FBI as the mysterious "Miss Smith," of Detroit, in November, 1941. Mr. Hoover said that subsequently Miss Buchanan-Dineen cooperated fully with

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time told immigration officials, "I am 100% for Hitler. If Hitler wins, all those small countries in Europe will have their freedom." Shortly after his return to Hungary he helped his wife in arranging Miss Buchanan-Dineen's entrance into the German Espionage Service, and carried on other espionage assignments for the Nazis in Europe.

Dr. Thomas has long been known to the FBI in Detroit as an associate of Theodore Romay, who was recently convicted for misprision of treason in Detroit, Fritz Kuhn, Gerhard Wilhelm Kunze, and Max Stephan (whose death sentence for treason was recently commuted to life) and as a speaker at Bund meetings. Born in Fresno, Ohio, of German ancestry, Dr. Thomas was an important contact of members of the German-American Bund, and in 1938 and 1939 followed a prominent Detroit religious leader around to various meetings, speaking on behalf of National Socialism and defending Nazi Anti-Semitic atrocities.

Miss Buchanan-Dineen was trained in espionage activities in Budapest and Berlin in a manner similar to the instruction afforded other espionage agents arrested by the FBI. Her instruction included methods of communication, how to gather vital information, the use of secret inks, micro-photography, and the development of a pretext for her movements about the country -- in her case that of a lecturer. She was instructed to concentrate on securing the following data:

1. The location of munition and airplane factories, their production and number of employees.
2. The location of military camps and naval bases.
3. All available information concerning helium.
4. The composition and sailing dates of convoys.
Shortly after her arrival in Detroit, Miss Buchanan-Dineen dispatched a communication to one of the addresses given her. The FBI knew from previous investigation that the address had been used by other spies in the Ludwig Case in New York City. Another address in Budapest given to Miss Buchanan-Dineen was used by other spies in the New York spy case wherein 33 German spies were convicted.

Director Hoover further said that FBI scientists also identified a communication directed to Miss Buchanan-Dineen from Lisbon as having been written by the author of other letters to known German espionage agents who have already been apprehended and convicted.

In the spring of 1942 Dr. Otto Willumsen, a former Chicago, Illinois, German-American Bund leader, called on Miss Buchanan-Dineen in Chicago and discussed a mutual friend.

At that time Dr. Willumsen expressed his willingness to gather espionage information. Dr. Willumsen was convicted on a charge of espionage and, on August 21, 1942, received a five-year sentence at Hartford, Connecticut. He was convicted along with Count Anastase A. Vonsiaty, Thompson, Connecticut; Gerhard Wilhelm Kunze, New York City; Dr. Wolfgang Ebberl, El Paso, Texas; and Dr. Kurt Emil Grun Molzahn, Philadelphia, Pennsylvania.

In the meantime, Mrs. Behrens introduced Dr. Thomas to Miss Buchanan-Dineen who, at the doctor's request, called at his office frequently to receive information which he in turn had obtained from patients. On at least one occasion Dr. Thomas and Mrs. Behrens secured chemicals from Theodore Donay to give to Miss Buchanan-Dineen. On the day Donay was indicted for misprision of treason, Mrs. Behrens warned Miss Buchanan-Dineen to leave town, claiming she had revealed her identity to Donay.

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Dr. Thomas was also a frequent caller at Miss Buchanan-Dineen's apartment, and on one occasion told her he had had 44 good years in the United States. However, he added, he felt justified in giving information to be relayed to Germany because, even though he were apprehended as a spy, he would "go to his doom" feeling he had done what was right and proper, for he thought the Nazi cause would predominate and assist in making the world a better place for his children to live under Nazi domination.

Both of the German aliens arrested are women. One was born in Einbeck, Germany, on March 18, 1879. She is the wife of an early Nazi Party member who was one of the organizers of the Nazi Party Unit in Detroit. One of her daughters worked in Berlin at a desk adjoining that of one of the eight Nazi Saboteurs who landed in this country by submarine last year and were captured by the FBI. Another daughter is married to a high ranking Nazi Party member in Berlin, Walter Hantschel, whom she met while he was an exchange student in the United States, attending Yale, Columbia, and the University of Michigan. Her family name also was approved by the German High Command as a contact for the eight Nazi saboteurs when they came to the United States a year ago. She was closely associated with Miss Grace Buchanan-Dineen and Mrs. Behrens.

The other alien enemy is a countess who was born in Berlin on November 7, 1897. She has been the subject of various complaints for endeavoring to indoctrinate college students in Detroit with National Socialism. Frequently she would attempt to teach students Nazi songs building up racial hatreds. Prior to the outbreak of war, she periodically received money from Germany and has frequently proclaimed that the world will be unified by Germany, and that Hitler is the savior of the world. The countess furnished
Theresa Behrens is specifically charged with securing information as to "The location of the manufacturing plants of the Pullman Company of Chicago, Illinois, the number of employees engaged by the Pullman Company in manufacturing war material, the character and kind of war material then being manufactured by the Pullman Company, and the transportation of such war material from the Pullman Company, and the transportation of such war material from the Pullman Company to other manufacturers of war material."

Dr. Fred W. Thomas is specifically charged with securing information as to "The number and location of certain plants of the Westinghouse Electric in the State of Ohio manufacturing war materials, the transportation and disposition of such war materials, the location of and employment conditions in several plants manufacturing nitro-glycerin, a war material, in the State of Ohio."

Grace Buchanan-Deneen is specifically charged with securing information as to "The production capacity of the Ford Motor Company in manufacturing war material, the safety of construction of such plant against sabotage, the safety of construction of such plant against airplane attack and bombing, and the operations plans of the United States of America by which military airplanes departed from the United States for the war theater."
Government memo recommending against retrial of Dr. Thomas, as he is unlikely to be found guilty.
Implicit in a decision of this kind, of course, is the observation that Dr. Thomas and Countess von Moltke cannot be successfully retried for the activities here involved. Broadly viewed, Messrs. Woerheide and Cotter informed me that the activities of these persons had little or no impairment of the war effort. Indeed, Mr. Woerheide observes that he did not believe the evidence justified the original proceedings. When we consider the Naime rule insofar as it relates to transmission of statistics and information generally known to the public, and the "entrapment features", we have heightened the obstacles which must be hurdled for a successful retrial.

If you concur in these observations, I shall be pleased to prepare a memorandum to the Commissioner removing the "hold order" responsive to his Service's memorandum of November 18, 1947. I shall also prepare a memorandum to the Bureau advising it that the Criminal Division does not contemplate a retrial of Dr. Thomas, responsive to their memorandum inquiry of September 11, 1947. You will recall on October 6, 1947, we informed the Bureau that no final decision would be made unless and until the Supreme Court handed down its ruling relative to Countess von Moltke.