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***The Spy in Hitler's Inner Circle: Hans-Thilo Schmidt and the Intelligence Network that Decoded Enigma.* By Paul Paillole. Oxford, UK and PA: Casemate Publishers, 2016. ISBN: 978-1-61200-371-9. Glossary. Notes. Appendices. Pp. xvi, 272. \$32.95.**

First published in France as *Notre Espion Chez Hitler* in 1985, this Casemate edition marks the first English translation of this important and highly interesting account from French Intelligence officer Paul Paillole, who was both a witness to many of the events described in his book and a participant in several others. The book was written as a complement to Paillole's earlier work in which he detailed his personal role in the counterespionage activities of the French Services Spéciaux from 1935 to 1945. The title of the book being reviewed here might indicate a more restrictive perspective than the actual scope of the story it tells. While decoding the Enigma machine occupies a central place in it, there are other SIGINT and HUMINT aspects of equal value and interest. It is a book that is instructive on several levels despite the fact that the events took place up to eighty-five years ago. Some things, such as intelligence community rivalries or the difficulties of dealing with human sources will never change it seems.

The story revolves largely around the role of Hans-Thilo Schmidt and the intelligence he supplied to the French not only about the German Enigma codes, but about a host of other important issues bearing on Hitler's evolving plans to conquer Europe. Schmidt, known typically by his code names of H.E. or Asché, was employed by the German cipher department, the Chiffrierstelle, when he approached the French in 1931 with an offer to supply intelligence about the Enigma machine. His motive, ostensibly, was money. The French readily agreed despite not having a true appreciation at that early date for the complexities of the new mechanical ciphers created by the Germans, or, for that matter, how far advanced German cryptography was. Senior French Intelligence officers wisely recognized immediately that they would be paying not only for the services rendered and risks involved, but also for Schmidt's social standing and personality. In fact, Schmidt's brother was the future General Rudolph Schmidt, one of Hitler's most trusted officers who would command the 2<sup>nd</sup> Panzer Army later in the war.

The case officer assigned to Schmidt was another German citizen working for the French and using the name Lemoine, code named "Rex," who would meet with Schmidt to obtain the information he provided, including daily Enigma ciphers for certain months. Unable to shake the French Cipher Section of the Army General Staff from its lethargy and ignorance of the threat presented by

the complex German encryption capability, French Intelligence officers passed the information on to the Polish Biuro Szyfrow, which was already working diligently to understand the Enigma machine and its workings. With the help of Schmidt's pilfered ciphers, the brilliant Polish mathematician and cryptologist Marian Rejewski was able to provide the calculations needed to successfully replicate an Enigma machine in early 1933. Thereafter, work began in earnest to develop further calculations that would enable the machine to actually decipher intercepted German messages, but it was an excruciatingly slow process that would only begin to come close to its goal in 1937 with the refining of an electromechanical process known as the "Bomba" (59). The Poles' work presaged the later successful efforts of British scientist Alan Turing and his team at Bletchley Park (the subject of a 2014 movie entitled *The Imitation Game*) in refining the Bomba, or Bombe, and conquering the Nazi encryption process thanks, in large part, to Schmidt's ciphers.

Meanwhile, tensions in Europe led Schmidt to expand his focus from the Enigma cipher settings, whose delivery had become routine, to a broader mission of discovering the Nazi's rearmament plans and future intentions. Fortunately, Schmidt would gain a position at the newly created Forschungsamt (FA), the Reich Air Ministry's signals intelligence and cryptanalytic office. He was able to inform the French that the FA was not only monitoring internal phones and mail, and thereby helping to fill the newly established camp at Dachau with Nazi opponents, but it was also listening in on telephone calls to and from the French embassy in Berlin and had cracked the French diplomatic code as well. Incredibly, within a few years the FA's interceptions along with French diplomatic carelessness could have been Schmidt's downfall. Meeting Rex in Switzerland in late 1937, Schmidt was incensed that information he provided to the French embassy in Berlin intended for French Intelligence had been viewed by diplomats. The sensitive information that could potentially implicate Schmidt as the source had then been transmitted to Paris via telegram using the long-compromised codes. The FA intercepted the information, decoded it, and had it sitting on Herman Goering's desk within 24 hours. What most upset the spy, Paillole contends, was not the risk of discovery, but "the flippancy with which his warnings seem to have been received" (94). It is a theme that permeates the book and is one of the lessons that may be taken from it. Valuable intelligence from a proven source was often disregarded or questioned by those whose actions could well have mitigated some of the consequences. Whether it was flippancy, inter-office rivalries, or simply incompetence, the book details a frustrating number of missed opportunities to negate or counter German

initiatives. A clear example of this was provided during that same Swiss meeting when Schmidt revealed a map produced by his brother, who was himself alarmed by the audaciousness of its contents. It was a map depicting Hitler's plans for the gradual conquest of Europe between 1938 and 1948, and it spared no country from the bold Nazi plans. Despite strong evidence for a forthcoming German attack through Belgium, France's National Defense Committee members clung obstinately to their conviction that the Nazis would obligingly hurl themselves against the vaunted Maginot Line. Schmidt's predictions about the fate of the Rhineland, Austria, and the Sudetenland all proved precisely accurate between 1936 and 1938, yet no one had the fortitude to stand up to Hitler. Sadly, the same tale unfolded in Poland in 1939, but more telling was the Schmidt's revelation earlier that year that the FA was *still* easily deciphering French, British, and American diplomatic messages, as well as those of the French Navy. Clearly, despite having a well-placed source, the French and other allies were at a distinct disadvantage by being their own worst enemies. Another issue that bears the test of time was the fact that some Allied embassies neglected "the most elementary prudence" (126) and continued to hire foreign staff. This was especially problematic for the British and American Embassies in Italy, where the Italians proved themselves to be good allies by providing Germany with diplomatic codes stolen from those embassies.

One positive result of Schmidt's dire warnings was increased cooperation with the British. Paillolle contends that the French brokered initial meetings between themselves and British and Polish cryptographers in 1936, but that initial cooperation on Enigma matters was minimal owing to each party's fear of divulging too much information about the status of their own work. The increasing threat of National Socialist ambitions in Europe eventually led to more congenial cooperation by 1938, and when Poland fell in September 1939, Rejewski and other Polish scientists escaped to France with two replica Enigma machines. Thereafter, British efforts at Bletchley Park, stimulated by the Poles' contributions, were greatly energized.

Still, Schmidt's final warning to the French in March 1940 regarding a spring attack through the Ardennes, while not ignored, was interpreted far too cautiously and thus deemed by the French General Staff to be much less likely than an assault across the Belgian plain. At around the same time, the Bletchley Park team had significantly decreased the time needed to decipher Enigma message traffic and began providing timely intelligence. After a setback in early May when the Germans modified procedures used in creating the message keys, Turing's team gained the advantage back and retained it

throughout the war. Despite the absence of solid signals intelligence in May, Schmidt's warnings should have prepared the Allies had they only listened to him. Instead, when General Rudolph Schmidt's 39<sup>th</sup> Panzer Corps stormed through the Ardennes as part of the Nazi invasion, Belgian, French, and British forces were swept aside, unprepared for the speed and fury of an attack from a direction deemed by the General Staff as impractical. Could the fall of France, the frenzied evacuation at Dunkirk, or the 100,000 Allied casualties be any more damning an indictment of the failure to properly respond to good intelligence?

The rest of the story is equally sad. Through his own hubris and carelessness, Schmidt's case agent Rex was picked up in occupied France and began to unburden himself to his German countrymen in an effort to save himself. In that he was successful, but the Schmidt brothers fared less satisfactorily. Hans-Thilo Schmidt was arrested in March 1943. By September he was dead, whether murdered or by suicide is unknown. Rudolf Schmidt was relieved of command of the 2<sup>nd</sup> Panzer Army in April 1943, after letters he wrote to his brother revealed his vociferous criticisms of the Führer. Though he escaped a disappointed Hitler's full wrath, Rudolf met a dismal end after spending eight years in the hands of the Soviets. Released in 1957, Rudolf settled into a meager existence in a modest Berlin apartment, where he died two years later.

Paillole's book will be of interest to historians and to intelligence professionals alike, both of whom will garner a greater understanding of the universally applicable benefits and pitfalls of the intelligence profession, as well as an appreciation for its potential impact on the course of history.

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