

American in Austria Says Work for C.I.A. Ruined Her Life

After Long Controversy, She Collects \$15,000 in Settlement of Claims

By CRAIG R. WHITNEY
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SALZBURG, Austria—From 1968 to 1973, Martha Schneider provided cover for American intelligence agents in Vienna and Salzburg by taking leases on apartments so that they could be used for secret meetings. She has since suffered a nervous breakdown and near-bankruptcy. Perhaps it would have happened anyway. But she believes her life was ruined by her involvement with the Central Intelligence Agency.

The agency refused for more than three years, according to Miss Schneider, to give her a reasonable settlement on her claims. Then, on Dec. 11, an associate general counsel of the C.I.A., John K. Greeney, paid her \$15,000 in cash—one hundred \$100 bills and another one hundred \$50 bills—on the understanding that she would drop her claims and keep quiet about her association.

She decided to tell her story anyway, and her account provides a glimpse into the way the C.I.A. has used American civilians to hide covert activities abroad. Most of what follows is her version, documented by her correspondence with the agency over the last four years and by her negotiations with the American consul in Salzburg, Clifford J. Quinlan.

No Response to Questions
Officials at the consulate and at the embassy in Vienna, asked for their version of the affair, said questions could be answered only in Washington. The New York Times submitted queries to the C.I.A. in October, after an initial interview with Miss Schneider in the summer, but the agency has not responded. "I have stopped lying for the C.I.A.," said Miss Schneider, who is now 45 years old. She says she is prepared to accept the consequences of telling her story now.

Seven years ago, she hoped for a career as an opera singer in Vienna, where she was teaching piano at the American School. She took up offers of friends in



Martha Schneider, who now teaches music at a girls' school in Salzburg, in front of the Salzburg Castle

the American community to help find an apartment and, slowly, became entangled in espionage, assumed identities and cover stories. When the relationship came to an end, she was left with overdue bills, an open ended lease, threats and little recourse to the law.

No Hope For Career in Music
Today, after a nervous breakdown, she has no more hope of a career in music. She says that all she wants is "to prevent even one more person from falling into their trap heading, as I did."

Miss Schneider had been living in Vienna for six years when the lease on her apartment expired early in 1969. As a chorus singer in the Vienna State Opera, she needed to find a new home quickly.

and, she says, "it is very difficult to find a decent place in Vienna, especially in the winter, so I was letting my friends in the American community know about my problem."

One night that February, she says, the telephone rang, and an American who said he worked for the Army thought he could help. As she understood it, the arrangement was that she would get a job working as a purchaser for the military post exchange system, and would work out of an apartment the Government would pay for.

"I found a place in summer, and moved in in December," she said. "They gave me a contract to sign, binding me to secrecy," and I asked, "What about the job?"

As she tells it, "The answer was, 'There is no job—we're from the embassy and we sometimes have confidential conversations we don't want to hold in the embassy. We want to use the apartment in the intelligence business, this is known as a safe house.'

Cannot Recall Contract Terms
Miss Schneider never got a copy of the contract, she says, and she cannot remember its terms. She maintains that she did not become a government employee by signing it and that her embassy contact, a reserve Foreign Service officer, told her, "You'll never regret your association with the United States Government. You've got to trust us."

Her American contacts never told her for whom she worked and things ran smoothly at first. They paid the rent and they always gave notice before they came for a visit.

"I wasn't supposed to come back until after the visits," she says, "but sometimes I did. There were long conversations with people in foreign languages. I think from Eastern Europe."

In the summer of 1970, Miss Schneider's opera work took her to Salzburg for the annual music festival. Almost as soon as she arrived, another American, who identified himself as Peter Fulk—not his real name—took her to dinner. She was anxious about her career, she said.

"We'll help you," he told me," Miss Schneider said. "We help a lot of people. How do you think the others do it?" he told me.

Promises of Career Recalled

Again, she went along. "They kept telling me, we want to see you succeed," Miss Schneider said. "They needed an apartment in Salzburg, the same as in Vienna. So they got me to agree to take on the apartment in Salzburg in addition to the one in Vienna. They said there'd be no financial risk to me. I'd just be the tenant."

In November 1970, she signed a lease on Apartment 52 at Paris-Lodron-Strasse 17. The lease, which had no fixed duration and provided for cancellation only after six months' notice and a court judgment, did not say that the Government would share the rent, which was about \$150 a month.

"I never considered the apartment in Salzburg as mine," Miss Schneider said. But, she said, the responsibility for paying the rent, furnishing the place, and buying cleaning supplies and curtains pressed in on her and crowded out her career.

She lost some of her piano students in Vienna. Her income shrank. Her dependence on her contacts grew. Finally, her psychic and financial states both collapsed under the pressure in the autumn of 1972.

Vienna Apartment Lease Canceled

The landlord in Vienna canceled the lease in September, just as she succeeded in arranging a singing audition in Munich. Without an apartment in Vienna, her American contacts—perhaps unsettled by the trouble she had been giving them on the apartments—announced they would terminate the relationship.

Miss Schneider never went to the audition. She suffered a nervous collapse.

Confused, still not clear what had happened to her, she moved to the Salzburg apartment, but was unable to pay her rent, which with utilities and heat came to about \$240 a month.

She is a precise, meticulous person with sharp, spare features. She saved every document and scrap of paper that fell into her hands during the apartment arrangements.

After having recovered, she tried to find out for whom she had been working and to get what she thought was a reasonable settlement of her debts.

"They kept referring me to the proper people," she says, "and refused to tell me who they were. But, using a picture, she facked down Peter Fulk by his real name at his home in Berchtesgaden. He has since retired and moved to Washington.

Appeal to Members of Congress

Having once lived in River Edge, N.J., she turned to New Jersey members of Congress for help. It was through them, she said, that she learned that the Department of State and the C.I.A. were handling her case.

In November 1973, the Government made an offer of \$3,000. This was increased, after Congressional inquiries, to \$3,300 in January 1974, Miss Schneider said. She refused that amount and moved from the fateful apartment into a one-room flat. The Government declined to increase its offer.

Finally she turned to the American Civil Liberties Union and to the press, and things began to happen.

Last month Mr. Quinlan, the consul in Salzburg, wrote to her in longhand. "I have news for you at last." He set up an appointment at the consulate for Dec. 6, and wrote to her on that day. "The official who has come to discuss your claim is Mr. John Ki Greaney, whose title is Associate General Counsel of the Central Intelligence Agency."

Although the A.C.L.U. had not instituted a court proceeding on behalf of Miss Schneider, it did suggest informally to the C.I.A. in 1973 that \$15,000 was the minimum to which she was fairly entitled. Mr. Greaney now offered her \$15,000 as a settlement.

"I told Greaney," she recalled, "that this was fine for my creditors, but what were they going to do for me. He turned cold and unsympathetic. I didn't want their damn money, but I was utterly alone. So I signed the release."

The release, on consulate stationery, was witnessed by Mr. Quinlan. It reads as follows:

"I, Martha Schneider, hereby acknowledge receipt this day from the United States Government the sum of fifteen thousand dollars (\$15,000) in full settlement of all obligations, claims or other indebtedness accruing to me arising out of, in connection with, or related to my relationship with the United States Government from July 1969 to the termination of that relationship effective 30 March 1973. I further agree that part of my consideration for this settlement is to keep secret my former relationship with the United States Government."

Miss Schneider teaches music at a girls' school in Salzburg now. She is not sure of her next step.

"I wanted to return to a normal life," she says, still with a trace of the illusion that led her into the arrangement in 1969.

"I wanted to be restored to my music, to my piano." It lies in storage in Vienna now, with a cracked sounding board. She keeps a color slide of it in her one-room apartment in Salzburg.

Miss Schneider's Appeals Traced

Special to The New York Times

WASHINGTON, Dec. 30—According to Congressional staff aides, Martha Schneider appealed to New Jersey's two senators and the representative of her home district for almost two years with requests for assistance in her case against the Central Intelligence Agency.

"We have a file two inches thick on her, starting in January 1974," said an aide to Senator Harrison A. Williams Jr., the New Jersey Democrat. An aide to Clifford P. Case, the Republican, said his Schneider file was "an inch thick." She also corresponded with Representative Henry Heinstoski.

The aides said they had made numerous inquiries on her behalf at the State Department. They described her language as "intemperate" and "rude."

Jack D. Novick, a counsel of the American Civil Liberties Union in New York, said he had worked on behalf of Miss Schneider because her case was "a compelling example of the abusive and arrogant way the C.I.A. has in dealing with American citizens, especially citizens overseas." He said the C.I.A. had covered her into signing a secrecy agreement on her settlement.