

FEDERAL BUREAU OF INVESTIGATION

~~CONFIDENTIAL~~

REPORTING OFFICE PITTSBURGH	OFFICE OF ORIGIN PITTSBURGH	DATE 6/21/66	INVESTIGATIVE PERIOD 12/1/65-6/20/66
TITLE OF CASE [REDACTED] b7c/3		REPORT MADE BY [REDACTED] b7c/1	TYPED jei
CHARACTER OF CASE [REDACTED] b7c/4			

REFERENCES: Report of SA **[REDACTED]** Pittsburgh, 10/25/65 ✓
 Washington Field letter to Bureau, 12/6/65 ✓
 Washington Field airtel to Bureau, 4/19/66 ✓
 Bureau letter to Pittsburgh, 4/28/66 ✓

ADMINISTRATIVE: **(c)** **(b)(1)(4)(b)** - P* - **[REDACTED]**
 Classified by **SP-4 elw/alw** 11/28/83
 Partially on: **GAAR**
 Comp. # **240,619**

Dr. ZALMAN SHAPIRO during interview on 6/15/66 appeared to be extremely cooperative and friendly to Bureau Agents.

[REDACTED] (c) (b)(1)(4)(b)

[REDACTED] did not appear pertinent to this investigation and were, therefore, not examined.

Class. & Ext. By **SP-1 GSK/RBG**
 Reason - FCIM II, 1-2.4.2
 Date of Review **4-21-86**

ALL INFORMATION CONTAINED
 HEREIN IS UNCLASSIFIED
 EXCEPT WHERE SHOWN
 OTHERWISE

117-2564-X14

Case has been: Pending over one year Yes No; Pending prosecution over six months Yes No

APPROVED: **[Signature]** SPECIAL AGENT IN CHARGE

- COPIES MADE:
- 4 - Bureau **[REDACTED]** (RM) b7c/4
 - 1 - Washington Field **[REDACTED]** (Info) (RM) b7c/4
 - 2 - Pittsburgh **[REDACTED]** b7c/4

DO NOT WRITE IN SPACES BELOW

[REDACTED] REC-50

1 JUN 23 1966 b7c/4

ALL INFORMATION CONTAINED
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 DATE 4-9-85 BY SP-1 GSK/RBG

Dissemination Record of Attached Report

Notations

[REDACTED] b2/3

NAT. INT. SEC. DOCUMENT 23

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b7c/4

This case is being placed in a pending inactive status pending receipt of information from the Department as to whether subject is required to register as an agent of a foreign government.

LEADS:

WASHINGTON FIELD - INFORMATION

Information copy is furnished Washington Field for information purposes due to previous investigation conducted in this matter by that office.

- B* -

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UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to:

Report of: [REDACTED] b7c/1

Office: PITTSBURGH, PA.

Date: 6/21/66

Field Office File #: [REDACTED] b7c/4

Bureau File #: [REDACTED] b7c/4

Title: [REDACTED] b7c/3

Character: [REDACTED] b7c/4

Synopsis:

Subject interviewed 6/15/66 and advised that Israel Numec Isotopes and Radiation Enterprises (ISORAD), Ltd., was formed approximately one year ago by Nuclear Materials and Equipment Corporation (NUMEC) of Apollo, Pa., and the Israeli Government. Formation of company on partnership basis; each holding 50% of stock and each having four members on Board of Directors. Purpose of formation of ISORAD was to conduct research involving irradiation of agricultural products. Neither NUMEC nor SHAPIRO has registered with Registration Section, U. S. Department of Justice, Washington, D. C., considering NUMEC's business association with Israeli Government as bona fide business venture.

- P* -

DETAILS:

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 4-9-82 BY SP-1 GSK/RBG
5668SLD/KJ 3-7-85

FEDERAL BUREAU OF INVESTIGATION

Date 6/21/66

1

b7c/1

Dr. KALMAN MORDECAI SHAPIRO of 5452 Bartlett Street, Pittsburgh, Pa., was advised by SA [REDACTED] that he did not have to make a statement, and that any statements that he made must be voluntary and could be used against him in a court of law. He was also advised that he had the opportunity to consult with an attorney prior to making any statements.

Dr. SHAPIRO advised that he was born May 12, 1920, at Canton, Ohio, and furnished the following information:

He is the President of Nuclear Materials and Equipment Corporation (NUMEC), Apollo, Pa. Approximately one year ago his company and the Government of Israel formed a company known as the Israel Numec Isotopes and Radiation Enterprises (ISORAD), Limited, on a partnership basis. NUMEC contributed one-third equity value and obtained 50% of the stock in ISORAD, and the Government of Israel owned the other 50% of the outstanding stock. The Board of Directors of ISORAD consisted of eight members, including four individuals appointed by NUMEC and four members appointed by the Israeli Government. Dr. SHAPIRO currently serves as Chairman of the Board of Directors of ISORAD. The other three members of the Board appointed by NUMEC and who are presently serving on the Board, are Pittsburgh area businessmen; namely, LEON FALK, President of a Pittsburgh re-development center; BENJAMIN ROSEN, prominent Pittsburgh realtor, and PHILLIP POWERS, past President of Western Pennsylvania Power Company who presently serves as Assistant Chairman of ISORAD.

The four Board members representing the Israeli Government occupy responsible positions in Israel, including the head of the Israel Atomic Energy Commission, head of the Research Branch of the Israel Atomic Energy Commission, and head of the Citrus Board of the Israeli Government, as well as a prominent Israeli banker. The last ISORAD Board meeting was held during October, 1965, and was attended by all the American Board members.

On 6/15/66 at Pittsburgh, Pa. File # [REDACTED] b7c/4

b7c/1 by [REDACTED] Date dictated 6/21/66

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Lengthy negotiations were undertaken by NUMEC with the Government of Israel for the purpose of organizing a company to undertake research in the field of atomic radiation. The radiation research was initiated with the hope that spoilage of citrus fruits in storage could be reduced by eradicating the bacteria which causes spoilage, and that irradiation would eliminate the transportation of live larvae of the Mediterranean fruit fly.

In addition to the citrus irradiation project, ISORAD is now engaged in research projects involving the irradiation of other agricultural products.

Prior to and subsequent to the formation of ISORAD, Dr. SHAPIRO and representatives of NUMEC discussed their plans relative to the organization of ISORAD with the United States Atomic Energy Commission, the Security Division of the Atomic Energy Commission, and with an individual of the United States Embassy in Israel, believed to be the United States Ambassador. Subsequent to the formation of ISORAD, news media in the United States were furnished details of the organization and plans of ISORAD.

As a result of his association with ISORAD, Dr. SHAPIRO has had business association with JOSEPH EYAL, Science Attache, Embassy of Israel, Washington, D. C., and the Purchasing Commission of the Israeli Government in New York City. In this connection, NUMEC has sold its manufactured products to the Government of Israel after securing a license from the Export Control Division of the United States Department of Commerce.

Dr. SHAPIRO has made every effort to comply with the laws of the United States in connection with his business venture with the Israeli Government. He stated that neither he nor NUMEC has registered with the Registration Section of the United States Department of Justice, Washington, D. C., considering NUMEC's business association with the Israeli Government as a bona fide business venture. He stated that, in his opinion, he has never operated or served as an agent of the Israeli Government or any other government. His records of shipments with the Department of Commerce are open to inspection. He considered his company's association

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[REDACTED]

with the Israeli Government and ISORAD as a bona fide business venture for the sole purpose of making a profit for NUMEC. His company prior to the formation of ISORAD had unsuccessfully attempted to establish business ventures with Spain and Germany.

He stated that he desired to immediately review the statutes concerning the Registration Act of 1948 for the purpose of determining if he or his company were violating the law in any manner whatsoever. He pointed out that he had never considered the possibility that he or his company were violating the law.