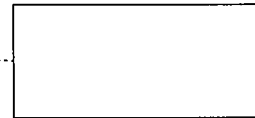


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*9 Aug 76
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11 MAR 1976

DDS&T-1290/76

MEMORANDUM FOR: Director of Central Intelligence
FROM : Carl E. Duckett
Deputy Director for Science and Technology
SUBJECT : Nuclear Materials and Equipment
Corporation (NUMEC)

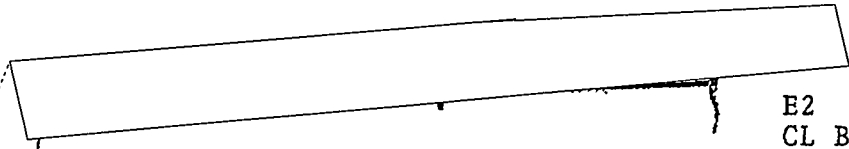
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1. The attached memorandum dated 9 March 1972 summarizes the NUMEC case. It was written by [redacted] who originated CIA action on this case and who is available to answer any further questions you may have.

2. Since the Agency was looking at this case from the point of view of obtaining information on the nuclear intelligence capability of a foreign government we did not make a concentrated effort to follow this case from the standpoint of its domestic implications subsequent to the time of the attached memorandum.

3. It is our understanding that Mr. Helms brought the intelligence aspects of this case to the attention of Presidents Johnson and Nixon as well as Attorney General Clark, Director of the FBI, Mr. Hoover, Secretaries of State Rusk and Rogers, Deputy Secretary of Defense Rush, General Manager of the AEC Brown, the Joint Committee on Atomic Energy, and the Special Assistant for National Security Affairs, Mr. Kissinger.

4. The matter was again brought up recently in your discussions with The Joint Committee on Atomic Energy. The DDS&T also briefed the Commissioners of The Nuclear Regulatory Commission on NUMEC. The ADD/S&T and [redacted] also discussed the matter at some length with Mr. Murphy, Staff Director of The Joint Committee, on 5 March 1976.



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SUBJECT: Nuclear Materials and Equipment
Corporation (NUMEC)

5. The following information outlines Agency efforts to persuade the FBI to undertake an investigation of Shapiro and NUMEC and to keep track of its activities in this regard.

a. On 2 April 1968 Mr. Helms sent a letter to the Attorney General urging that the FBI initiate a discreet intelligence investigation of Dr. Shapiro. Mr. Hoover had suggested this course of action.

b. On 23 April 1968 the Attorney General called Mr. Helms to say that he had directed the FBI to investigate.

c. On 3 September 1969 Mr. Hoover sent Mr. Helms a letter stating that the AEC doesn't contemplate any further action on the case at that time. Mr. Hoover said that the Director of Security, AEC, had asked Shapiro whether he had passed classified information to any foreign government. Shapiro replied that he had not. Apparently no mention was made of the passage of nuclear material to a foreign government. Mr. Hoover further stated that the FBI was discontinuing any further active investigation of the case.

d. On 13 October 1969 Mr. Helms sent a memorandum to Hoover, FBI, urging him to conduct audio surveillance of Shapiro since it appeared that Shapiro planned to emigrate to Israel.

e. On 17 October 1969 Mr. Hoover sent a memorandum to Mr. Helms stating that he had reviewed the Shapiro matter and Mr. Helms should take the matter up with the Attorney General. This was not done.

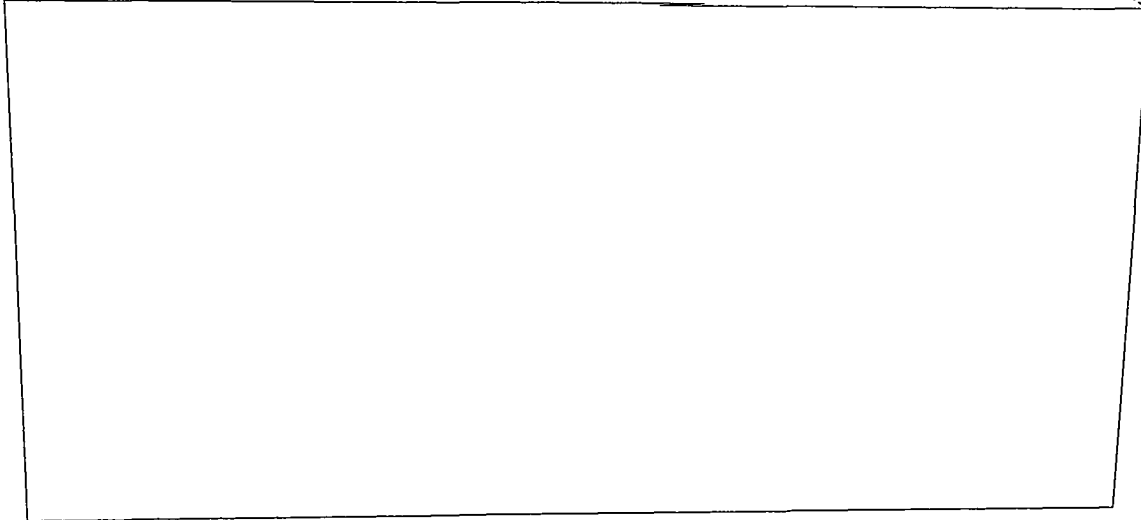
f. On 4 October 1970 the CIA asked the FBI if they had any further information on Shapiro's activities. On 3 February 1971 the FBI sent a response to CIA based on the 1970 request. One FBI report was received from the October 1970 request that was germane to the problem. The report indicated Shapiro had requested from an official of the Kawecki Berylco Company to be brought up to date on a sensitive AEC project two weeks after he joined the company. There was no further FBI reporting on the case after that.

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SUBJECT: Nuclear Materials and Equipment
Corporation (NUMEC)

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7. Our files in the NUMEC case consist for the most part of data received from the AEC and the FBI. A number of FBI reports were received and we presume these reports included all the substantive data collected by the FBI through February 1971 though we have no assurance of that fact. The AEC information consists of only a few documents on the results of their investigation of the NUMEC case. No investigative reports are in our file.



for Carl E. Duckett

(b)(3) NSC
(b)(6)

Attachment:
As stated

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