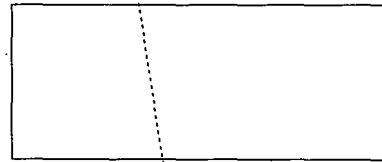


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11 MAY 1977

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MEMORANDUM FOR: Deputy Director of Central Intelligence  
FROM: Theodore G. Shackley  
Associate Deputy Director for Operations  
SUBJECT: Briefing of the FBI on NUMEC Related Nuclear Diversion Information

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1. Acting on your request and as a follow-up to your discussion with Mr. James Adams, Assistant to the Director Assistant Director (Investigation) FBI on the NUMEC case, I contacted Mr. Adams via secure telephone on 5 May 1977. I stated that the Agency had recently reviewed all of its holdings [redacted] and had developed a very brief talking paper which might be of interest to the senior FBI officer responsible for the current FBI investigation of the NUMEC case. Mr. Adams was advised that in our view the contents of this paper would not provide any information which could be used as evidence in court, but it did provide a perspective [redacted] which might serve as a useful background against which the supervisor might better be able to judge how to conduct his investigation. Mr. Adams said that he would have [redacted] FBI Liaison Officer to CIA, contact me at an early date to arrange for the appropriate FBI officer to receive a briefing on the Agency's perception [redacted]

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2. On 9 May 1977 [redacted] accompanied by [redacted] Supervisor, Criminal Investigation Division, who is in charge of the current investigation of the NUMEC case, visited my office for this briefing and a discussion of the case. The briefing was based on the attached Talking Paper which, I explained, had been prepared following a recent review of our files to determine if all information which might possibly be pertinent to the current FBI investigation had been made available to them. The FBI representatives were not given a copy of the Talking Paper. The discussion lasted about fifty minutes and at its conclusion [redacted] thanked me for the

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briefing but added that he did not see any new information in this presentation which was germane to the FBI's current investigation. He said that the object of this investigation, ordered by the Attorney General, was to examine two questions: (a) did the reported diversion actually take place; and (b) was there a cover up of the diversion?

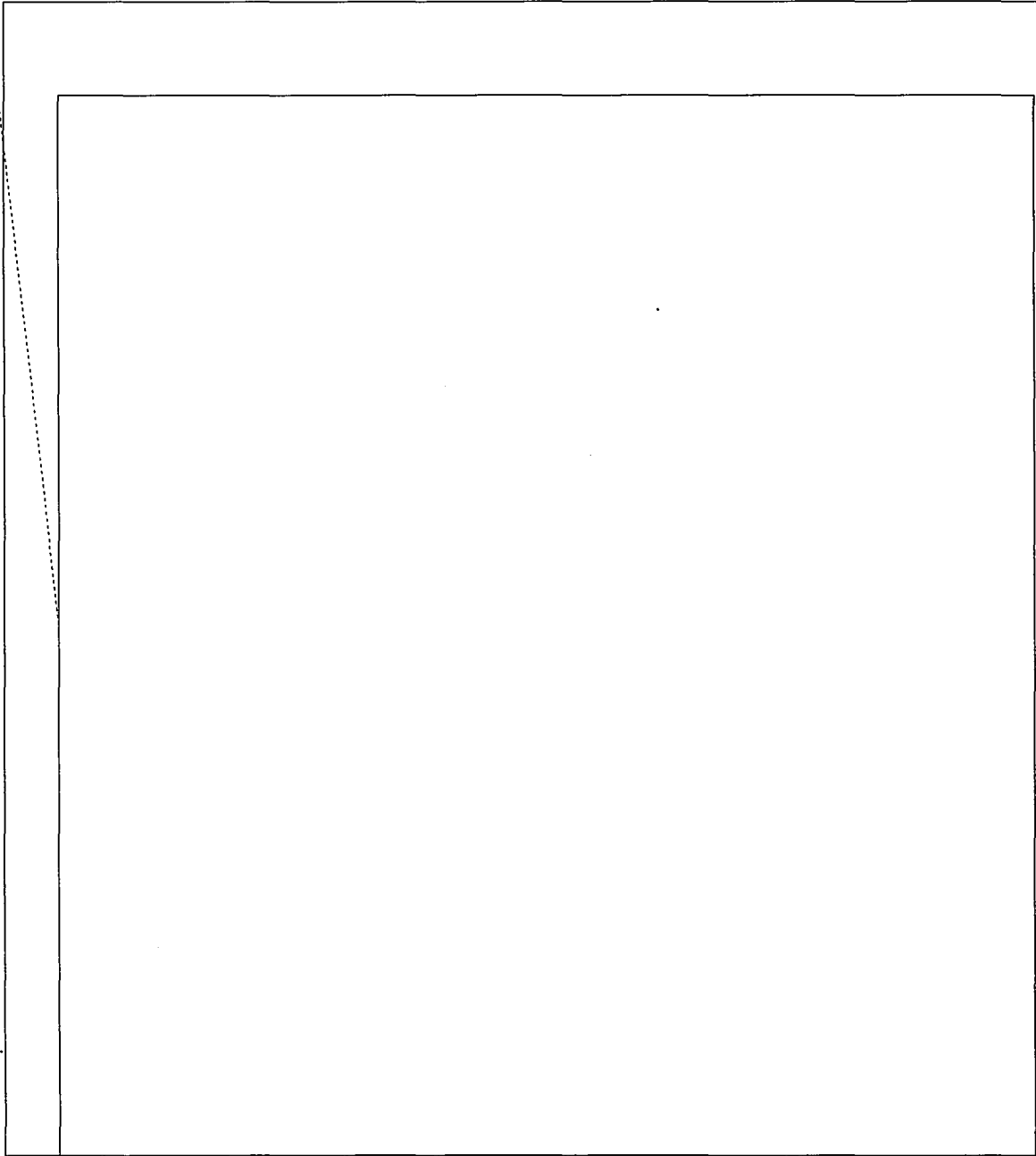
[redacted] said that since the FBI had been unable to answer the first question, they are naturally unable to proceed to the second. Although they have conducted numerous interviews, they have come up with no hard evidence of diversion. In conclusion [redacted] and [redacted] asked that CIA make available to them any new information which we might develop which could have a bearing on the case. I assured them that we would do so.

3. [redacted] Chief, Staff for International Activities, was also present at the 9 May meeting.

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Theodore G. ShackleyAttachment:  
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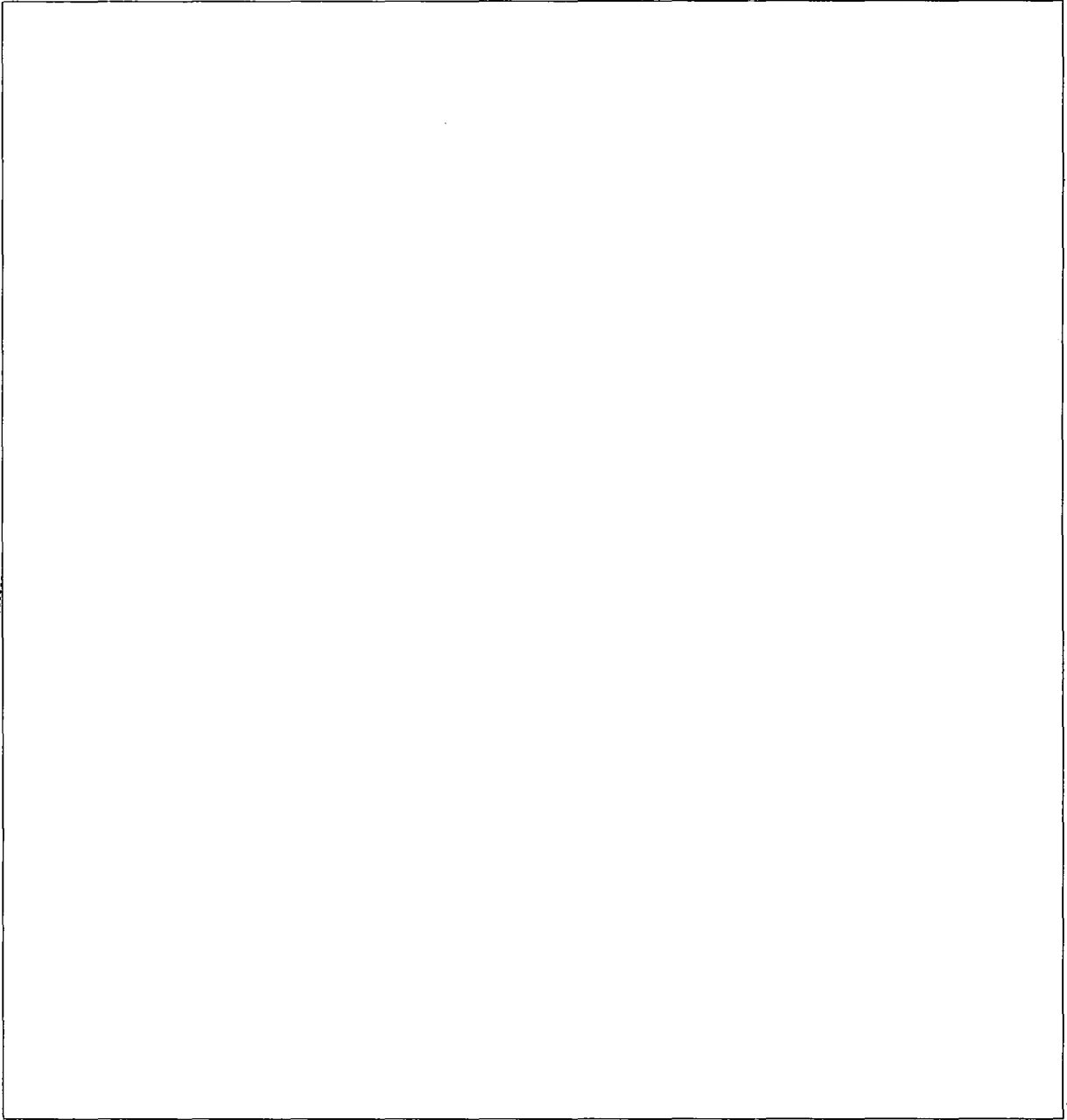
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The loss of uranium at NUMEC had been investigated by the Atomic Energy Commission. A second investigation was conducted by the General Accounting Office at the direction of the Joint Committee on Atomic Energy. Both of these reports conclude that there was no evidence of a diversion of the material.

[Redacted]

In March 1968 the DCI requested the Attorney General to direct the FBI to investigate the possibility that a diversion had taken place and that the material unaccounted for at NUMEC

The investigation was abruptly terminated in August 1969 following an interview

[Redacted] The missing material was not mentioned in the interview.

[Redacted]

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[Redacted]

During 1976 the Joint Committee on Atomic Energy renewed its interest in the affairs at NUMEC and brought the matter to the attention of President Ford. Attorney General Levi directed the FBI to initiate a second investigation into the loss of material.

Since 1968 when the subject of NUMEC first came into focus, CIA has cooperated fully with the FBI, assisting them in their investigation of NUMEC

[Redacted] both in 1968 and more recently in 1976.

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[Redacted]

lost no opportunity to further the investigation by the FBI in the hope that positive intelligence information concerning the whereabouts of the missing material would be forthcoming.

At the same time CIA has not furnished to the FBI sensitive agent reporting

[Redacted] since the decision was made by Directors Helms, Colby and Bush that this information would not further the investigation of NUMEC but would compromise sources and methods.

[Redacted]

While this information is of obvious importance in reaching an intelligence decision on the probability of diversion, it is not of any legal pertinence to the FBI's criminal investigation of NUMEC. In our discussions with the FBI we have alluded to this information but we have not made the details available to the special agents from the Washington Field Office of the FBI who are working on the case. While Mr. Bush's conversations are not known to us, we have had no substantive discussions with officials at FBI Headquarters on this matter.

The last briefing of the FBI on the NUMEC matter occurred on 10 August 1976. We are not aware of the current status of the FBI investigation of NUMEC.

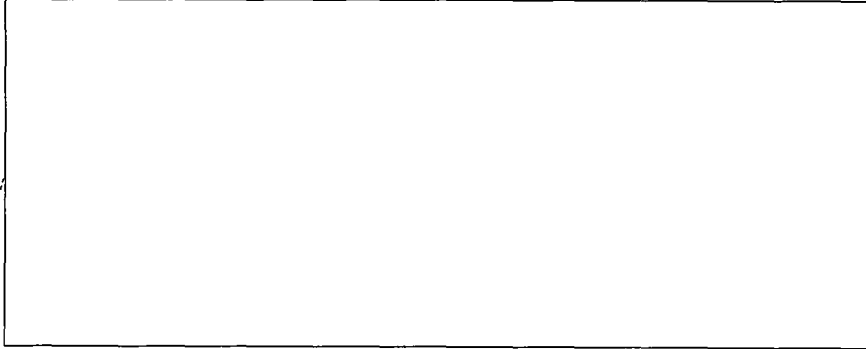
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