



UNITED STATES  
ATOMIC ENERGY COMMISSION  
WASHINGTON, D.C. 20545

~~CONFIDENTIAL~~ AUG 28 1969

DOE information unclassified  
Per DOE letter 6-6-85

Honorable J. Edgar Hoover  
Director  
Federal Bureau of Investigation  
U. S. Department of Justice  
Washington, D. C. 20535

Classified by 566856/DJK  
Declassify on OADR  
FOI Info

*Handwritten initials*

Attention: Joseph M. Fitzgerald, Liaison Officer

Dear Mr. Hoover:

Please refer to my letter of February 20, 1969, in connection with the Dr. Zalman Mordecai Shapiro matter.

(U)

As your representatives were informed, AEC staff recently interviewed Dr. Shapiro concerning his relationships with certain Israeli national officials. A copy of the summary of the interview is enclosed for your records. A copy of this summary has been furnished to the office of the Assistant Attorney General, Internal Security Division (S)

(U)

On the basis of the information developed during this interview, particularly Dr. Shapiro's statement that throughout his associations with Israeli officials he has never been asked to furnish classified information, has never furnished, and would not, if asked to, furnish such to unauthorized persons, the Commission does not contemplate further action in this matter at this time (S) ??

Sincerely,

REC-42

*William T. Riley*  
William T. Riley, Director  
Division of Security

(U)

(U)

Enclosure:  
[Summary of Interview] (S)

ENCLOSURE

~~CONFIDENTIAL~~

*Handwritten 'XX'*

TO SEC 8 1969

UNITED STATES  
ATOMIC ENERGY COMMISSION  
WASHINGTON

AUG 28 1969

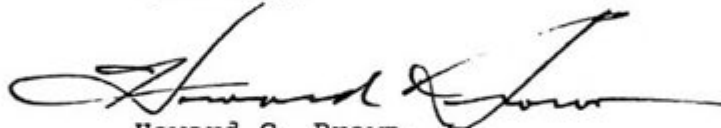
Mr. Richard Helms, Director  
Central Intelligence Agency  
Washington, D. C. 20505

Dear Mr. Helms:

Enclosed is summary of a recent informal interview conducted by AEC staff and is furnished for your information and retention.

If you have any questions or would like to discuss the matter further, I would be happy to meet with you.

Cordially,



Howard C. Brown, Jr.  
Assistant General Manager

Enclosures:  
Summary and  
Appendix "A"

REVIEWED FOR RELEASE

Date 13 July 87

August 19, 1969

The document consists of 9 pages

INFORMAL INTERVIEW OF No. 12 of 15 Copies, Series A  
DR. ZALMAN MORDECAI SHAPIRO

On August 14, 1969, Mr. Franklin N. Parks, Office of the General Counsel, and Mr. William T. Riley, Director, Division of Security, interviewed Dr. Zalman Mordecai Shapiro in connection with the recent FBI investigation which was conducted to determine the nature and extent of his relationship with the Government of Israel and certain Israeli nationals.

It was explained to Dr. Shapiro that the Commission routinely conducts re-investigations of key officials to assure their continued eligibility for access to classified information. It was noted that a reinvestigation had recently been completed on him and that certain questions had been raised with respect to his relationship with the Government of Israel and certain Israeli national officials. Dr. Shapiro was advised that we hoped to resolve these questions during this informal interview. We informed Dr. Shapiro that he occupies an important position in the atomic energy program and that his actions and associations are, of course, a matter of continuing security interest.

November 1968 Meeting

Following these introductory comments, we raised the question as to the circumstances of the November 1968 meeting at Shapiro's residence with a number of U.S. technical and scientific personnel and Avraham Hermoni, Scientific Counselor of the Israeli Embassy. Shapiro stated he could not recall all of the individuals who attended the meeting but he estimated some four or five were there. He said that the arrangements for the meeting were set up by a

This material contains information affecting the national defense of the United States within the meaning of the Espionage Laws, Title 18, U.S.C., Sec. 793 and 794, and the transmission or revelation of which in any manner to an unauthorized person is prohibited by law.

b6  
b7c

scientist from the University of Cornell, a member of the physics department, whose name he could not recall (records indicate that it was

(U)  Shapiro said that he received a call about the proposed meeting from a University of Pittsburgh professor whose name he could not recall (records indicate  and that he, Shapiro, volunteered the use of his residence for the meeting simply because it was a point of convenience, i.e. midway between Washington, D. C. and Cornell. Shapiro could not recall how long the meeting lasted, but he estimated it was 1½ or 2 hours. He said that as best as he could recall the general tone of the meeting concerned ways and means the group could be of assistance to Israel in solving some of its technical problems. (He stated that some individuals contribute money, others contribute their technical abilities.) He said that there was a general discussion of areas in which Israel needed assistance. These included: ~~(S)~~

1. water contamination - He explained that most of Israel's water supply is from deep wells and from a military point of view contamination of these water sources would be an effective instrument in reducing Israel's capability to respond to military attack. Therefore, it was important that Israel be able to detect even small amounts of contamination very rapidly. ~~(S)~~

(U) 2. saboteur detection devices - Shapiro noted that Israelis were and remain under continuing threat of saboteur attack and it was vital if Israel is to continue to exist that technical methods be developed to thwart saboteur type attacks. Shapiro ~~(S)~~

also noted that the interest of the Israelis in infrared detection devices was specifically discussed at this meeting and that one of the individuals present (he could not recall specifically whom) who had some experience in infrared detection devices agreed to provide material which had been published in one of the scientific journals by Westinghouse.

3. long-life power sources - Shapiro noted specifically that this is the one particular area in which he had some competence and that he discussed in general possible ways of resolving the long-life power source problems.

As a result of this meeting, Shapiro said that he personally did not furnish any follow-on reports to Hermoni. He said that he did act as a source of transmission for periodicals (these were reprints of articles on detection of contamination of water systems) which had been provided to him by a person (he could not recall the name) who attended the meeting. He said he gave them to Jeruham Kafkafi, who he believes works for Hermoni. Shapiro said that he could not understand why these reprints of published articles had been sent to him for transmission to Hermoni rather than being sent directly.

Shapiro noted that much of the material discussed at the November 1968 meeting related to military activities and that persons more experienced in military affairs could probably have provided more detailed information. In response to a question, he said he did not know why Hermoni had not requested information on these topics from the U.S. military.

According to Shapiro no other subjects were discussed at the November meeting, nor were any of the requests made at the meeting in his view improper from a national defense point of view.

Shapiro said that there have been no follow-on meetings with Hermoni or any other Israeli nationals as a result of the November meeting. He did recall a meeting in New York (presumably before the November meeting) with the University of Cornell scientist at which time he discussed the apparent lack of coordination between several committees which had been established to assist Israel. One of these is the Committee on Science Based Industry which Shapiro said is an effort to attract scientific industry to Israel with the ultimate objective of improving Israeli's exports. He mentioned another committee, the Prime Minister's Economic Committee, whose principal function he said is to obtain investment funds in the U.S. for commitment in Israel. He said that in the view of his University of Cornell contact, who was familiar with what was going on, the people who were trying to help were going in all directions and that as a result very little was being accomplished in the U.S.

Commercial Applications of Atomic Energy

Shapiro said that he has had over a period of years a number of contacts in various foreign governments (he mentioned Germany, Japan, England, and others) with respect to the commercial application of atomic energy. One of his foremost customers has been Israel. In particular, he has commercial arrangements with the ISORAD Company in which NUMEC and the Israeli Government are partners. This activity began initially in an effort to preserve citrus fruit

products. Shapiro noted that the continued supply of the Israeli orange crop to Germany was being jeopardized by chemicals used to preserve oranges. According to Shapiro ISORAD has been quite successful in irradiating the potato crop but has not to this time been able to apply this technique to citrus fruits. According to Shapiro efforts are being made to expand ISORAD's irradiation process to the fields of syringes, needles, rubber gloves, and indigenous products of Israel.

Shapiro also noted that NUMEC entered into a contract with the Government of Israel to furnish a DC-AC converter. He explained that this was necessary to determine whether the NUMEC power sources (apparently a five-watt nuclear generator) could be used in Israeli incursion detection devices. He said NUMEC made up a DC-AC converter and shipped it to Israel. The last he heard the converter probably could not be used.

Contacts with Israeli National Officials

Shapiro said as a result of his commercial interests and his visits to Israel in connection with these interests he has met a number of Israeli national officials. He noted that a number of Israeli national officials had visited his facility under authorization of the AEC for the purpose of discussing nuclear activities, particularly power sources and irradiation. He could not recall when he first met Avraham Hermoni but he thought it was in Israel. He was uncertain as to Hermoni's background or previous assignments, but he thought that Hermoni when he first met him was a professor at a University. He noted that many Israelis have dual occupations. He said he did not know whether Hermoni had been associated with the Israeli Ministry of Defense.

[REDACTED]

He said that when Col. Hillel Aldag, Hermoni's predecessor, was transferred he was invited to a reception at the Israeli Embassy to meet Hermoni at which time he renewed his acquaintance with him.

He said that his commercial interests were such that he had frequent and continuing contact with Hermoni and with Kafkafi and other Israeli officials. He was uncertain when he first met Kafkafi and said he knew very little of his background.

Because the FBI had reported a meeting between Shapiro and Kafkafi on June 20, 1969 at the Pittsburgh airport under what appears to be unusual circumstances, Shapiro was asked how many times he had seen Kafkafi recently and what they discussed. (Kafkafi left Washington, D. C. by air early on June 20, was met by Shapiro at the Pittsburgh airport, spent an hour in conversation with Shapiro, and then returned directly to Washington, D. C.) Shapiro said that he had seen Kafkafi about a half dozen times. When asked the last time, he said probably May. He then said that he saw Kafkafi before he, Kafkafi, went to Israel and also saw him when he returned. However, he did not volunteer to disclose the fact that he met Kafkafi at the airport in Pittsburgh on June 20 until pressed. He then said he was concerned about the payment of a delinquent bill that the Government of Israel owed, and that he had discussed this with Hermoni and Kafkafi by telephone and sent Kafkafi copies of the invoice before Kafkafi's trip to Israel. With respect to the meeting at the Pittsburgh airport, he said Kafkafi had suggested that he come to Washington, D. C., but that he, Shapiro, had suggested Kafkafi visit



him in Pittsburgh; they met at the airport and Kafkafi returned to Washington, D. C. shortly thereafter. According to Shapiro this meeting involved the question of his unpaid bill; gave him an opportunity to get a definitive reply regarding a power supply unit and whether or not it could be adapted to the Israeli incursion detection device; and to discuss difficulties they had been encountering in the potato irradiation project. (See Appendix "A")

Shapiro said he recognizes that he has numerous and frequent contacts with Israeli foreign nationals both in this country and in Israel. He said, however, that he clearly recognizes his obligation not to discuss classified activities with unauthorized personnel and that throughout his associations with Israeli officials he has never been asked to furnish classified information, he has never furnished, and he would not, if asked to, furnish such to unauthorized persons. He pointed out the only classified work NUMEC has had is in producing Navy fuel and he has had no Navy fuel work for years. He said he had had no occasion to read classified documents for years and that he had not been in the weapons program. He said that NUMEC several years ago had done a small hardening job for Livermore, but that was the extent of the weapons work done by NUMEC and that it was very specialized and not systems type work. Shapiro said that he is proud of the contribution he and NUMEC have made to the atomic energy program; that he has tried to operate the company as required by Commission regulations; that he has cooperated with other Government officials, [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Shapiro expressed the concern that his company as a result of process losses of materials in 1965 had been blackballed and that recently NUMEC had been denied a contract in the safeguards area that it had expected to receive.

He expressed the view that the purpose of this meeting was in fact related to the losses of material at NUMEC in 1965 [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] He felt that information had been leaked to the press which resulted in "asinine" articles in the Wall Street Journal and the New York Times pertaining to the losses of material and speculation on the whereabouts of the material. He felt that these articles injured the reputation of his company. We explained to Dr. Shapiro that insofar as the losses of material at the NUMEC plant were concerned, the Commission had conducted a complete investigation and that this matter was closed. We pointed out that we had not brought up the issue of the losses of material and that this interview was not in fact caused by the previous material losses at NUMEC.

We advised Dr. Shapiro that we would report the results of our discussion to the Commission noting specifically that he, Dr. Shapiro, had stated that in all his contacts with Israeli officials he had never been asked to furnish classified information, had never furnished classified information, and would not, if asked to, furnish classified information to unauthorized persons.

[REDACTED]

[REDACTED]

Interviewers' Impressions

Dr. Shapiro appeared to be calm throughout the entire interview except when pressed for the details of his meeting with Kafkafi on June 20 at the Pittsburgh airport. Only when confronted with the fact that we were aware of the meeting did he admit such a meeting had taken place and his explanation that the purpose of the meeting had been to discuss payment of a bill and other commercial matters did not appear to be completely candid. Similarly, Dr. Shapiro could not recall details or names of individuals present at the November 3, 1968, meeting at his residence; and the interviewers feel that in this respect he was less than candid in describing the circumstances of this meeting. However, his discussion of the subjects covered at the meeting was consistent with other reports of the meeting. His statement that he has never been requested to furnish classified information, has never furnished classified information, and would not, if asked to, furnish classified information to unauthorized personnel was made in the specific context of his associations with Israeli officials; was made openly and with forcefulness; and with his full understanding that he would be quoted on this point to the Commission.

*Franklin N. Parks*  
Franklin N. Parks  
Office of the General  
Counsel

*William T. Riley*  
William T. Riley, Director  
Division of Security

[REDACTED]

[REDACTED]

APPENDIX "A"

Summary of Conversation Between William T. Riley, Franklin N. Parks,  
and Dr. Zalman Mordecai Shapiro on August 26, 1969

On August 26, 1969, Dr. Zalman Mordecai Shapiro was contacted in specific reference to the information he had provided during the course of the interview on August 14, 1969, concerning the circumstances of his meeting at the Pittsburgh airport on June 20, 1969, with Jeruham Kafkafi.

Dr. Shapiro was informed that in reviewing our notes of the August 14, 1969 meeting we understood him to say that the June 20th meeting involved discussion of an unpaid bill owed to his firm by the Israeli Government; gave him an opportunity to get a definitive reply on the suitability of a power supply unit; and an opportunity to discuss difficulties that had been encountered in the potato irradiation project.

We told Dr. Shapiro that on review, none of these items appeared to be of such significance as to warrant a trip to Pittsburgh by Kafkafi and inquired as to whether he wished to supplement the information he had provided us earlier. Dr. Shapiro said that while there had been some casual discussion of the Israeli political situation (for example, there was some speculation as to who would be the next Prime Minister) and the economic situation as well as some discussion of the policies of Israel's neighbors, the meeting had concerned the items that he had discussed with us earlier. He said that the unpaid bill had been delinquent for quite some time and was in the neighborhood of \$32,000, and that he personally

[REDACTED]

[REDACTED]

This material contains information affecting the national defense of the United States within the meaning of the espionage laws, Title 18, U.S.C., Secs. 793 and 794, the transmission or revelation of which in any manner to an unauthorized person is prohibited by law.

attached great significance to the payment of the bill and that both Kafkafi and Hermoni were aware of his concern. He said that as a result of the visit to Pittsburgh by Kafkafi, the account was settled shortly thereafter.

Dr. Shapiro also said that Kafkafi wanted to assure him that he had done everything he could with respect to payment of the bill. In addition, Kafkafi wanted to discuss some problems with respect to the irradiator and Dr. Shapiro said he wanted to discuss the irradiator also because he was concerned about its return.

Beyond the above, Dr. Shapiro stated that he had nothing further to add in respect to the meeting at the Pittsburgh airport.

*Franklin N. Parks*

Franklin N. Parks  
Office of the General  
Counsel

*William T. Riley*

William T. Riley, Director  
Division of Security