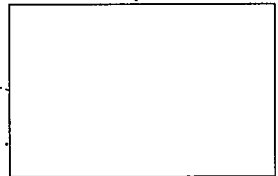


~~SECRET
SENSITIVE~~

(b)(3) CIAAct



(b)(3) CIAAct



26 August 1977

ERDA

MEMORANDUM FOR THE RECORD

SUBJECT: Briefing of Representative
Morris K. Udall, Democrat, Arizona
on the NUMEC Case

(b)(3) NSC
(b)(3) CIAAct

(b)(3) NSC
(b)(3) CIAAct

1. Background. Representative Udall's office made arrangements via OLC to receive a background briefing on CIA's knowledge of the key issues involved in the NUMEC diversion case. As a result on 23 August 1977 Mr. Shackley, ADDO, [redacted] OLC and [redacted] PCS Staff, met with Representative Udall at his office. Also in attendance was Mr. Henry Myers, Special Consultant Nuclear Energy, House Committee on Internal Insular Affairs.

2. Briefing. Representative Udall opened the meeting by stating that he would appreciate whatever information CIA could give him which would put into perspective the Agency's knowledge of what were the key questions that were involved in the allegations that a diversion of nuclear materials had occurred from the NUMEC plant at Apollo, Pennsylvania. Mr. Udall indicated that he had become interested in the NUMEC situation as a result of recent press commentaries on this matter as well as data which was available to him from his membership in various congressional committees. Mr. Shackley responded to Mr. Udall by suggesting that we give him a brief overview presentation in which we would outline the nature of CIA's knowledge of the NUMEC situation. This proposal was agreeable to Representative Udall, therefore, Mr. Shackley drew on the attached talking paper outline in order to make his presentation on the NUMEC diversion issue. After Mr. Shackley had sketched out his views on the NUMEC situation, there was a question and answer session in which there was a free-flow of information between Representative Udall, Mr. Myers and the CIA representatives. The key questions

(b)(3) CIAAct

(b)(3) CIAAct



~~SENSITIVE
SECRET~~

~~SENSITIVE~~

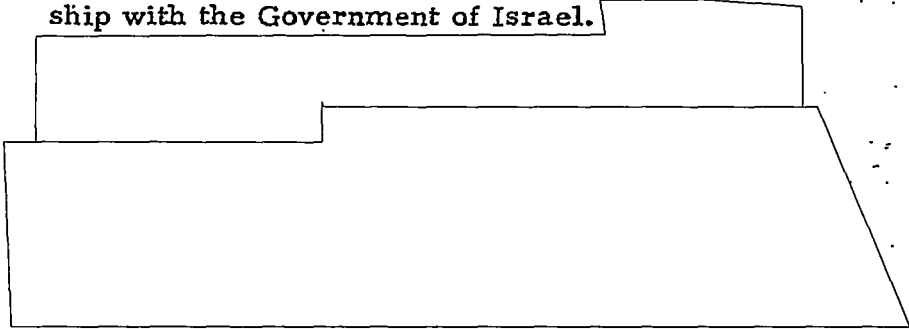
-2-

(b)(1)
(b)(3) CIAAct
(b)(3) NatSecAct
EO 13526 3.3(b)(6)>25Yrs

that emerged during this portion of the meeting and the essence of the CIA's answers to them are outlined below:
CL

a. Question. Did CIA interview Mr. Shapiro, the principal NUMEC Corporation officer?

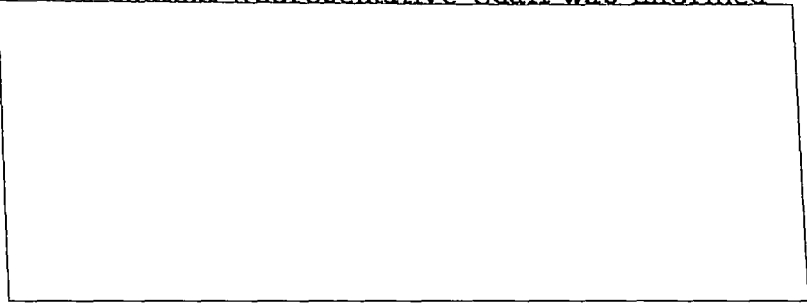
Answer. No. The point was made that CIA had asked the Justice Department in April 1968 to investigate Mr. Shapiro in order to establish the nature and extent of his relationship with the Government of Israel.



b. Question. Was Mr. Shapiro interviewed by the FBI?

Answer. The Agency has no knowledge of any direct debriefing of Mr. Shapiro by the FBI. It was indicated that this question should really be answered by the FBI. In this context Representative Udall was informed

(b)(3) NSC



(b)(1)
(b)(3) NatSecAct
EO 13526 3.3(b)(6)>25Yrs

~~SENSITIVE
SECRET~~

~~SENSITIVE~~

c. Question. Is it possible that President Johnson, who was known to be a friend of Israel, could have encouraged the flow of nuclear materials to the Israelis?

Answer. There is no information in the CIA files which are currently available to us which would indicate that President Johnson had ever undertaken any action which would have resulted in a diversion of nuclear materials to Israel. In this connection Representative Udall was told of the vignette which Messrs Shackley and [redacted] had learned

(b)(3) NSC
(b)(3) CIAAct

[redacted]

25X1

[redacted] with [redacted]

It was stressed to Mr. Udall that this story had been told to Mr. Duckett by Mr. Helms. There is nothing in writing in CIA files concerning such an event. It was suggested that this aspect of the problem could only be pursued by Mr. Udall discussing the matter with those who might have a first-hand knowledge of the events which transpired in the period around 1968.

(b)(1)
(b)(3) NatSecAct
EO 13526 3.3(b)(6)>25Yrs

d. Question. If a diversion of nuclear materials had been authorized by the policy levels of the United States Government, how could this effort have been carried out?

Answer. In the initial response to this question it was noted that Mr. Udall was posing a hypothetical question. As a result it was stated that there was no real answer to the question. [redacted] did indicate, however, that the nature of the nuclear material which was at NUMEC would have

(b)(3) NSC
(b)(3) CIAAct

~~SENSITIVE
SECRET~~

~~SECRET~~
SENSITIVE

(b)(1)
(b)(3) NatSecAct
EO 13526 3.3(b)(6)>25Yrs

(b)(1)
(b)(3) NatSecAct
EO 13526 3.3(b)(6)>25Yrs
25X1

made it possible for someone to smuggle this material out of the United States [redacted]

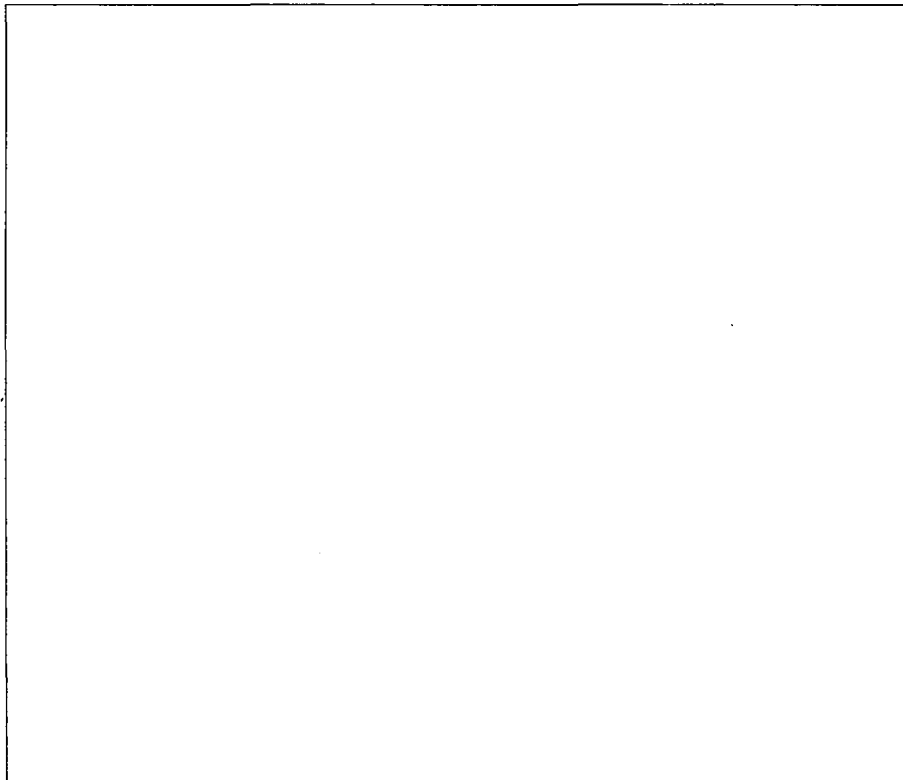
[redacted] In this connection

Mr. Shackley stated that he and [redacted] had been told a story by Mr. Duckett that at least one visitor to the NUMEC plant had said that security procedures at the installation were so lax [redacted]

(b)(3) CIAAct

[redacted] It was also pointed out to Representative Udall that NUMEC had a contract for sending irradiation equipment to Israel, [redacted]

(b)(1)
(b)(3) NatSecAct
EO 13526 3.3(b)(6)>25Yrs
25X1



25X1
(b)(1)
(b)(3) NatSecAct
EO 13526 3.3(b)(6)>25Yrs

~~SENSITIVE~~
SECRET

~~SENSITIVE~~

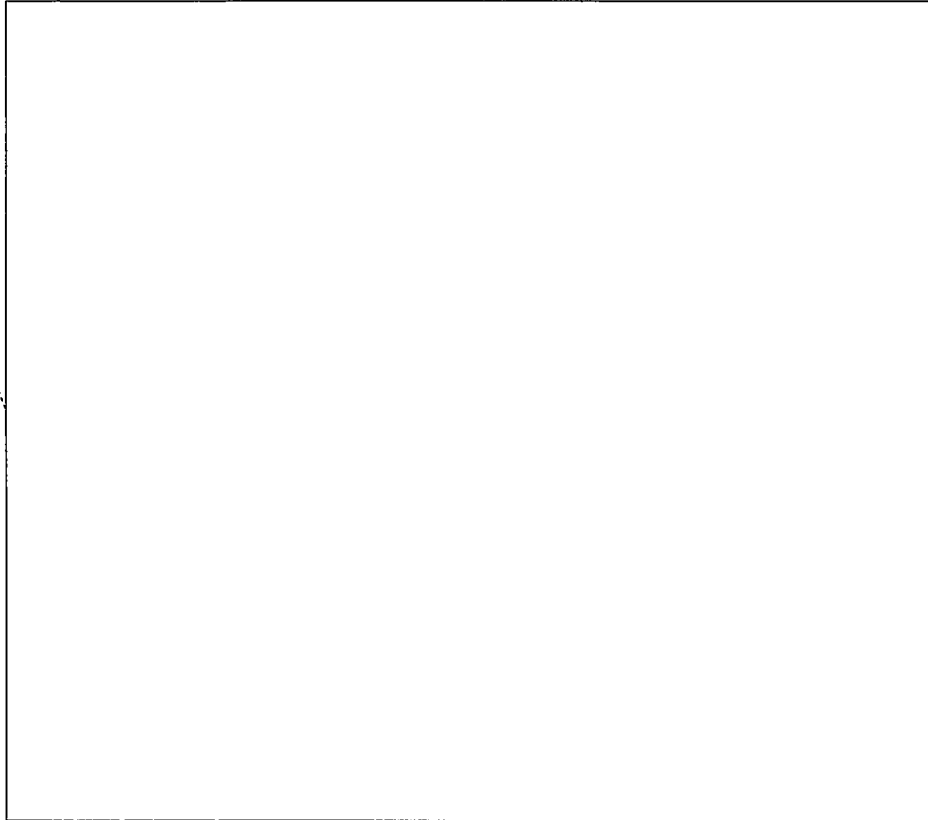
- 5 -

25X1

(b)(1)

(b)(3) NatSecAct

EO 13526 3.3(b)(6)>25Yrs



h. Question. Is there an official CIA report on the NUMEC diversion issue?

Answer. Mr. Helms, as DCI, wrote a letter to Attorney General Ramsey Clark in April 1968 in which he asked for an investigation of Mr. Shapiro in terms of his relationship with the Government of Israel. It was pointed out, however, that in one paragraph of this letter there was a reference to material unaccounted for at the NUMEC plant. It was also stressed that CIA had never obtained any hard intelligence [redacted] which clearly linked NUMEC to the subsequent production of uranium-based nuclear weapons by Israel.

(b)(3) NatSecAct

(b)(1)

25X1

EO 13526 3.3(b)(6)>25Yrs

~~SENSITIVE
SECRET~~

~~SENSITIVE~~

-6-

(b)(1)
 (b)(3) NatSecAct
 EO 13526.3.3(b)(6)>25Yrs

i. Question. What is CIA doing now on the NUMEC matter?

Answer. The Agency is not involved in any investigation of NUMEC. The point was made that on 9 May 1977 the Agency had once again briefed the FBI on CIA's

25X1

At that point the FBI had told CIA that they were still conducting an investigation of the NUMEC Corporation. It was stressed, however, that CIA did not know at this point in time whether this investigation had been completed or not.

3. Comment. Representative Udall stated that he had found the 23 August meeting very useful. In this context Representative Udall made the point that he would be discussing the NUMEC diversion issue with the FBI on 23 August. At the completion of his conversation with the FBI, Representative Udall indicated that he might want to return to CIA to pursue additional questions.

(b)(6)

Theodore G. Shackley
 Associate Deputy Director for Operations

Attachment:
 Talking Paper Outline

Distribution:
 ✓ - ADDCI w/att
 1 - DDO w/att
 1 - OLC w/att
 1 - C/SIA w/att

~~SENSITIVE~~
~~SECRET~~