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URANIUM FOR 10 A-BOMBS LOST— COMPANY HIRED AGAIN

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While congressional and government investigators were still probing for an explanation of why a Pennsylvania company had lost enough highly enriched uranium to make 10 atomic bombs, the Atomic Energy Commission was in the process of selecting the same company to handle the largest amount of plutonium that had ever been released for civilian purposes.

The award of a new contract to process almost three tons of plutonium, which is also a bomb-grade metal, occurred in 1966 while the company, the Nuclear Materials and Equipment Corp. (NUMEC), was under investigation by a variety of agencies including the FBI, the CIA and the AEC — investigations that focused on the possibility that the missing uranium may have been diverted through a "gap" in government safeguards systems and sent to Israel.

Also, according to documents released last week by the AEC's successor, the Energy Research and Development Administration, while the investigations were still underway a "deal" was struck between NUMEC officials and Howard C. Brown Jr., then the AEC assistant general manager.

A handwritten note on a memo to Brown said that NUMEC officials would agree to an AEC evaluation of the lost material if they had Brown's assurance "that AEC has no present intention to lower the boom."

A second note, initialed by Brown, said, "We have not."

ASKED ABOUT THE note, Brown told a reporter, "At no time did we, nor could we, waive rights of prosecution." He added, however, that the Atomic Energy Act, which called for life imprisonment or death if nuclear material were diverted to a foreign nation, "was a very severe thing to work under."

At that point, in November 1965, Brown said he had found no evidence of "criminal negligence" at the plant. "I felt we reached a point where we really had to fish or cut bait."

NUMEC eventually agreed to pay

\$1.3 million for 206 pounds of uranium that the AEC said could not have been lost as waste in normal plant processes. The plant is located at Apollo, Pa., about 30 miles northeast of Pittsburgh.

According to documents made public last week, investigators were never able to determine what happened to the uranium because some of the plant's records were missing and others had been destroyed during a plant "cleanup campaign" in 1964.

An official AEC survey of the plant, released in February 1966, reached the conclusion that "NUMEC management had not assigned the caliber of full-time professional talent to the job of materials management generally found necessary in such a complex operation." In the spring and summer of 1966, investigators for the Joint Congressional Committee on Atomic Energy, which was not satisfied with the AEC probe, ordered the General Accounting Office to investigate the plant.

AT THE SAME TIME, over the protests of some who had investigated the uranium loss, another branch of the AEC was selecting NUMEC from a list of four other companies as the "best qualified" to handle a new experimental reactor program featuring a device called the "Zero Power Plutonium Reactor," or ZPPR.

ZPPR, an experimental forerunner of the breeder reactor, required 2,900 kilograms of plutonium, an amount four times larger than any previous plutonium fabrication contract in AEC history. (It takes approximately 4 kilograms of plutonium or 11 kilograms of highly enriched uranium to make an atomic bomb. There are 2.2 pounds in a kilogram.)

Milton Shaw, then head of the AEC's reactor development program, said he solicited the contract proposal from NUMEC because "there were people who were in a responsible position (in the AEC) who felt that they (NUMEC) should have been competing for this."

Asked who the people were, Shaw, now a private consultant, said that the contract was approved by the AEC's commissioners. Shaw said he had not read the investigative reports concerning the missing

uranium but added, "I made checks on those things and no one ever put anything on the table that led me to feel that there was anything substantive involved."

According to the documents, there were others within the AEC who felt differently. Charles A. Keller, an Oak Ridge nuclear materials expert who had headed a survey crew at NUMEC, sent a telegram to AEC headquarters protesting the shipment of any further bomb-grade material to the plant because NUMEC officials had been "less than candid" with AEC investigators.

Keller, now ERDA's assistant manager for operations at Oak Ridge, told a reporter: "I don't know what pressures were being brought politically and otherwise in Washington to keep that company operating. I wouldn't have given them any more until they straightened up and flew right, but I guess mine was the voice crying in the wilderness."

IN 1967, AFTER the ZPPR award, AEC investigators continued to have problems getting cooperation from NUMEC. At the time the only device to check the accuracy of a plant's books was an annual inventory. John V. Vinciguerra, who had replaced Brown as the AEC's assistant general manager, asked Zalman Shapiro, NUMEC's president, to delay the inventory until AEC investigators could be present to watch it.

According to Vinciguerra, Shapiro agreed to the delay and then went ahead with the inventory before the AEC inspectors arrived. "He (Shapiro) was in an extremely emotional state at the time," said Vinciguerra. "I gave him a tongue lashing." Vinciguerra currently works as the manager of a Midwest electrical equipment manufacturing company.

According to several sources, one of the reasons Shapiro was upset at the time was that Adm. Hyman Rickover, whose orders of nuclear submarine fuel had been NUMEC's biggest source of business, had threatened to

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