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# Scientist-arms smuggler faces US scrutiny again

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A former Vermont scientist convicted five years ago in one of the nation's biggest arms-smuggling cases is under investigation for sending munitions technology to the People's Republic of China, according to the US Customs Service. Customs officials say he is working in conjunction with several Vermont associates.

Gerald V. Bull, a one-time Canadian government official who became a US citizen in 1972 by a special act of Congress, is under investigation to determine whether he again has violated the US Arms Export Control Act.

In 1980, he served four months in federal prison for smuggling arms and technology to South Africa, which led to the bankruptcy of his Space Research Corp. The Arms Export Control Act requires anyone to obtain a license before sending arms or technology from the US to other nations, Customs officials said.

Customs agent John O'Hara said Bull employed two Vermont men who helped him send technology for an advanced US field artillery system to the Chinese without the required license from the State Department. Because Bull developed the technology in the United States, officials said, he is prohibited from selling it to other nations even though he no longer lives in the United States.

The office and home of the Vermont men were raided March 29 by Customs agents as part of the investigation of Bull. Within the next month, Customs will turn the investigation over to Assistant US Atty. Peter Hall, who will decide whether to prosecute.

In a telephone interview from his Brussels, Belgium, office, Bull told The Globe he is sending arms technology to China, but said he has renounced his US citizenship and thus is not subject to US laws. Customs officials said Bull has not gone to the State Department to formally renounce his citizenship and could be prosecuted even if he does.

Bull said he did employ two Vermont men, C.B. Shepard and Denis Lyster, and said they have done nothing illegal.

"Some backwoods Vermont Customs agents want me to be dead and want Space Research Corp. to be dead," Bull said during a 90-minute interview. "Well, the government of China does not want Space Research to be dead. This is the most vindictive, sick thing I ever heard of. If [Customs] want to get me, let them come and find me. The US thinks they own all technology."

## 'Not a vendetta at all ...'

O'Hara, the Customs agent who oversees Vermont, said, "You can rest assured that Bull is under investigation. It is not a vendetta at all. Now, instead of shipments to South Africa, it is shipments to a communist country. They say they don't need a license and we, Customs, say they do need a license. We are saying we believe Bull violated the law by sending weapons technology to the People's Republic of China."

Shi Shun Scheng, spokesman for the Chinese Embassy in Washington, said, "We have no knowledge about this."

As part of the current investigation of Bull:

- Customs officials used search warrants to seize documents from the offices of Phoenix Engineering Corp. of Newport, Vt. The 2½-year-old company is headed by four former officials of Space Research. Phoenix attorney Duncan Killmartin said company president C.B. Shepard has traveled to China to help negotiate a deal for "a European company." Shepard said last week, "I obviously think I have broken no laws."

- Customs officials also searched the home of Lyster, who agents describe as a consultant to Phoenix and Bull. O'Hara said Lyster is the person who transferred the weapons technology to the Chinese. Lyster refused comment to The Globe.

- O'Hara said agents searched North Troy Engineering Corp. of North Troy, Vt., where some employees are under investigation. The plant is on the former premises of Space Research. Plant manager Peter Vltas said he knew of no wrongdoing.

Bull said he employed Shepard and Lyster "because they are good engineers and they needed the work."

A State Department spokesman for the Office of Munition Control, who did not want to be named, said Phoenix Engineering Corp. applied for a license to send arms technology to China three weeks ago. The application is being reviewed.

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