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ON PAGE

A21

NEW YORK TIMES  
16 April, 1985

# Method Giving Emigrés Secret Access Is Assailed

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Special to The New York Times

WASHINGTON, April 15 — The Defense Department has granted security clearances to thousands of émigrés from the Soviet Union and other Communist countries, although the Government has no reliable way of checking their backgrounds, according to a Senate investigation.

Staff investigators for the Senate Permanent Subcommittee on Investigations, said the difficulty of verifying the backgrounds of foreign-born residents was potentially a serious weakness in the way the Pentagon protects Government secrets.

According to Defense Department data obtained by the subcommittee, the Pentagon has given security clearances to 1,400 immigrant aliens and recently naturalized citizens from the Soviet Union, who work for military contractors.

The Pentagon has approved top secret clearances for 121 Soviet émigrés, and secret clearances for another 1,349, numbers compiled by the Senate panel show.

## What Is Top Secret

Top secret is defined as information that could cause "exceptionally grave damage to national security" if released. Secret is used for information that, if released, would cause "serious damage to national security."

Secret and top secret clearances are so widespread in the Government that some critics have said their meaning is diluted. The most sensitive information is protected under "special access programs" that require an even higher security clearance.

However, Fred Asselin, a subcommittee investigator for Senator Sam Nunn, Democrat of Georgia, said that a "top secret" clearance still entitles a worker to view some very sensitive information.

## 10,000 Employees on List

Another Pentagon document obtained by the subcommittee listed 10,675 military contractor employees from Communist countries that had either been cleared for secret and top secret information or had applications "in process." In addition to Soviet émigrés, the largest number were 3,291 from China, 1,056 from Cuba, and 1,225 from Poland.

A subcommittee aide said the problems of checking foreign-born residents for potential security risks was

not confined to Communist countries.

For example, the subcommittee investigators conducted a detailed study of how the Government performed its security check of P. Takis Veliotis, the Greek-born former executive with the General Dynamics Corporation who is now a fugitive from Federal kickback charges. The study found that Mr. Veliotis was given clearances to run sensitive nuclear submarine projects for the Navy and the Department of Energy, although there were large gaps and inconsistencies in the investigation of his background.

"American investigators simply have great problems trying to conduct

background inquiries in a foreign nation," said Senator Nunn, who requested the Senate study in connection with hearings to begin Tuesday. "It is especially difficult, and sometimes impossible, when the clearance is for someone from a Communist nation or a closed society," he added.

## No Pentagon Comment

Steve Katsan, a spokesman for the Pentagon's Defense Investigative Service, which is responsible for internal security, said officials there would have no comment prior to the Senate hearings.

The Defense Department accounts for about 90 percent of the 4.2 million Government employees, uniformed personnel and contractors who have secret or top secret clearances.

As a case study in the difficulties, the subcommittee staff prepared a 43-page report on the background check on Mr. Veliotis, who ran the shipyard that produced nuclear submarines for General Dynamics' Electric Boat Company division.

Mr. Veliotis now resides in Greece, where he has provided internal company documents to reporters and Congressional investigators looking into General Dynamics's dealings with the Government.

According to corporate documents obtained by the subcommittee, Mr. Veliotis' foreign-born status initially worried the Navy enough that on two occasions it lowered the security clear-

ance level for the shipyards he ran.

Eventually, however, Mr. Veliotis was given secret and top secret clearances by the Pentagon, and a "Q" access code from the Energy Department, the equivalent of a top secret clearance.

The subcommittee said the clearances appeared to have been based primarily on a clearance he had obtained in Canada, which in turn was based only on a check of Canadian files and fingerprint records.

## Conflicting Information Reported

In addition, the report said, statements filed by Mr. Veliotis gave conflicting information about his education, about a 1954 conviction in Greece on a charge of money order fraud, and about a business trip he made to Russia. These inconsistencies apparently

were not pursued.

According to the investigation, Mr. Veliotis kept his clearances even after he came under investigation in connection with an alleged scheme to accept \$2.7 million in kickbacks from a Navy subcontractor. Mr. Veliotis was indicted on the charge in 1983.

The staff report said that Mr. Veliotis "represents a potential breach of national security of serious dimensions." Mr. Veliotis, whose politics are rigidly anti-Soviet, has denied suggestions that he might be a security risk to the United States.

"The personnel security procedures" used in the case "were inadequate and demonstrate the need for more thorough inquiry into the backgrounds of immigrant aliens and recently naturalized citizens," the staff concluded.