

EB Photos Leaked, Panel Says

House Investigator Charges Secret Data Given to Veliotis

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WASHINGTON — An unidentified General Dynamics Corp. top official allegedly gave P. Takis Veliotis, former general manager of its Electric Boat division, "highly sensitive" photographs of the Trident submarine months after Veliotis lost his security clearance and fled the country to avoid federal prosecution.

Rep. John D. Dingell, D-Mich., chairman of the Energy and Commerce Committee, made the allegation in a Feb. 19 letter to Navy Secretary John F. Lehman Jr.

In the letter, which Dingell released Wednesday, the congressman asked Lehman to give him CIA and Navy assessments of the damage the leak caused to national security.

"We were told if the Soviets obtained a copy of [the photographs] they could conceivably determine the most important and secret features and capabilities of this sensitive weapons system, such as shock-hardening features, the absolute speed, maximum depth, noise quieting techniques, as well as other characteristics," Dingell wrote to Lehman.

"This information would undoubtedly be of tremendous value to the Soviets," the letter said.

A committee investigator said he has no reason to believe Veliotis gave the documents to any foreign nation. In his letter, however, Dingell asked Lehman if he knows whether the Soviets obtained the photos.

Dingell also quoted a top Navy admiral, whom the committee will not identify, as saying the United States would pay \$1 million to get similar photographs of the Soviets' missile-firing submarines.

A response Monday from James F. Goodrich, acting secretary while

Lehman is away from Washington, said only that the Defense Investigative Service is investigating Electric Boat because of the leak and that the Naval Investigative Service and the FBI are cooperating.

A spokesman for General Dynamics declined to comment on the matter.

Dingell's committee opens hearings today into allegations that General Dynamics has filed false cost overrun claims, misled stockholders and given presents to Pentagon officials.

The Dingell letter said the General Dynamics document revealing the "most sensitive characteristics of the construction and operation of the Trident" was given to Veliotis nine months after he resigned from General Dynamics in June 1982. Veliotis lost his security clearance when he left the company.

Veliotis was a subject of a federal grand jury in New York at the time and has since been indicted on allegations he accepted \$1.35 million in kickbacks from a subcontractor while he managed a General Dynamics shipyard in Quincy, Mass. Veliotis fled to his native Greece to avoid prosecution.

Sources close to the investigation said photographs in the company document were classified "confidential" although they were not marked that way.

The document also contained sensitive financial data on General Dynamics operations and profits and reportedly was provided to high-ranking company executives at a conference at the Wigwam Country Resort in Arizona Oct. 22, 1982, four months after Veliotis left the company.

Dingell said Veliotis got the document and other General Dynamics financial documents from a General Dynamics top official in March 1983. Dingell did not name the executive or speculate on the executive's motives.

In Tuesday's editions of the St. Louis Post-Dispatch, Veliotis is quoted as saying Fritz G. Tovar, who placed him as general manager at Electric Boat, made the documents available to someone at General Dynamics' Quincy shipyard.

Sources say Veliotis subsequently acquired the documents from a top executive in Quincy. At the time of the leak, Veliotis was participating in an attempt, later aborted, to take over General Dynamics by buying up its stock. The financial information in the documents would have been valuable in that attempt, sources said.

Dingell said Veliotis gave copies of the documents to The Washington Post, and the newspaper is understood to have shown the copies to the CIA, which regards the episode as a serious breach of national security.

Other copies have been given to the Navy and to Dingell's committee, which has jurisdiction over the security laws that govern General Dynamics' corporate behavior.

Witnesses scheduled to appear before Dingell's committee include David S. Lewis, chairman of General Dynamics, and Gordon E. MacDonald, the company's chief financial officer.

Also scheduled to testify is James E. Ashton, a former assistant to Veliotis at Electric Boat who Veliotis said raised the ire of Lewis by calculating that production delays and cost overruns for submarines under construction by Electric Boat were far greater than the company would publicly admit.

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