

By John J. Flaika
Washington Star Staff Writer

On Oct. 14, 1970, shortly before midnight on a dark roadside in North Little Rock, Ark., three masked men pointed a shotgun at a man sitting in a parked automobile.

After forcing him out of the car, they took his billfold containing \$180, a small walkie-talkie, a revolver, a submachine gun and the keys to a nearby tractor-trailer truck containing a number of components for atomic bombs.

Fortunately, according to a report made public this week by the Nuclear Regulatory Commission, the three robbers did not realize that they had broken completely through the supposedly massive network of security surrounding U.S. nuclear weapons shipments.

A month later they were arrested and the Atomic Energy Commission recovered the keys to the weapons truck, and the guns taken from one of the four Atomic Energy Commission couriers who were supposed to be watching the shipment. And, fortunately, the truck and its nuclear cargo were not disturbed by the thieves.

THE INCIDENT is one of 51 explored by NRC investigators in their latest attempt to more fully explain the security-shrouded history of problems in the government's program to safeguard nuclear materials.

The NRC's efforts to explore the safeguards area began in 1975; after it was set up as a separate agency to regulate nuclear facilities. Shortly afterward two major studies were undertaken to try to pinpoint a number of questionable incidents that had occurred in the past dealing with both the threat of nuclear terrorism and the possible diversion of nuclear materials.

Other incidents in the latest report show that while there still is no prosecutable evidence that large amounts of bomb-grade nuclear material have been stolen there is evidence that smaller amounts have been stolen and there are other cases where government investigators are still unsure what happened.

The list of 51 incidents is part of the NRC's latest response to assertions by a former NRC safeguards analyst who took part in a 1975 study, James H. Conran, who later told several congressional committees that he found evidence indicating "there have been successful attempts to steal nuclear material."



Nuclear Safeguards Probe Finds Some Near Misses |

CONRAN'S ALLEGATIONS

provoked considerable dispute within the agency and he was later removed from his safeguards analyst post to a less sensitive job setting standards for nuclear power reactors. When challenged to produce evidence backing up his claim, Conran produced handwritten notes referring cryptically to at least 51 incidents involving the possibility of a safeguards breach. According to the report which responded to these notes, the investigators have dismissed 44 of the incidents as being "rumors and attempted swindles."

There are others, however, such as the North Little Rock case, that the safeguards men didn't dismiss so easily.

According to a spokesman for the Department of Energy, the successor to the weapons division of the old Atomic Energy Commission, a check of agency files shows the robbery took place so quickly that the man in the car was unable to notify three other couriers supposed to be guarding the parked truck, but who were apparently asleep in a nearby motel.

The incident, according to the spokesman, could not happen now because shortly afterward new, heavily armored "safe, secure trailers" were introduced that contain two or more drivers who are in constant telephone contact with the DOE's weapons production complex in Albuquerque, N.M.

THE TRUCK contained bomb assemblies which contained nuclear warhead materials but were not completely assembled according to the spokesman. "It's hard to say what they might have had, had they stolen it," he added. "Maybe they would have wound up with four left shoes, or something like that."

In a second incident, four armed men broke into an RE office at the Newark, N.J., airport April 5, 1970. They took 91 boxes of freight worth \$250,000, including a box sent from the AEC containing an A-bomb part the nature of which is still considered a secret.

The NRC's most recent report sheds further light on an apparent cover-up by a number of officials and former officials for U.S. nuclear agencies who have stated over the years that there has been "no evidence" of any theft or diversion of bomb-grade nuclear materials.

Since February, the commissioners of the NRC have held 10 closed meetings in an attempt to decide what to do about the NRC's chief executive officer, Lee V. Gossick, who gave blanket "no evidence" statements to two congressional subcommittees last year.

According to transcripts of the meetings, obtained under the Freedom of Information Act, the commissioners appear to be in agreement that no such blanket assurance is possible, in light of the most celebrated case raised by Conran, the disappearance of 266 pounds of highly enriched uranium from a private plant at Apollo, Pa., some time during the mid-1960s.

THAT CASE, which is still under investigation by the FBI, exposed the relatively primitive safeguards practices used during the early days of the peaceful nuclear era. As the NRC's chairman, Joseph Hendrie, put it at one point: "... the circumstance of the time was such that the most elemental sort of pathway ... in fact, if the material hadn't weighed a couple of hundred pounds all told, why you could just wrap heavy brown paper around it and carry it out in a bundle."

The Energy Department's Office of Inspector General is completing its own investigation of the Apollo case and public statements made by its officials about Apollo and other past safeguards incidents.

The Energy Department report, according to sources familiar with it, is now about 1,100 pages long. It will reportedly conclude, among other things, that there was a "party line" used by high officials of the AEC and its successor agencies to cover up what they thought and other

POOR ORIGINAL

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UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555



NOV 17 1978

MEMORANDUM FOR: Samuel J. Chilk
Secretary of the Commission

THRU: Lee V. Gossick
Executive Director for Operations

Clifford V. Smith, Jr., Director
Office of Nuclear Material Safety
and Safeguards

FROM: Robert F. Burnett, Director
Division of Safeguards
Office of Nuclear Material Safety
and Safeguards

SUBJECT: REVISED ENCLOSURE 3 TO SECY-78-425A, DATED NOVEMBER 1,
1978, "RESPONSE TO RECOMMENDATION FROM THE OIA/OGC
'INQUIRY INTO THE TESTIMONY OF THE EXECUTIVE DIRECTOR
FOR OPERATIONS,' VOLUME 1, SUMMARY REPORT, DATED
FEBRUARY 1978"

Enclosure 3 of SECY-78-425A noted that two events involving license-
e material had been identified subsequent to an examination of
Donnan's Attachment A and Appendix J. Because NRC had no infor-
mation on these two events, the Department of Energy was requested
to furnish any information that they might have. This information
has been received and incorporated within Section B of a revised
Enclosure 3, which is attached for placement in the PDR.

Robert F. Burnett, Director
Division of Safeguards

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ADDITIONAL EVENTS REFERENCED IN LETTER TO
CHAIRMAN HENDRIE FROM THOMAS B. COCHRAN,
DATED JULY 18, 1978

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A. Events Cited From Memorandum, J. H. Conran to W. E. Forehand,
Dated November 30, 1977

Subsequent to its review of Attachment A and Appendix J, NMSS undertook a survey of additional material consisting largely of background notes prepared by Mr. Conran and provided by him to the Division of Rules and Records through the Office of Standards Development on November 30, 1977, in response to two FOIA requests. These rough notes are largely handwritten, often cryptic, and difficult to interpret. A preliminary review of this additional material revealed that many of the events are duplicative, a number appear to involve ID's, and others are too obscure to be interpreted. Excluding from consideration duplicative events and those pertaining to license-exempt material, the following three events were identified that might be pertinent to this assessment;

1/17/70 (104) 1048: UH-1H in flight. alt. 1000 ft. net haul. 55 gal

4/27/64 (87) 4/23/64 Lost. 8K₅ UO₂ (43%) 4 gal, L. 55 gal
down in Transit

1/21/70 (112) 1123: 14 HFEU (44%) 70 gal U₂O₅ in UH-1H net haul 55 gal

578326

POOR ORIGINAL

From the recent data available, it appears that these three events involve 1) a possible lost fuel bundle, 2) material lost in transit, and 3) U-235 in less than formula quantity. However, since location and other clarifying details are not provided for these three events, the staff was unable to develop additional information and, therefore, no staff judgment as to their relevance can be made at this time.

- E. Events Cited In Paragraph 5(a), Page 240, of the Report of the Subcommittee on Energy and the Environment, entitled "Allegations Concerning Law Security in the Domestic Nuclear Industry," dated July 29, 1977

Paragraph 5(a) on page 240 of the above report contained references to "(a) an armed attack on a non-licensed weapon material transportation operation in the early 1970's; (b) theft of a truck involved in non-licensed weapon shipment, in which the guards' weapons were stolen sometime in early-to-mid 1970's and (c) an alleged incident of attack or attempt to penetrate a NATO weapon storage site, reported in the BDM Threat Analysis Study for the Special Safeguards Study." Department of Energy files reveal the following:

Item (a) - "an armed attack on a non-licensed weapon material transportation operation in the early 1970's"

On April 5, 1970, four males carrying handguns entered the REA Office at the Newark Airport and demanded the key to the REA high value room. Ninety-three cartons of freight valued at \$250,000 were stolen.

Included in the stolen items were jewelry, watches, furs, platinum, gold and a classified AEC shipment. The AEC shipment was not fissionable material and was not radioactive. The AEC shipment was valued at \$2,500.

Item (b) - "theft of a truck involved in non-licensed weapon shipment, in which the guards' weapons were stolen, sometime in early-to-mid 1970's"

On October 14, 1970, at approximately 11:30 p.m. in North Little Rock, Arkansas, an AEC courier guarding a truck shipment of nuclear weapons components, in route from Amarillo, Texas, to Oak Ridge, Tennessee, was held up and robbed by three unknown individuals. The courier was, at the time, seated in an AEC sedan equipped with U.S. Government license plates. The tractor trailer containing the shipment was parked nearby. The robbers approached the vehicle without being observed by the courier, covered him with a shotgun, and ordered him to get out of the sedan. When he refused to do so, they forcibly dragged him from the car and disarmed him. The courier was prevented from alerting three other couriers who were also escorting the shipment, but who were off duty at the time. The robbers took the courier's revolver, his billfold containing his identification and approximately \$180, a walkie-talkie, and a submachine gun with ammunition. The keys to the truck containing the weapons components were also taken, but no attempt was made to enter or move the truck.

578328

POOR ORIGINAL

In the second week of November 1970, the robbers were arrested and charged with armed robbery (the assailants were apparently involved in a total of five robberies) and a murder that was committed prior to the courier incident. All weapons and the walkie-talkie were recovered. DOE files indicate that there was no indication that the assailants were associated with any subversive militant groups or organizations.

Item (c) - This item is addressed in Enclosure 2, Appendix J, Statement 20, of this document.

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