



32
=

UNITED STATES
ATOMIC ENERGY COMMISSION
DIRECTORATE OF REGULATORY OPERATIONS
REGION III
799 ROOSEVELT ROAD
GLEN ELLYN, ILLINOIS 60137

SNM 1174
Name deleted

TELEPHONE
(312) 858-2660

May 13, 1974

173

RO:III Files

POSSIBLE THEFT OF SNM - KERR MCGEE, CIMARRON FACILITY, CRESCENT, OKLAHOMA

At the conclusion of a physical security inspection of the K-M Plutonium Plant on May 9, 1974 and prior to the closeout meeting with licensee management, I was asked to attend a meeting in the Plant Manager's office on a matter which was not related to my inspection or its results.

Present at this meeting were the following:

Morgan Moore, Plant Manager
Raymond Janka, Manager A&A
Wayne Norwood, Health Physics
Fred Welch, Security Officer
James Reading, Corporate Security Officer
James Patterson, RO:III AEC

Morgan Moore presented me with a copy of an internal memorandum dated May 6, 1974 authored by Fred Welch. Subject: "Report of Exposure." I was asked to read the memorandum and give my impression as to the efforts expended by K-M to investigate and resolve a reported possible unauthorized possession of SNM. A copy of the May 6, 1974 memo is attached. After reading the memo content I asked why this matter had not been reported directly to RO:III when it first became known. Mr. Janka explained that the informant, Mrs. Pat Ellis, was vague, changed her stories several times and there was no evidence to corroborate her contentions.

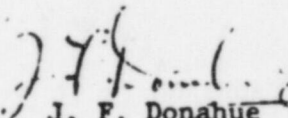
Mr. Moore indicated that K-M plans to contact Simon, Little and Griffith, all former employees, who lived in Kingfisher at the time Mrs. Ellis reportedly obtained possession of two pellets of unknown material from an unidentified K-M employee. Since it appeared that the logical persons who could corroborate Mrs. Ellis' contentions are her husband and her children, licensee representatives were asked why they were not contacted to date. Mr. Moore replied that Mrs. Ellis' husband works in Oklahoma City (Tinker Air Force Base) and was not home when Mrs. Ellis was interviewed. No explanation was offered as to why the children, (who reportedly were instructed by the husband to throw the pellets in John's Creek), were not contacted.

8610290083 861023
PDR FOIA
CANTREL86-281 PDR

Release entire page

D/3


I told licensee representatives that I would discuss this matter further with RO:III management and that K-M would be advised of the action contemplated.


J. F. Donahue
Physical Security Specialist

Attachment:
Copy of K-M memo
dtd 5/6/74

cc: James Keppler
J. Allan
G. Fiorelli

This page can be released in total



KERR-McGEE NUCLEAR CORPORATION
INTERNAL CORRESPONDENCE

TO Morgan Moore
FROM Fred Welch

DATE May 6, 1974
SUBJECT Report of Exposure

On 4-29-74 (Monday) at about 1800 hours Mrs. Jean Jung talked to Wayne Norwood regarding a conversation she had with a neighbor of hers a Mrs. Pat Ellis age about 43-44 at her house Mrs. Ellis regarding an employer (male) of KM that had given Mrs. Ellis a small plastic bag sealed by yellow tape. Contents appeared to be plutonium pellets or insulator pellets (number unknown). When Mrs. Jung asked what she did with them Mrs. Ellis said she threw them in the river (Cimarron). This conversation took place on Wednesday, (4-24-74). The day after Mrs. Jung brought her daughter home from the hospital.

Wayne Norwood briefed Morgan Moore on the morning of 4-30-74. Morgan briefed Mr. Dunn.

Roy King and Wayne Norwood went to the Pu plant about 1100 hrs. 4-30-74 and talked to Mrs. Jung regarding the story she had related to Wayne Norwood the evening before.

KM personnel who have been made or were aware of this incident as of 1500 hrs 4-30-74 besides Mrs. Jung are:

Wayne Norwood
Morgan Moore
Ray Janka
Parker Dunn
Roy King

Fred Welch
Marty Binstock
Jim Marler
John Harrison (HP)
Jack Tice
Virgil Richards

In talking to Mrs. Jung about 1445 on 4-30-74 it was discovered that the first person she had informed of this incident was John Harrison a HP technician at the Pu plant and John had escorted Mrs. Jung to the HP office to talk to Wayne Norwood.

Approximately 1500 hours on 4-30-74 Morgan Moore and Wayne Norwood accompanied Mrs. Jung to Kingfisher, Oklahoma to talk to Mrs Pat Ellis.

About 1630 hours Morgan and Wayne returned from Kingfisher. Morgan said in talking to Mrs. Ellis she said this all happened over three years ago and the material was two pellets which she said they handled as they were out in the open and that they were given to her by a KM employee who she believed lived at 6th and Toronto street in Kingfisher and drove an old Studebaker car. The house had since been torn down but they they had the pellets around for

RELEASE ENTIRE PAGE

May 6, 1974

a while and that her husband had told their kids to throw them in the creek (off Bowman St. bridge - Johns Creek). Roy King checked the past records on employees from Kingfisher. Three names were disclosed of employees who lived in Kingfisher at that time and lived very close to 6th and Toronto Street. They are Leroy Nelson, Jim Little and Leo Simon.

Leroy Nelson was driving a Studebaker car at that time.

At 0945 on 5-1-74 Leroy Nelson was called into Morgan Moore's office. Present were Morgan Moore, Roy King and Fred Welch. Morgan explained the incident and the happenings up to that moment and asked Nelson if he was involved and did he remove some pellets from the plant and take them home to show what the plant was making. Nelson said he did not take any and that he did not want any at home. Nelson said that about that time he was driving a Studebaker car and had lived at 6th and Toronto Street in Kingfisher, but the house he had lived in had not been torn down but gutted and remodeled.

At approximately 1420 hours on 5-1-74 Wayne Norwood and Fred Welch went to Kingfisher, Oklahoma to talk to Mrs. Ellis again in regards to a possible identification of the KM employee who had given her or her children the two fuel pellets.

Mrs. Ellis was receptive but vague when shown pictures of KM employees who possibly could have been the employee that gave her or her children the pellets, when she looked at Mr. Leroy Nelson's picture she looked away and said she could not identify any of them.

When Mrs. Ellis was asked if they at one time lived near 6th and Toronto streets in Kingfisher she said yes then quickly corrected her answer to no. We just have a garden near there that we plant each year.

When Mrs. Ellis was asked again what they looked like she said like big green rabbit feed pellets and she said her husband looked at them and he said they looked like pellets for a pellet gun and they didn't look like the real thing to him. Again Mrs. Ellis was asked if she could give us a better time element of when this all happened. As close as she could remember it was the summer of 1970. Mrs. Ellis was asked about the place at 6th and Toronto where this person lived. Was it torn down or moved away. She said no, but it had been completely remodeled inside. After this conversation Mrs. Ellis became very vague.

On 5-2-74 Leroy Nelson came to Morgan Moore saying that at about that time (Summer 1970) he had been giving a ride to a new employee who was living at the address of Mrs. Ellis (roomer) and that the new employee was terminated by KM about a month after he started. Nelson thought his name was Greg Griffith. A check of the records revealed that a Greg A. Griffith was employed at the Cimarron Facility from 8-21-70 to 9-21-70 and that he had roomed at the

Ellis residence during that time. Griffith's listed home address is Bountiful, Utah.

Efforts to contact Leo Simon and Jim Little have been unsuccessful to date

F. H. Welch

Fred Welch

vs