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UNI ID STATES DEPARTMENT OF STICE

FEDERAL BUREAU OF INVESTIGATION

WASHINGTON, D.C. 20535

DECLASSIFIED UNDER AUTHORITY OF THE INTERAGENCY SECURITY CLASSIFICATION APPEALS PANEL, E.O. 13526, SECTION 5.3(b)(3)

ISCAP APPEAL NO. 2013-062, document no. 2 DECLASSIFICATION DATE: March 18, 2014

September 3, 1969

BY LIAISON

Honorable Richard Helms
Director
Central Intelligence Agency
Washington, D. C.

Dear Mr. Helms:

As you are aware, this Bureau has been conducting an investigation of Dr. Zalman Mordecai Shapiro, head of the nuclear processing firm, NUMEC, Apollo, Pennsylvania, since May, 1968. Copies of reports covering our inquiries, including a summary report prepared by our Pittsburgh Office under date of February 18, 1969, have been furnished to your Agency on a continuing basis.

Shapiro was interviewed by representatives of the Atomic Energy Commission (AEC) on August 14, 1969, concerning his relationship with Israeli officials. On the basis of information developed during this interview, particularly Shapiro's statement that throughout his associations with Israeli officials he has never been asked to furnish classified information, has never furnished, and would not, if asked to, furnish such information to unauthorized persons, the AEC has advised that it does not contemplate further action in this matter at this time.

We have conducted a thorough and extended investigation of Shapiro for more than a year, including substantial

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physical surveillance coverage.	We have developed information
clearly pointing to Shapiro's pr	conounced pro-Israeli sympathies
and close contacts with Israeli	officials,
	It is believed most unlikely
that further investigation will	develop any stronger facts in
connection with the subject's as	ssociation with Israeli officials
The basis of the security risk p	posed by the subject lies in

connection with the subject's association with Israeli officials. The basis of the security risk posed by the subject lies in his continuing access to sensitive information and material and it is believed the only effective way to counter this risk would be to preclude Shapiro from such access, specifically by terminating his classified contracts and lifting his security clearances. However, after careful consideration, including an interview with Shapiro, AEC has advised that it plans no further action at this time.

Under these circumstances, we are discontinuing our active investigation of the subject. We will, of course, continue to keep interested agencies advised of any pertinent information concerning the subject which may be received from our sources.

Sincerely yours,

J. Edge Howe

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