MR. GRANT F. SMITH
IRMEP
CALVERT STATION
POST OFFICE BOX 32041
WASHINGTON, DC 20007

Subject: MDR\HELI TRADING LTD. ARMS SMUGGLING
1985
FOIPA No. 1175900-000

Dear Mr. Smith:

The enclosed documents were reviewed under the Freedom of Information/Privacy Acts (FOIPA), Title 5, United States Code, Section 552/552a. Deletions have been made to protect information which is exempt from disclosure, with the appropriate exemptions noted on the page next to the excision. In addition, a deleted page information sheet was inserted in the file to indicate where pages were withheld entirely. The exemptions used to withhold information are marked below and explained on the enclosed Form OPCA-16a:

<table>
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<th>Section 552</th>
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171 page(s) were reviewed and 7 page(s) are being released.

☑ Document(s) were located which originated with, or contained information concerning other Government agency(ies) [OGA]. This information has been:

☐ referred to the OGA for review and direct response to you.
☐ referred to the OGA for consultation. The FBI will correspond with you regarding this information when the consultation is finished.

☑ In accordance with standard FBI practice, this response neither confirms nor denies the existence of your subject's name on any watch lists.

☑ You have the right to appeal any denials in this release. Appeals should be directed in writing to the Director, Office of Information Policy, U.S. Department of Justice, 1425 New York Ave., NW, Suite 11050, Washington, D.C. 20530-0001. Your appeal must be received by OIP within sixty (60) days from the date of this letter in order to be considered timely. The envelope and the letter should be clearly marked "Freedom of Information Appeal." Please cite the FOIPA Number assigned to your request so that it may be easily identified.
The enclosed material is from the main investigative file(s) in which the subject(s) of your request was the focus of the investigation. Our search located additional references, in files relating to other individuals, or matters, which may or may not be about your subject(s). Our experience has shown, when ident, references usually contain information similar to the information processed in the main file(s). Because of our significant backlog, we have given priority to processing only the main investigative file(s). If you want the references, you must submit a separate request for them in writing, and they will be reviewed at a later date, as time and resources permit.

See additional information which follows.

Sincerely yours,

David M. Hardy
Section Chief
Record/Information Dissemination Section
Records Management Division

Enclosure(s)

In response to your Freedom of Information Act (FOIA) request to FBI, Records Management Division, Winchester, Virginia, cross-references were located wherein Heli Trading Company in connection with an arms smuggling investigation in 1985 is mentioned in files concerning another individual, organization, event, activity, or the like. In processing the cross-references, the pages considered for possible release included only those pages which mention Heli Trading Company by name and any additional pages showing the context in which the name Heli Trading Company was mentioned.

For your information, sealed court records are not eligible for release under the Freedom of Information/Privacy Act(s) (FOIPA). Some of the material responsive to your request has been withheld and marked "OTHER - Sealed" pursuant to United States Court Order.

The enclosed material is being released to you on CD ROM at no charge.

To minimize costs to both you and the FBI, duplicate copies of the same document were not processed.
EXPLANATION OF EXEMPTIONS

SUBSECTIONS OF TITLE 5, UNITED STATES CODE, SECTION 552

(b)(1) (A) specifically authorized under criteria established by an Executive order to be kept secret in the interest of national defense or foreign policy and (B) are in fact properly classified to such Executive order;

(b)(2) related solely to the internal personnel rules and practices of an agency;

(b)(3) specifically exempted from disclosure by statute (other than section 552b of this title), provided that such statute (A) requires that the matters be withheld from the public in such a manner as to leave no discretion on issue, or (B) establishes particular criteria for withholding or refers to particular types of matters to be withheld;

(b)(4) trade secrets and commercial or financial information obtained from a person and privileged or confidential;

(b)(5) inter-agency or intra-agency memorandums or letters which would not be available by law to a party other than an agency in litigation with the agency;

(b)(6) personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy;

(b)(7) records or information compiled for law enforcement purposes, but only to the extent that the production of such law enforcement records or information (A) could be reasonably be expected to interfere with enforcement proceedings, (B) would deprive a person of a right to a fair trial or an impartial adjudication, (C) could be reasonably expected to constitute an unwarranted invasion of personal privacy, (D) could reasonably be expected to disclose the identity of confidential source, including a State, local, or foreign agency or authority or any private institution which furnished information on a confidential basis, and, in the case of record or information compiled by a criminal law enforcement authority in the course of a criminal investigation, or by an agency conducting a lawful national security intelligence investigation, information furnished by a confidential source, (E) would disclose techniques and procedures for law enforcement investigations or prosecutions, or would disclose guidelines for law enforcement investigations or prosecutions if such disclosure could reasonably be expected to risk circumvention of the law, or (F) could reasonably be expected to endanger the life or physical safety of any individual;

(b)(8) contained in or related to examination, operating, or condition reports prepared by, on behalf of, or for the use of an agency responsible for the regulation or supervision of financial institutions; or

(b)(9) geological and geophysical information and data, including maps, concerning wells.

SUBSECTIONS OF TITLE 5, UNITED STATES CODE, SECTION 552a

(d)(5) information compiled in reasonable anticipation of a civil action proceeding;

(j)(2) material reporting investigative efforts pertaining to the enforcement of criminal law including efforts to prevent, control, or reduce crime or apprehend criminals;

(k)(1) information which is currently and properly classified pursuant to an Executive order in the interest of the national defense or foreign policy, for example, information involving intelligence sources or methods;

(k)(2) investigatory material compiled for law enforcement purposes, other than criminal, which did not result in loss of a right, benefit or privilege under Federal programs, or which would identify a source who furnished information pursuant to a promise that his/her identity would be held in confidence;

(k)(3) material maintained in connection with providing protective services to the President of the United States or any other individual pursuant to the authority of Title 18, United States Code, Section 3056;

(k)(4) required by statute to be maintained and used solely as statistical records;

(k)(5) investigatory material compiled solely for the purpose of determining suitability, eligibility, or qualifications for Federal civilian employment or for access to classified information, the disclosure of which would reveal the identity of the person who furnished information pursuant to a promise that his/her identity would be held in confidence;

(k)(6) testing or examination material used to determine individual qualifications for appointment or promotion in Federal Government service the release of which would compromise the testing or examination process;

(k)(7) material used to determine potential for promotion in the armed services, the disclosure of which would reveal the identity of the person who furnished the material pursuant to a promise that his/her identity would be held in confidence.

FBI/DOJ
FEDERAL BUREAU OF INVESTIGATION
FOIPA
DELETED PAGE INFORMATION SHEET

No Duplication Fees are charged for Deleted Page Information Sheet(s).

Total Deleted Page(s) ~ 127
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Total Deleted Page(s) — 37
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FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

To: Los Angeles

From: Los Angeles

NSD-1

Contact: SA

Approved By:

Drafted By: sc

(U) Case ID # (Pending)

(U) Title: EXECUTIVE

(U) x x

Referral/Consult

(S) ☒

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SECRET

To Los Angeles
From Los Angeles

Re 13/2002

Referral/Consult

* * *

SECRET

2
Engineer Sentenced in Nuclear Trigger Case

Weapons: Richard Kelly Smyth, extradited from Spain, admitted a ‘grave error’ in shipping to Israel devices that can fire nuclear weapons.

A Southern California engineer who fled the country in 2003 after being indicted on charges of selling Israeli electronic devices that can be used to fire nuclear weapons was sentenced Monday to 40 months in federal prison.

Richard Kelly Smyth, now 72 and in frail health, was discovered living in southern Spain last year. He was arrested by local police and extradited to the United States. He pleaded guilty in December to violating the U.S. Arms Export Control Act and making a false statement about the contents of one shipment of the devices, which are known as krytrons and have a variety of applications, from triggering nuclear warheads to operating photocopying machines.

Despite the sentence, federal Judge Pamela A. Rymer noted that Smyth could immediately apply to be released on parole. She also found him $30,000.

Israel authorities denied having acquired the krytrons long krytrons had allowed the Israeli government to sell the krytrons.

At the start of his scheduled 105-year term before his attorney, DODA D. T. Smyth, who has represented his client, said Smyth was sentenced to up to 10 years in prison for violating the arms export control act and for making a false statement about shipping sensitive materials.

In court, Smyth also apologized for having the United States just before the start of his scheduled 105-year trial before Rymer, who found him guilty of violating the arms export control act and for making a false statement about shipping sensitive materials.

By DAVID ROSSWOOD

House Arrest for Rap Lawyer

Justice: Attorney for ‘Suge’ Knight of Death Row Records didn’t file a 1995 tax return. He has paid restitution, and must pay court costs.

A federal judge sentenced the former attorney for rap impresario Marion ‘Suge’ Knight to three years of probation on a misdemeanor tax violation.

Under the terms of a plea agreement, Ehrman lawyer David Kenyon, 62, was granted Monday by U.S. District Judge Florence-Marie Thabet, of the 9th Circuit.

In sentencing Smyth, Rymer also cited his medical condition and age as he approached 70.

Knight, now bankrupt and has cancer, was arrested by local police and Appearing In Los Angeles federal court Monday. Smyth and he made a “grave error” when he shipped about 800 krytrons in the early 1980s to Israel Trading Co. in Israel.

A routine check by the bank with intervals turned up an arrest warrant issued in Los Angeles. Smyth was taken into custody by Spanish police. While not admitting guilt, he said that key krytrons could be used as nuclear triggers.

In court, Smyth also apologized for having the United States just before the start of his scheduled 105-year trial before Rymer, who found him guilty of violating the arms export control act and for making a false statement about shipping sensitive materials.

By ZANNO PEAPOO

Dodge Great's Ring Recovered at Pawnshop

Los Angeles police have recovered ‘Suge’ Knight’s National League championship ring, which was stolen last year from a relative of the rapper.

Miguel Rodriguez, 51, of Los Angeles, was arrested on suspicion of grand theft after the owner of a pawnshop recognized the ring, which had been pawned for $1,000.
Precedence: ROUTINE

To: Counterintelligence

Attn: CD-2C, SSA

CD-4B, Room 4640

IOS

Date: 06/17/2002

From: Los Angeles

NSD-1

Contact: SA

Precedence: ROUTINE

To: Counterintelligence

Attn: CD-2C, SSA

CD-4B, Room 4640

IOS

Date: 06/17/2002

From: Los Angeles

NSD-1

Contact: SA

Synopsis: Interview Results of

Full Field Investigation Instituted: 01/02/2002

Details: [Redacted] date of birth [Redacted] place of birth [Redacted] was interviewed by writer and Special Agent [Redacted] on 04/16/2002 and 04/17/2002 at the United States Attorney's Office (USAO), 312 North Spring Street, Los Angeles, California. Also present during the interview were Assistant United States Attorney (AUSA) [Redacted] and attorney, [Redacted].

Background

[Redacted] was indicted on exporting over 800 krytrons to Israel without the required Department of State export licenses: [Redacted] shipped the krytrons at the behest of HELI TRADING COMPANY and MILCHAN LIMITED. [Redacted] was indicted in 1985 for violations of 22 USC 2778 and 18 USC 1001. After his indictment, [Redacted] fled the United States prior to trial. [Redacted] was arrested in Spain on 07/11/2001 on Interpol Red Notice because of his U.S. fugitive status. Subsequent to his arrest, [Redacted] was extradited to the U.S.
To: Counterintelligence

From: Los Angeles

Re: 06/17/2002

The following information was provided by regarding his recruitment by

SPOTTING PHASE

met during first business trip to Israel, both were employed by at the time. was representative in Israel; was point-of-contact (POC) for any business involving Israel.

ASSESSMENT/DEVELOPMENT PHASE

coordinated all of trips to Israel through companies, HELI TRADING CORPORATION and MILCHAN LIMITED; HELI TRADING COMPANY was also known as MILCHAN LIMITED.

invited to Israel for each of visits via telephone. visited Israel 15 to 20 times prior to his indictment, each visit lasted approximately 2 to 3 days in duration.

Once in country, if was not initially available to meet with then would deal with BENNY (BENNY ITZHAK) and/or until was available. dealt with quite heavily after BENNY died in Switzerland; BENNY was. It was common practice for to introduce to high ranking Israeli government officials especially members of the military, including Israeli Prime Minister SHIRON, then a General. also met BENYAMIN NETANYAHU while NETANYAHU worked at HELI TRADING, and would meet in restaurants in Tel Aviv and in home and/or business. It was not uncommon for to ask for unclassified material.

While in the United States, met with numerous times in Los Angeles. and would have dinner frequently and would visit one another's house often. As career was expanding, it was quite common for to invite to various Hollywood parties and introduce to celebrities.

2
RECRUITMENT PHASE

ordered krytrons from MILCO INTERNATIONAL; MILCO purchased the krytrons from EG&G. knew HELI TRADING CORPORATION was purchasing the krytrons at the behest of Israel's Ministry of Defense (MOD) and that the money HELI TRADING used to purchase the krytrons came directly from the MOD. referred to the purchase and exportation of the krytrons as PROJECT PINTO.

placed an order for an encrypted radio. requested ship the encrypted radio via Israeli diplomatic pouch. Mean refused to ship the encrypted radio to HELI TRADING, asked for additional krytrons in lieu of the encrypted radio. asked to send the krytrons "as before", which meant wanted to send the krytrons using a general license from the Commerce Department. A general license from the Commerce Department at that time did not require an end-user certificate.

ordered chemicals to be used as propellants in Israel's Intermediate Range Silent Propellants program; this program was part of Israel's Ballistic Missile program.

would pay via wire transfer. MILCO'S bank account was at BANK OF AMERICA (BOA), Huntington Beach. chose UNION BANK because had an already existing account there.

TERMINATION PHASE

saw for the last time in 1985. Once indicted, immediately dropped all contact with contacted for assistance; then in turn contacted the MOD. At that time, the MOD informed the MOD would help then contacted and told him the MOD's response. Later that same day, MOD officials contacted and informed her the MOD would not be able to help as the Israeli government had discussions with U.S. officials regarding the krytrons Israel had purchased. told the Israeli government would not be able to provide any assistance to. Shortly thereafter, fled the United States.

★★
LEAD(s):

Set Lead 1: (Adm)

COUNTERINTELLIGENCE

AT WASHINGTON, DC

Read and clear.