

Entrepreneurs Implicated in Espionage

The weapons research community has been shaken by a disclosure that secret information on U.S. strategic missile defense plans was stolen from a Pentagon consultant and passed to the Soviet Union over a period of at least 3 years. According to a startling affidavit filed in U.S. District Court on 14 October by the Federal Bureau of Investigation, James Durward Harper Jr., an obscure free-lance engineer in California's Silicon Valley, obtained dozens of classified documents from Systems Control, Inc., of Palo Alto, which acts as a consultant to the Defense Advanced Research Project Agency, the Defense Nuclear Agency, the Navy, and the Ballistic Missile Defense Office of the U.S. Army, among other federal agencies. Harper then sold the documents to an official of the Polish government, who passed them in turn to agents of the Soviet Committee for State Security, otherwise known as the KGB. In exchange, the affidavit says, he received more than \$250,000 in cash, which he deposited in a series of foreign and local bank accounts and lavished on family members, apparently without arousing suspicion.

A history of the case suggests that the agencies charged with enforcement of the laws against espionage have not been as alert as they could be. Federal investigators might still be unaware of Harper's deeds had he not confessed in the course of trying to negotiate a deal with the government to avoid potential prosecution. That attempt began in 1981, when Harper approached California attorney William Dougherty and authorized him to contact the Central Intelligence Agency. Although Harper provided details of his activities, he refused to state his name, and it was not until a year and a half later that the FBI finally figured out who he was. Details of Harper's financial transactions and his apparent intention to smuggle additional documents out of the country became clear only after his house was watched, his phone was tapped, and his mail was monitored, beginning in the spring of 1983.

Perhaps the most intriguing information supplied by Harper during the course of his negotiations relates to the alleged involvement of William Bell Hugle, an independent electronics consultant. According to the FBI affidavit, Harper identified Hugle as the person who introduced him in 1975 to two others "who had a 'shopping list' of high technology information and devices desired by Polish authorities in Warsaw." In 1979, according to the affidavit, Hugle was present at a meeting in Geneva between Harper and Zdzislaw Przychodzien, a lieutenant colonel in the Polish intelligence service, at which the financial aspects of the espionage operation were hammered out. (Subsequently, at the request of Przychodzien, Hugle was eliminated from the deal, Harper told the government.)

Surprisingly, this is not the first time that Hugle has been connected with an attempt to smuggle secrets to the communist bloc. According to a notice published several years ago in the *Federal Register*, Hugle International, Inc., a firm that Hugle founded in Sunnyvale, California, devised a scheme in 1974-1975 "to subvert the export law and regulations . . . [by contriving] to mislabel controlled electronic commodities for shipment to a proscribed consignee in Poland" via Malaysia. The scheme, which involved \$278,000 worth of semiconductor manufacturing equipment, was uncovered by Malaysian customs authori-

ties, when a former employee of Hugle's based in Kuala Lumpur picked up the crates and later reshipped them. Although the former employee was barred for several months from receiving exports from the United States, no actions were apparently taken against either Hugle or Hugle International. Rollin Klink, the special agent in charge at the San Francisco regional office of the U.S. Customs Service, told *Science* that there was a "documented case against Hugle International," but the Commerce Department was responsible for following up this investigation with an enforcement action. Commerce Department officials have refused all comment.

When Hugle International went bankrupt in the mid-1970's, documents were filed in federal court that reportedly show payments of thousands of dollars from the Polish government to Hugle's firm, as well as specific dealings with Przychodzien. Hugle reportedly now operates a consulting firm in San Jose. No charges have been filed against him, although federal officials say that he remains the object of an open investigation. Efforts to reach him for comment have been unsuccessful.

The government has not revealed the exact nature of the information provided by Harper to the Poles, except to say that it involves "extremely sensitive research and development effort undertaken by the Department of Defense which would enable the Minuteman missile and other strategic forces of the United States to survive a preemptive nuclear attack." John Cunningham, the acting director of technology in the Army's ballistic missile defense office, is quoted in the affidavit as describing "the value of these documents to Warsaw Pact military planners [as] beyond calculation." Although this may be an exaggeration, the documents were considered by the Soviets of sufficient importance for a preliminary examination in Warsaw involving 20 KGB engineers and analysts, as well as a direct commendation for the Poles from Yuri Andropov, then the KGB chief.

Harper, according to the FBI affidavit, obtained the documents from Systems Control Inc., through his wife, who was employed there as a secretary. Systems Control has in recent years produced at least a dozen reports for the Pentagon classified as either confidential or secret. These include a secret report in 1977 on polystatic radar, a secret report in 1978 on a bulk radar filtering device, and a secret report in 1979 on the performance of U.S. infrared technology, all of which bear on the development and construction of ballistic missile defense systems. Between 1977 and 1980, Systems Control also produced at least six classified reports on advanced antisubmarine warfare, and one report on radio interference caused by nuclear explosions, but it is unclear whether any of these made their way into Soviet hands. The FBI has stated that Harper's fingerprints were found on 11 of the contractor's studies, but it has not said which ones.

One solution to incidents such as this is to improve the process by which persons such as Harper's wife obtain security clearances—a process that the investigative staff of the House Committee on Appropriations recently described as incredibly sloppy. Another solution is obviously to be on the alert for repeat offenders.

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