

# The Technology Margin: Illegal Exports Reduce U.S. Advantage

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WASHINGTON, Oct. 14 — The disclosure that two former American intelligence agents attempted to divert military-related technology abroad has focused attention on a problem with serious national security implications: the Government's failure to assure that its advanced technology does not leave this country illegally.

News Analysis  
One of the inconsistencies emerging from the activities of the former agents, Edwin P. Wilson and Frank E. Terpil, is the major imbalance between the billions spent to develop sophisticated technology and the relatively limited Government resources devoted to controlling its loss to other nations, including the Soviet Union.

It has long been clear that the investment in research and development of computers, microelectronics, lasers and other advanced technology by the Defense Department and private industry is critically important to national security. American officials have said that the United States' technological edge had allowed it to stay ahead, or abreast, of the Soviet Union in military capabilities.

### American Lead Held Reduced

Recently, however, the Defense Department concluded that "the Soviets have dramatically reduced the U.S. lead in virtually every important basic technology."

Some of the Russians' technological gains were obtained legally, but some were doubtless obtained illegally, according to American specialists. Nonetheless, officials in the intelligence agencies, the Customs Service and the Commerce Department, which licenses many technology exports, said that the

Government only recently assigned a high priority to investigating illegal sales of technology to unfriendly nations. They said they were beginning to put more resources into the effort.

Some officials said that the enforcement program was still understaffed. They noted that the Commerce Department had only a relative handful of investigators and inspectors, and the Customs Service had not devoted enough resources to inspect outbound shipments on a sustained basis. Reagan Administration officials said that they were uncertain how much technology, both data and equipment, was reaching the Soviet Union illegally but that they had evidence the Russians had stepped up their covert procurement activities in this country and abroad.

### Agents' Maneuvers Unavailing

The Wilson-Terpil case has helped focus attention on the inadequacies in the Government's safeguards against illegal leakage.

From what is known of their activities, Mr. Wilson and Mr. Terpil were generally unsuccessful in their attempts to export technology abroad, although not primarily because of Government enforcement actions.

Both men left the Central Intelligence Agency in the 1970's and went to work for Libya to train terrorists. They are now under Federal indictment for allegedly shipping explosives to that country, with which the United States has a beligerent relationship.

According to former associates, in 1977 Mr. Wilson also tried to obtain and divert to the Soviet Union an American computer program used in electronic intelligence gathering and reconnaissance.

A former employee of the Stanford Technology Corporation, a California electronics company with which Mr. Wilson had been associated, said that

the former agent asked him to steal the computer program. The employee said he refused to do so. It is not clear whether Mr. Wilson was able to obtain the program by other means or whether it reached the Soviet Union.

Furthermore, Mr. Wilson and Mr. Terpil were said to have used their intelligence connections and knowledge in attempts to help Stanford Technology market restricted electronic warfare equipment to Middle Eastern nations in the 1970's. Mr. Wilson and Mr. Terpil had left the Central Intelligence Agency by the time they went to work for Stanford Technology. But they told company executives they still worked for the agency, and these executives concede that that was one of the reasons they were selected as salesmen.

Some senior intelligence officials, after reviewing the Wilson-Terpil case, have said it was especially striking that the flow of technology abroad was being aided by former American intelligence agents. The case is particularly dramatic, they said, but illustrates what can happen when former agents turn their expertise against the Government that trained them.

### Actions of Former Agents

Many other former intelligence agents, military aides and other specialists work in the technology field in what has been described as a kind of uneasy marriage of intelligence connections and private enterprise. For example, Rauer H. Meyer, who headed the Government's Export Administration for many years and was the man most responsible for setting up the apparatus to enforce United States export laws, left the Government in 1979 and went to work as a consultant for a company that acts as a go-between for sales of high technology to the Soviet Union. The head of this company, Videlcom, based in Geneva and London, was involved

with Mr. Wilson in the scheme to sell the computer program to the Russians.

Intelligence officials say they are concerned about the lack of control over the business dealings of former agents and bureaucrats. The House Select Committee on Intelligence is planning to review the problem as part of an investigation of Mr. Wilson's activities.

Others in Congress are also showing growing interest in the effectiveness of laws governing both the export of technology and of military equipment. Alarmed by the activities of Mr. Wilson and Mr. Terpil in Libya, Senator Lloyd Bentsen, a Texas Democrat, introduced a bill last month to prohibit United States citizens from aiding international terrorists.

### Committees Examining Security

Both the Senate Select Committee on Intelligence and the Senate Foreign Relations Committee are attempting to assess the seriousness of illegal technology transfers, with the goal of proposing corrective legislation. The Central Intelligence Agency recently completed a secret study on the problem and supplied its findings to the intelligence committee.

One question Congress may have to decide is whether to provide for closer monitoring of the small companies that design and manufacture sophisticated equipment. According to senior intelligence officials, security is often lax at such companies. This vulnerability, they said, could make it relatively easy for unfriendly countries to gain access to restricted equipment and designs.

As matters stand, the Government maintains close supervision over large defense contractors. They and their employees are required to go through stiff security clearances, and the companies face the loss of billions of dollars in Government contracts if they violate export or national security laws.

The smaller companies, many of which do not have security clearances, operate under fewer constraints and may be willing to take chances to make profitable sales.

The Stanford Technology Corporation, for example, never received a security clearance because it was owned by a foreigner. Nevertheless, the company, in the heart of northern California's electronics area, was able to assemble a team of well-qualified engineers.

Recently, a judge in San Jose, Calif., in sentencing a businessman accused of heading a theft ring suspected of diverting secret electronics designs to the Soviet Union, complained about an industry whose "security and self-protection is abominable."

Justice Department officials said that areas like that in northern California and outside Boston, where there is a high concentration of technology development companies but relatively limited security precautions, provided a fertile territory for foreign powers, including the Soviet Union, to monitor American research developments.

### Competitive Urge Controlling

Federal officials said it was difficult, in an open society, to prevent this kind of monitoring. And officials of the Federal Bureau of Investigation said they were often amazed at the naiveté of corporate executives, operating in a competitive economy, about detecting and stopping efforts to penetrate corporate secrets.

Government officials involved in the control of commercial exports noted that the United States no longer maintains a monopoly on technology, and that Japan and some Western European countries have made rapid advances. This, they say, underlines the importance of Washington's improving coordination with its allies.