

A Trail of Western Technology Is Followed to the K.G.B.'s Door

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PARIS, July 24 — Every year Western high technology with military applications, worth millions of dollars, disappears beyond the borders of the Soviet Union and its allies. Sometimes the Warsaw Pact's procurement effort is so effective that the embargoed equipment is even returned to the West for secret repairs.

American laws and North Atlantic Treaty Organization agreements ban the transfer of such sophisticated microelectronic and computer equipment. But the volume reaching the Eastern bloc is startling, according to Western intelligence experts.

Much of it is obtained, they say, through dummy corporations and covert suppliers who cooperate with the technology procurement campaign, which is regarded as the current primary task of the K.G.B., the Soviet intelligence and internal-security agency, and the G.R.U., its military counterpart.

The Case of the Man at Orly

How it works is illustrated through a case involving Jean Didat, a freight forwarder at Orly Airport in Paris. He has taken some extraordinary troubleshooting trips. The most brazen was travel-

ing to Amsterdam to handle a shipment of advanced American-made microelectronic equipment, strategic goods weighing more than a ton, that the Russians were secretly flying back to the West from Moscow for servicing.

The Czechoslovaks also complained about their covertly obtained million-

Tracking the K.G.B.

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dollar American computers, he said. The Warsaw Pact countries' grievances were dizzying because they concerned sensitive American technology acquired from Western European middlemen systematically diverting embargoed material to the East.

According to Western experts, most of the goods correspond to precise shopping lists administered by Soviet intelligence agencies. It was a Fairchild Sentry 7 quality control system for testing integrated circuits that Mr. Didat said was shipped westward from Moscow for repair. The Sentry 7 is on the United States list of technology proscribed for

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export to the Soviet Union and its allies.

Last year a United States Government document, trying to describe the scope of the illegal acquisitions, said that they had eroded the technical superiority of Western weapons and that stopping the procurement was one of the West's "most complex and urgent issues." The intensity of K.G.B. program is such that it is said that the Central Intelligence Agency has set up a special internal organization to deal with technology transfers.

Defining the Soviet operation, the Government report said the K.G.B., with the extensive support of the intelligence agencies of Eastern Europe, had the main responsibility for collecting "Western classified, export-controlled and proprietary technology."

"These intelligence organizations," the report said, "have been so successful at acquiring Western technology that the manpower levels they allocate to this effort have increased significantly since the 1970's to the point where there are now several thousand technology collection officers at work. These personnel, under various covers ranging from diplomats to journalists to trade officials, are assigned throughout the world."

According to an expert in Washington, there may be as many as 100 K.G.B. collection officers working at the Soviet Embassy in Tokyo, one of the most fertile areas for acquisitions. In general, the Japanese efforts to control the process are regarded as slower in starting than those in the United States, or in Western European countries when their own technology, as opposed to that of third countries, is involved.

Microelectronic Equipment

The report said the illegal acquisition of hundreds of pieces of Western microelectronic equipment worth hundreds of millions of dollars had allowed the Soviet Union to build the basic industry for the development of sophisticated weapon systems over the next decades.

According to the document, the level of the acquired hardware and technical skill is such that put together it could "meet 100 percent of the Soviets' high-quality microelectronic needs for military purposes, or 50 percent of all their microelectronic needs."

A table of "notable successes" by the Russians contained in the report listed dozens of items such as advanced inertial guidance components, missile guidance subsystems, computers, lasers and complete industrial processes.

The report asserted that the acquisi-

tions most directly affecting Soviet military development came from the gathering by K.G.B. agents of first-hand intelligence information, and "illegal trade diversions," the purchase of sensitive equipment through dummy corporations in the West for eventual transfer to the Warsaw Pact.

Role of the Middleman

It is here that the middlemen come in. Mr. Didat estimated that his little office at Orly, decorated with a calendar of Soviet movie star from the Soviet film export organization, handled goods worth \$20 million to \$25 million a year for several years in traffic toward the Soviet Union and Czechoslovakia.

Almost all of it was American high technology material, obtained through an intricate series of post-box companies in Liechtenstein and Switzerland, forged, purchased and misappropriated documents and great amounts of cash.

In his interpretation of French law, Mr. Didat said he felt that the transport end of things, sending crates marked electrical equipment from here to there, was legal. The rest of the business he is familiar with, he said, was managed separately by Robert Almori, also known as Mathurin Almori, or Joseph Lousky, two Frenchmen named this year by a hearing commissioner of the United States International Trade Administration as involved in the re-export of American equipment to "proscribed destinations."

Denied export privileges himself by the United States Department of Commerce in April for having shipped unlicensed high technology from the United States, and questioned last month for two days by the French police, Mr. Didat has not been accused of any crime.

But in separate interviews he and an associate, both describing themselves as manipulated and insignificant, furnished partial details of the some of the operations that, in the view of some investigators in the United States and Europe, have the mark of the Warsaw Pact's technology procurement campaigns.

Groups in France and Switzerland

The company that employed Mr. Didat, Cotricom, in which a Mr. Almori, according to the Paris trade register, held a majority share, served as shipper for two parallel groups in France and Switzerland.

According to the trade register, Cotricom was created in 1977, nine months after the incorporation of Hedera Establishment, a Liechtenstein post-box company that served as an intermediary. After considerable success over a period of years, the operations found-

ered this year with the issuance of the Commerce Department's trade ban on its principals and subsequent police investigations in France and Switzerland.

Both the French and Swiss legs worked on the principle that American high technology can be bought legally and with relative ease on the open market in the United States and transported to seemingly reputable purchasers in Western Europe without much difficulty.

In some cases, computer subcomponents, electronic manufacturing and testing systems were sent to Cotricom from Technica Limited, a company in Scottsdale, Ariz., run by Michel d'Origny. He is a French-born naturalized citizen of the United States, who, after a career in the garment business, went into the microelectronics field in what was believed to be an association with Mr. Almori.

Shipment to Cotricom

In at least one instance, a Technica shipment, described as unlicensed by the Commerce Department, was made to Cotricom for the account of Hedera Establishment. The man who signed the Hedera order blank, listing himself as administrator, was Felix Constantine Popovitch.

Mr. Popovitch is a French citizen who said that he was born in Egypt of Rumanian parents and that he received an electrical engineering degree in 1960 from Stanford University. He was employed until his contract was terminated this month as a sales manager for microelectronics by Calma, a wholly owned French subsidiary of General Electric. He worked previously in Japan as Far East marketing manager for Fairchild Systems Technology.

Mr. Popovitch signed the order blank for Hedera because, he said, Mr. Almori, "a buddy, a guy I know," who was involved in Hedera, had asked him for a favor. Although Mr. Popovitch denied it, Mr. Didat asserted that it was he who did the repair work in Amsterdam on the Fairchild equipment he had flown out of Moscow.

Mr. Popovitch has acknowledged involvement in two orders. But, in fact, the volume flowing through Cotricom was vast, and the size and complexity of the equipment great. Mr. Didat said he went to Czechoslovakia to handle what he described as the first delivery of a Fairchild Sentry 7, the type of unit, worth about \$400,000, that eventually brought the French leg of the operation into the open.

"About three years ago," said Bernard Goldfarb, a French textile importer and exporter, "Almori came to see me through friends. The way he



An American computer is stored away in Frankfurt after being seized by the West German authorities at Washington's request. It was being shipped to Moscow in violation of a U.S. ban on technology exports to the Soviet Union.

talked he seemed like a guy with political protection. He told me about his trips to Hungary and the U.S.S.R., and to talk like that I figured someone had to be watching out for him, because what he asked me was to get him an order blank from a certain company so that he could import something under an American embargo."

The company, Mr. Goldfarb said in an interview, was C.G.E. Alsthalm, a major French electronics and technology producer nationalized by President François Mitterrand's Government. "I went to see a friend, and I got the order blank," Mr. Goldfarb said. But the association did not end there.

According to Mr. Goldfarb, Mr. Almori returned to see him last year, talking about another order blank and saying he had to go to the United States Embassy in Paris to prove that the signature on an Alsthalm purchase order, that of a Mr. Lefevre, was legitimate.

"I stayed up all night practicing writing his name," Mr. Goldfarb said. "Almori told me there was nothing to worry about, that the fix was in."

In fact, the order for two Fairchild units worth \$800,000 had raised suspicions when Mr. Didat sought to expedite it in Washington, and the request for an export permit from the United States was never approved. Mr. Goldfarb said he kept 20,000 francs for his efforts and distributed 30,000 more to two intermediaries. (At the current rate of exchange 20,000 francs is worth \$2,570, and 30,000 francs is \$3,855.) With his acknowledgment of his role to the French police and United States officials, he said, he has experienced "shame I'll never live down."

Illegally Obtained Purchase Form

Mr. Almori has not responded to attempts to have him comment on the case. Mr. Didat said his impression was that Mr. Almori had been delivering to the Soviet Union for more than two decades. Somehow, uncharacteristic sloppiness entered the handling of the illegally obtained Alsthalm purchase form.

Since the late 1970's, Mr. Didat said, Mr. Almori "got orders from the Russians or Czechs, and most of time they used U.S. catalogues and showed him precisely what options they wanted." Mr. Didat added: "He never bought what wasn't ordered, and he was paid by the Russians or whoever through accounts in Switzerland and West Germany. But he's not a special case. There are a hundred deliverers like Almori."

The Swiss operation, which involved Hedera, in part, and Mr. Lousky, for whom Mr. Didat said he also shipped material, had a different mode of procedure because much of the ordering was done from inside an established Swiss electronics company, Favag S.A. of Neuchâtel, a subsidiary of the Hasler holding group in Bern.

According to officials of Hasler, two Favag employees, Pierre André Randin, the purchasing manager, and Marc Viloz, the administrator, both since dismissed, used the company to make orders for American high-technology equipment that was sold off to a dummy corporation apparently for transfer to the East.

Diagrams of Orders

Mr. Randin is described by Hasler officials as the former employee of an American corporation who lives with a Czechoslovak-born woman previously employed by Favag.

He has drawn diagrams showing how a Czechoslovak organization made orders through Hedera that were eventually passed along directly, or via

Favag, to Eler Engineering. This is a tiny company founded with about \$50,000 in capital in Rances, Switzerland, liquidated and then re-established, also in Switzerland, by Mr. Lousky, whose residence is in Paris.

Other orders had been handled earlier by a second small company, apparently founded by Mr. Lousky, bearing the name Ditton & Drayton.

The equipment includes an order of more than \$1 million for three Digital PDP 11/70s computers, described by a United States official as having possible use in missile guidance and the collection of data from satellites, and one VAX 11/780 computer from Data General, sold for about \$800,000, in which Czechoslovak engineers were said to have inspected the material in a warehouse near Geneva.

The operation fell apart this spring as a result of the disappearance in 1982 of two American-made machines used in manufacturing microcircuitry. Shipped to Favag by a company in Massachusetts, and resold to Eler the equipment was suddenly gone.

'Largest Diversion of Its Kind'

A Swiss customs service investigation into the affair has described it as the "largest diversion of its kind in the country's history," and a Commerce Department suspension order cited Mr. Randin and Mr. Lousky as having conspired to re-export the two projection mask aligners, made by the Perkin-Elmer Corporation of Norwalk, Conn., to a "proscribed destination."

The machines, worth about \$500,000, were traced to France. Mr. Didat does not say he shipped them to Eastern Europe, but like most of the investigators he would not argue against the presumption that they wound up in the Soviet Union.

Mr. Lousky was described by his lawyer as "not in France at the moment." Mr. Didat said no one saw Mr. Almori around anymore.

Hedera Establishment was dissolved as a company last Jan. 31 with declared capital of 15,000 Swiss francs (\$7,125 at the current rate of exchange). Under corporate law in Liechtenstein, its papers suggest nothing more about who paid for its multimillion-dollar accounts other than listing the two Vaduz lawyers who served as the entire membership of its "administrative board."

NEXT: The campaign to block deployment of NATO missiles in Europe.