AEC Chairman Placed On Leave

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WASHINGTON (AP) — The Atomic Energy Commission disclosed today that William T. Riley, its director of security, has been "placed on leave without pay pending resolution of some allegations concerning his personal financial affairs."

An AEC spokesman said the allegations "relate to the borrowing of money from other AEC employes and his indebtedness...(and)...indications are that it's in excess of $100,000." Riley's job paid $36,000 a year and he's had it since November 1967.

The spokesman said Riley was placed on leave June 14, and has been replaced by Paul Gaughren, 57, a former deputy director of the division of security, during investigation of the allegations by the commission's division of inspection.

Riley, 52, joined the AEC in 1947 at Los Alamos, N.M., as a security and intelligence officer and rose through various levels to become director of security in 1967.

As chief of security, he has been responsible for the physical security of all the diverse installations of the AEC's far-flung empire, stretching from Washington, D.C. to Eniwetok and from Brookhaven, N.Y. to the Aleutian Islands.

The job also includes responsibility for "personnel security," including clearances of prospective employes and protection against sabotage, the AEC spokesman said in answer to questions.

Possible blackmail - AEC rumor

Bill Riley - Ch Sec AEC

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borrowed from employees + Credit Union - turned down by CU on 2nd loan application