



DEPARTMENT OF THE ARMY  
WASHINGTON, D.C. 20310

11 March 1974

MEMORANDUM FOR RECORD

SUBJECT: Report on White Sands Cold Inquiry

By direction of the Secretary of the Army, an inquiry was conducted at White Sands Missile Range (WSMR) on 5 March 1974 concerning allegations that vast quantities of gold bullion secreted upon WSMR are being taken from the area through certain Army officers and personnel, and through the CIA and perhaps being transported out of the country (Incls 1 and 2).

The inquiring party convened at post headquarters, WSMR on 5 March 1974. The composition of the party and the inquiry agenda are set forth at Incl 3.

Pursuant to the agenda, Major General Sweeney, Commander, WSMR, presented a briefing on WSMR, gold legend and searches and policy on admission to the range (Incl 4). Major General Sweeney categorically stated that no Army personnel have been involved in any way in removal of gold from the range.

Next, Major Brumblay, the Post Provost Marshal, presented a briefing on security measures in the Victoria Peak area where it is commonly alleged the gold is secreted (Incl 5). Major Brumblay stated that no person, military or civilian, assigned to the Range, has been engaged in, supported, or participated in any attempts to discover gold bullion, artifacts, treasure or any other hidden valuables, with the exception of two official explorations in 1961 and 1963. These explorations, he stated, turned up no gold whatsoever. Major Brumblay introduced two range inspectors and two military policemen--Sergeants Davis and Copeland, all of whom are members of the range security force.

The two range inspectors stated that they patrol the range continually. They both testified that to their knowledge no Army personnel had ever been in the area of the alleged gold cache except for those on official range business. None had ever been seen by them searching for or removing any gold. The two MP sergeants who occupy a mobile trailer home at the site on weekends testified to the same effect.

Mr. Herb Greathouse, Special Agent, FBI, Las Cruces, New Mexico, testified that notification of an intrusion into the Victoria Peak area by persons unknown had been reported to them on 26 November 1973. The source of this information also reported that 37 tons of gold had been removed from the range at that time and taken to the International

SUBJECT: Report on White Sands Gold Inquiry

Smelting Company and that the First National Bank in Albuquerque was involved in sale of the gold. Mr. Greathouse testified that the ~~FBI had been unable to find the International Smelting Company~~. He said that an inquiry to the First National Bank of Albuquerque revealed that ~~no one at the bank knew anything about the 37 tons of gold~~.

The FBI did learn that the bank had made a \$300,000 loan on 29 November 1973 to Mark IV Associates - Ken Meadows, President. ~~As collateral for this loan, the bank received warehouse receipts for a number of barrels of unrefined gold ore. A Mr. Morgan, a vice president of the bank, made the loan. Subsequently, the bank was unable to locate the collateral and Mr. Morgan has been fired from his job.~~

The information about the bank loan was given to the FBI by Mr. Joe Casey, also a vice president. Apart from the coincidence of timing, there was no reason to link this apparent swindle to the story of gold being removed from the range. The bank was told that the gold ore (apparently nonexistent in any event) had come from another location and there was no evidence at all that it had come from the range.

Mr. Greathouse further stated that the FBI had names of persons alleged to be among the intruders who entered the range on 26 November but has not pursued those names since bare allegations only are involved. Mr. Greathouse said that the FBI has received numerous other reports about gold, not only on WSMR but elsewhere in New Mexico, and they have found that people are being bilked by those who claim knowledge of the location of gold. Mr. Greathouse stated categorically that no evidence had been found of any involvement of Army personnel in the intrusion of 26 November or in similar trespassing at any other time.

A briefing by COL Meyers on range operations involving use of the Victoria Peak area was then presented (Incl 6).

Those who did the briefing and testifying agreed to a summary statement that there was no evidence whatsoever of any involvement by Army personnel, military or civilian, in exploration for or removal of gold from WSMR.

After lunch, the party was helicoptered to the Victoria Peak area where the inquiry continued. The entire Hembrillo Canyon was flown. The items shown in typewriting on the attached map (Incl 7) were pointed out to the party. These items, among others, are also shown in the photographs attached (Incl 8). After landing near Victoria Peak, the party was taken by motor vehicle to the "Cotton Woods" area, the site of the dynamiting which occurred during the November 1973 intrusion. See Incl 8 for photographs of the site. The blasting took place in a creek bed at the foot of a slope, leaving an irregular shape trench enlarged by some spade work.

SUBJECT: Report on White Sands Gold Inquiry


Why the blasting took place is unknown. No significant amount of rock or earth, if any, was removed from the site. Tire tracks revealed that only light vehicles had entered the area. **There was no sign of any heavy load (such as "37 tons of gold") being transported from the range.**


The party then proceeded back to the Victoria Peak area. Mr. Norvell and his group departed at this time. Mr. West, Dr. Golden, Mr. Hobbs and LTC Stevens remained and examined Victoria Peak on foot. The party then returned to Post Headquarters. Dr. Golden indicated he would write a report on the inquiry to Congressman Mahon.

The inquiry was then concluded and the remainder of the inquiry party departed the post at 1700 hours.

Based on the information and testimony presented and personal observation, it is the opinion of the undersigned members of the inquiring party that the allegations inquired into are without foundation.

8 Incl  
as

  
Bland West  
Deputy General Counsel  
(Military and Civil Affairs)  
OGC

  
Gordon M. Hobbs  
Assistant for Real Property  
OASA (I&L)