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HERBERT ITKIN

AYA: HERBERT ATYIN

**BUSINESS:**

Subject is Vice President of the following:

A195310 - Continental Investigative Agency, Los Angeles, California.

NEW YORK TIMES  
8 August 1975

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# Itkin Now a Main Figure In Business-Spying Case

By ROBERT LINDSEY  
Special to The New York Times

LOS ANGELES, Aug. 7—Herbert Itkin, the informant for the F.B.I. and C.I.A. whose testimony helped send more than a dozen New York City officials and organized-crime figures to jail, has resurfaced by a Byzantine, high-stakes industrial-espionage case in southern California.

Mr. Itkin, a lawyer whose role as an informant was clouded by charges that he had used his undercover status to commit crimes, vanished from New York in 1972 following the sensational trials that led to

the convictions, among others, of Carmine G. deSapio, the Tammany Hall leader who was once one of the most powerful political leaders in the country, and James L. Marcus, City Water Commissioner under Mayor John V. Lindsay.

With the assistance of the Federal Bureau of Investigation, Mr. Itkin and his family were secretly relocated by the Government in southern California, where they have begun a new life with a different name.

However, within recent weeks, his new identity has been disclosed in a series of documents filed in Los Angeles Superior Court in a suit involving two computer companies, Data General Corporation of Southboro, Mass., and Keronix Inc. of Santa Monica, Calif. Mr. Itkin's past has become one of the major elements in the twisted case, which involves charges of intercompany spying, stealing of trade secrets, and arson.

Mr. Itkin changed his name only slightly; he now calls himself Herbert Atkin, and he is vice-president of the Continental Investigative Agency, a Los Angeles detective agency.

Largely on the basis of an investigation by Mr. Itkin, Keronix, one of his agency's clients, filed suit last December against Data General alleging that it had sought to "destroy" its rival as a competitor by means that included arson and illegal wiretapping.

Court documents based on Mr. Itkin's investigation allege that Data General hired several private detectives who tried to tap the telephones of Keronix. When this failed, the documents assert, the detectives, posing as Keronix employees, improperly obtained records of their telephone toll calls from the general telephone company in Santa Monica. Then, it is alleged, Data General used the list of calls in an effort to woo away its competitors' customers.

### Countersuit Filed

Mr. Itkin also alleged that representatives of Data General, a large and profitable computer manufacturer, had established what amounts to a dummy corporation as an intermediary to conceal payments to the private detectives. Furthermore, it is alleged, detectives hired by Data General hired an operative who set fire to the Keronix plant in Santa Monica in January 1973.

Data General has denied all of these charges. It has filed a countersuit against Keronix, its officers and Mr. Itkin, charging that Keronix illegally used Data General trade secrets in the manufacture of computers and that Mr. Itkin had falsified the evidence offered as proof of the allegations of spying, attempted wiretapping and arson.

The Data General countersuit challenges Mr. Itkin's veracity and rebuffs with an assertion that "he has admitted perjury, subornation of perjury, embezzlement, bribing officials of the City of New York and bribing labor union officials," and points out that he was "an associate of known underworld figures."

Mr. Itkin's reply to this is that whatever he did was justified by his role as a government agent.

### No Criminal Charges

The civil suit between the two companies has not yet come to trial and is not expected to before late fall. Meanwhile, a separate criminal investigation has focused on the arson. The police say that the 1973 fire, which caused considerable damage but did not put Keronix out of business, was undoubtedly a case of arson, but no one has been charged with the crime.

The United States Attorney's Office here and the F.B.I. conducted a lengthy investigation of criminal aspects of the matter, but announced last month that the matter was a case of local rather than Federal jurisdiction. It is now under investigation by the Los Angeles District Attorney's Office.

Data General Corporation is one of the prime producers of so-called "minicomputers," a growing segment of the computer market, and peripheral equipment used with its computers. Its sales last year totaled \$83-million. Keronix, whose sales last year were \$3.5-million, is a much smaller manufacturer in the same field.

It is not known how Mr. Itkin's past was discovered by officials of Data General. Robert Morvillo, a Manhattan lawyer who was a senior official in the office of the United States Attorney for the Southern District and for whom Mr. Itkin was a star witness in the New York cases, represented Data General during the criminal investigation of the fire at Keronix. Mr. Morvillo also helped arrange Mr. Itkin's new identity as part of a Federal witness-relocation program, but he has said that he did not disclose it to Data General.

### Tendency to Boast

Mr. Itkin, who is 45 years old, moved in and out of the underworld in the past and it has been difficult for followers of his career to separate fact from fiction because of his tendency to boast about his exploits.

However, both the F.B.I. and the Central Intelligence Agency have confirmed to The New York Times that he had served as a paid informant to them. He provided data for the F.B.I. on organized crime operations—which he had infiltrated as a mob lawyer—in New York, other American cities and the Caribbean.

He apparently provided information to the C.I.A. regarding Mafia activities in the Caribbean and on other matters in Indonesia and southeast Asia, although there has been no official report of exactly what his contributions were or how valuable they were.

However, no one has disputed that his testimony during the New York investigations of labor racketeering (involving teamster union pension funds), bribery, gambling, income-tax evasion and other crimes were essential to many of the convictions won against 18 persons in 13 cases during the late nineteen-sixties.

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#### Split Precipitated

Mr. Itkin's contributions were clouded by charges that he had helped himself to large amounts of money passed as kickback and bribes and that he participated in other illegalities while serving as an informer.

Mr. Itkin's activities, in fact, caused a serious rupture in the relationship between two New York lawmen—the late Frank S. Hogan, Manhattan District Attorney, and Robert M. Morgenthau, former United States Attorney for the Southern District.

Mr. Hogan's office tried for almost five years to send Mr. Itkin to jail for perjury, conspiracy and larceny after his activities in the Federal investigation became known.

But last May 13, after Mr. Morgenthau had become District Attorney of Manhattan, his office sought and won dismissal of the three indictments in a Manhattan court on the ground that their pursuit "could serve no useful purpose." Mr. Morgenthau said, however, that he had disqualified himself from participation in this decision.

#### 4 Years Under Guard

Mr. Itkin discussed what he called his "new life" over lunch this week in a restaurant near his office, which is situated near Los Angeles International Airport. During the trials, which began in 1967, he said he lived secretly under guard for four years in a small apartment on Governor's Island in New York. His second wife and four children were with him the last two years.

In September, 1972, he said, the Government arranged for the family to move to southern California, where he was met in a suburban motel by an F.B.I. agent, Roger Lajeunesse. He said the Government gave him only about \$5,000 to tide him over while he established a new identity, and that the biggest problem he encountered was "trying to establish credit when you don't have a past." The Government, he added, made no provision for this.

"Frenchie [Mr. Lajeunesse] asked me what I wanted to do," he said. "I told him I wasn't equipped to do very much—I couldn't practice law, I couldn't go to work for a large company because they wanted to know your background."

"We talked it over and then he decided to help me get a job as a private investigator. Investigation was the one thing I knew something about."

The family, including the four children, who are now aged 14 through 22, lives in a rented three-bedroom home in a suburb of Los Angeles. Mr. Itkin says he earns between \$15,000 and \$20,000 a year, and insists that he has no capital left over from his big-spending days in and on the fringes of the underworld, when he lived in a palatial midtown Manhattan penthouse and took in more than \$100,000 a year.

#### No Divorce Work

Most of the small detective agency's clients are corporations or lawyers. He said he does not work on divorces or for defendants in criminal cases. Mr. Itkin said he has returned several times to New York on business.

Last year, he said, he was walking past the Waldorf-Astoria Hotel when he encountered Anthony (Tony Ducks) Corralo, one of the Mafia figures convicted on his testimony in a case involving Mr. DeSapio and who had subsequently been released from jail.

"We almost bumped into each other," Mr. Itkin said, "and we said hello. All he said was: 'You did a hell of a job on us,' and walked on."

Mr. Itkin said he was "horrified" when the material was placed in the court record.

"My family and I talked it over. I don't think anyone in the family had the strength to ask for protection again, so we decided not to. I couldn't put them through that again."