FILE TITLE/NUMBER/VOLUME: JTKIN, HERBERT

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BUSINESS:

Subject is Vice President of the following:

A195310 - Continental Investigative Agency, Los Angeles, California.
Itkin Now a Main Figure
In Business-Spying Case

BY ROBERT LINDSEY

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 investigation in Los Angeles. He was a key figure in the conviction of the Tammany Hall leader who once was one of the most powerful political leaders in the county, and James L. Marcus, City Water Commission under Mayor John V. Lindsay.

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 conviction, among others, of Carmine G. DeSapio, the Tammany Hall leader who once was one of the most powerful political leaders in the country.

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

Mr. Itkin changed his name only slightly—he now calls himself Efrem Bashok—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, Kontron, one of its agency's clients, filed suit last December against Data General alleging that it had forced it to destroy its rival as a competitor by means that included arson and illegal wiretapping.

The civil suit between the two companies has not yet gone to trial and is not expected to before this fall, while a criminal investigation has focused on the arson. The police say that the 1973 fire, which caused considerable damage and put Kontron 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.

Data General Corporation is one of the prime producers of so-called minicomputers, a growing segment of the computer market, and peripheral equipment, with its computer customers. Its sales last year totaled $350 million, a much smaller manufacturer in the same field.

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Counterpart Filed

Mr. Itkin, who is 35 years old, moved in to 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 informer to the U.S. Government and provided data for the F.B.I. on organized crime operations—which he had infiltrated as a mob lawyer in New York and other American cities and Caribbean.

He apparently provided information to the C.I.A. regarding Mafia activities in Cuba and to other matters in 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, contract labor, stevedores union funds, bribery, gambling, income-tax evasion and other crimes were essential to many of the convictions won against 16 persons in 13 cases during the nineteen-sixties.
Split Precipitated

Mr. Ikin's contributions were eluded by charges that he had helped himself to large amounts of money passed as kickbacks and bribes and that he participated in other illegalities while serving as an informant.

Mr. Ikin's activities, in fact, caused a schism 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. Ikin to jail for perjury, conspiracy and bribery 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 against Mr. Ikin in a Manhattan court on the ground that their purpose "would serve no useful purpose." Mr. Morgenthau said, however, that he had disapproved himself from participation in this decision.

4 Years Under Guard

Mr. Ikin 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 trial, 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 a 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."

"We talked it over and then he decided to help me get a job as a private investigator. Investigating 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 house in a suburb of Los Angeles. Mr. Ikin says he earns between $15,000 and $20,000 a year, and insists that he has no capital left over from his big-spendings 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. Ikin 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 Dukas) Corallo, one of the Mafia figures convicted on his testimony in a case involving Mr. Debono and who had subsequently been released from jail.

"We almost bumped into each other," Mr. Ikin said, "and I said, 'What do you do?' And he said, 'You did a hell of a job on us,' and walked on."

Mr. Ikin 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."

"I couldn't go to work for a large company because they want to know your background...."