

TOP SECRET SENSITIVE

15 December 1969

MEMORANDUM FOR THE RECORD

Morning Meeting of 15 December 1969

The Director welcomed the DD/S&T's return [redacted] and the latter briefly spoke of his conversations with [redacted]

25X1 DD/I briefed on [redacted] Soviet/U. S. differences in their respective approaches to SALT.

DD/I reported that the NSC will meet on 17 December and concern itself with U. S. policy toward southern Africa. He noted that a briefing paper for the Director will be completed today or tomorrow.

25X1 Godfrey called attention to the coup in Panama, [redacted]

The Director advised Godfrey that [redacted] The Soviets and the Fedayeen, " is good treatment of the topic, and Godfrey noted that a Memorandum on this matter is being prepared for distribution.

D/ONE reported that ONE has completed and distributed a Memorandum on the Persian Gulf.

D/ONE called attention to the death of Dr. Max F. Millikan, Director of the Center for International Studies at M. I. T.

25X1 Carver briefed on COSVN Resolution No. 9 [redacted]

Carver briefly noted Ambassador Bunker's position with respect to the CIB item on the possibilities of a coup.

25X1 [redacted] reported that he was in touch with Senator Ribicoff on 12 December and went on to note the Senator's wish to visit us here at some time in the future.

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25X1 [] reported that he and the DD/S&T worked some over the
weekend in order to provide Senator Stennis with a paper on Soviet
25X1 SS-9's. [] also noted that in response to Senator Jackson's request
they also briefed Dorothy Fosdick in preparation for Defense budget
hearings today.

Houston called attention to the item in today's New York Times,
"Itkin's Story: A Contradictory Web."

DDCI called attention to the item by Tad Szulc in the 14 December
New York Times, "Overseas Cuts Spare Intelligence Men," (attached).

25X1 []

[]

L. K. White

Overseas Cuts Spare Intelligence Men

By TAD SZULC

Special to The New York Times

WASHINGTON, Dec. 13—United States intelligence services—notably the Defense Department's agencies—have won exemptions for thousands of their personnel from an order by President Nixon to reduce by 10 per cent the number of American officials serving abroad.

Most of these exemptions cover the Pentagon's intelligence and psychological-warfare operations in East Asia, in which a total of 28,000 Americans are engaged.

The military intelligence exemptions, along with smaller ones for other Government agencies represented overseas, were granted by the White House despite State Department recommendations that a study of further cuts in intelligence operations abroad be undertaken "by leaders independent of the intelligence community under the aegis of the national policy level."

Among the major agencies, only the State Department has fully accepted its share of the cuts—517 of 5,166 positions abroad.

Under Secretary of State Elliot L. Richardson—acting as chairman of the National Security Council's permanent committee of under secretaries, which was charged with carrying out the President's "Operation Reduction"—noted in a report to Mr. Nixon that under the Defense Department exemptions "the military psychological-warfare units" would assume "a disproportionate role in comparison to civilians."

The Richardson report, which has not been made public, was obtained from high Administration quarters.

President Nixon ordered "Operation Reduction," known in Federal jargon as OPRED, on July 9.

Mr. Richardson's report was sent to the White House on Oct. 3.

On Nov. 26, the White House announced that the President had ordered home

14,937 American military personnel and the elimination of 5,100 overseas civilian jobs held by Americans, 10 per cent of whom are Foreign Service officers.

This is to be effective on June 30, 1970 with a savings of \$50-million a year.

The White House said that the order excluded troops in Southeast Asia, South Korea and Berlin and those in Europe under the North Atlantic Treaty Organization.

Subject to the cut in the military field, therefore, were the 144,889 Defense Department personnel, of whom 39,281 were civilians.

The total military strength of the United States abroad—is about 1.7 million.

In addition, the Defense Department employs 324,682 foreign citizens abroad. The Richardson group is to make recommendations by Dec. 31 on reducing foreign employees. Total employment of foreigners abroad by all the Government agencies is 351,694.

Strictly speaking, the Defense Department is working a 10 per cent cut in both its military and civilian personnel abroad. But the distribution of the cuts, left to the department's discretion, maintained abroad intelligence and psychological warfare personnel in numbers that the Richardson report considered as highly excessive.

On the other hand, the Central Intelligence Agency was reported to have reduced its American personnel abroad by between 10 and 12 per cent. It is believed that the agency employs 30,000 foreigners abroad, directly or indirectly.

The Richardson report said that 20,000 Americans, mainly Defense Department personnel, are engaged in intelligence activities in East Asia.

Under its interpretation of a July 21 directive to Mr. Richardson from Henry A. Kissinger, the President's Special Assistant for National Security, the Pentagon was able to exempt 12,000 of the 28,000 intelligence personnel in East Asia from the cuts. This meant that only 1,600 instead of 2,800 were sent home. Statistically, the reduction in the intelligence staffs in East Asia were only 6.4 per cent instead of 10 per cent.

Mr. Richardson's report commented that although the intelligence community as a whole had complied with the

10 per cent cut, he believed there were "intelligence activities which can probably stand further reductions without a real detriment."

The report discussed the feasibility of alternative systems of collecting intelligence following the closure or consolidation of some activities, including the establishment of mobile operations in the United States and "closely allied countries."

A joint C.I.A.-State Department subcommittee was charged with the "reconsideration of the role of intelligence collection organizations overseas" operating under Washington's direct guidance or under foreign control points.

It was in this context that Mr. Richardson proposed the independent study of intelligence operations under "the aegis of the national policy level"—meaning the National Security Council.

U. S. A. Is Involved

The Richardson report further found fault with the Pentagon's insistence on maintaining the level of its psychological warfare operations in Asia. These are coordinated with the C.I.A. and receive "general policy guidance" from the United States Information Agency. The information agency's legal mandate, incidentally, does not provide for involvement in psychological warfare in war theaters.

These operations are chiefly aimed at Communist China, North Vietnam and North Korea and include radio broadcasts, leaflet drops and the dissemination of written pamphlets "through other means."

The Richardson report said, "In Southeast Asia and Korea, civilian agencies are reducing the level of operations, but the Department of Defense does not plan to reduce the level of psychological warfare operations."

"Since the policy trend is in the direction of reducing the level of psychological warfare operations in the area, it does not appear fully consistent with that trend for the Department of Defense to exclude its units from any reduction on the technicality of the White House directive."

"As a consequence of exemptions, the military psychological warfare units will assume a disproportionate rule in comparison to civilians," it said.

Mr. Richardson then cited a number of examples of military and intelligence operations abroad that may be eliminated or reduced.

the Voice of the United Nations Command, radio station in South Korea run by the United States military.

Its liquidation has been recommended by the American Embassy in Seoul.

Mr. Richardson noted that 1,950 American employees, mainly military, operate a highly secret intelligence operation in Ethiopia and that the Pentagon has exempted the entire staff, although "it is in our interest to reduce our profile as much as we can."

He said that there had been only 4 per cent reduction in two military intelligence stations in Morocco, where 1,700 Americans, chiefly military, are employed.

The Richardson committee also asked the Defense Department to re-examine the need for a separate unified command in the Panama Canal Zone, which has 12,000 Americans.

The report remarked that in 1967, the Panamanian Government only "with the greatest reluctance" agreed to let the United States continue using the Canal Zone for military training and "liaison" with Latin America.

In addition to Panama Canal defenses, the command is responsible for planning and controlling "military contingency operations" in Central America and South America.

The special report due on Dec. 31 is to suggest alternatives, such as moving the command to the continental United States, presumably Florida, or to Puerto Rico.



MAX F. MILLIKAN

Director Of Center At MIT, 56

BOSTON, Dec. 14 (AP)—Max F. Millikan, director of the Massachusetts Institute of Technology's Center for International Studies since its founding in 1952, died today at Peter Bent Brigham Hospital. He was 56.

An authority on the economic development of underdeveloped countries, Dr. Millikan had been president of the World Peace Foundation since 1956.

He was the son of the late Robert Millikan, a Nobel Prize winner in physics.

Dr. Millikan joined the MIT faculty 20 years ago.

During World War II, he served in the Office of Price Administration and the War Shipping Administration. In 1946, he was named chief of the economic intelligence branch of the division of research of the State Department.

The following year, Millikan was appointed assistant executive secretary to the President's Committee of Foreign Aid.

5 DEC 1969

Itkin's Story: A Contradictory Web

By MARTIN ARNOLD

Herbert Itkin, Government informer, so far has brought down two very big men, James L. Marcus, former city commissioner and one-time confidant of Mayor Lindsay, and Carmine G. De Sapio, once one of the most powerful political leaders in the nation.

So when he thinks back over the bizarre and sometimes fancy-woven fabric of his life, it is with the satisfaction of seeing himself, above all as "a patriot."

Slight, hollow-eyed and sallow, living in fear of his life in protective custody at an undisclosed military installation base here, Mr. Itkin has emerged from the double-dealing world of the informer insisting that he worked for the Central Intelligence Agency. This is true. He has sworn that he was an informer for the Federal Bureau of Investigation, and this, too, is true.

In the shadows and thickets in which the government police and intelligence agencies work, Herbert Itkin, the obscure, money-grabbing 43-year-old lawyer, was known by the C.I.A. code name "Portio" and by the F.B.I. as "Mr. Jerry."

For the C.I.A. he was a voluntary supplier of political information, particularly about Haiti, the Dominican Republic and Indonesia.

His value to the F.B.I. was summed up by an agent who said: "He is probably the most important informer ever to come to the surface. He knew the younger up-and-coming characters in the Cosa Nostra."

A member on the staff of United States Attorney Robert M. Morgenthau who helped in the prosecution of the Marcus case said that "Itkin is the most valuable informer the F.B.I. has ever had outside the espionage field. He never lied to us. His information was always accurate."

Behind his role as a witness in court is a labyrinthine and sometimes farcical story. It has been pieced together during the last year from court records and scores of

interviews here and in Washington, Europe and the Caribbean, with Mr. Itkin, his friends, enemies, relatives, business associates and Federal and local officials.

In addition to his information on Marcus and De Sapio, testimony supplied by Mr. Itkin has led to the arrest and conviction of Antonio (Tony Ducks) Corallo, a Mafia chief; Henry Fried, a millionaire contractor, and Daniel J. Motto, a Queens bakery union president.

He has been the principal witness in a pension fund kickback case involving the International Brotherhood of Teamsters, in which two men were sentenced to prison and a third given a suspended sentence.

Information could produce an additional 30 cases involving labor racketeering, gambling, bribery, income tax evasion and a wide range of other felonies, authorities say. Generating and bragging has embarrassed the C.I.A.

His theatrical attempts to force the agency to help straighten out his domestic problems almost blew the cover of one of the C.I.A.'s most important operatives in New York City, the lawyer who was Itkin's C.I.A. "control."

He also had a tendency to embark on wild and illegal schemes that were beyond his activities as an informer.

Evidence of such activity in which Mr. Itkin kept for himself large sums of money from bribes, kickbacks and swindles, came during the De Sapio trial, which ended on Saturday when De Sapio was found guilty of conspiracy to bribe Marcus and extort contracts from Consolidated Edison.

William A. Vericker, an F.B.I. agent who worked with Mr. Itkin, was asked if it was the policy of the bureau "to permit people such as Itkin to retain the proceeds of crime."

Mr. Vericker answered: "No, it is not the policy of our office. In Itkin's case he often—most of the time—told me about these deals after they had been completed and he said he disbursed the proceeds."

Federal officials, while declining to elaborate on how they tried to restrain Mr. Itkin's spending habits, conceded that the sums he kept

and squandered ran into hundreds of thousands of dollars.

Mr. Itkin's operations also caused a serious rupture in the relationship between the offices of United States Attorney Morgenthau and Manhattan District Attorney Frank S. Hogan. "They [Mr. Hogan's office] would love to get me on a perjury conviction to destroy me and all my work," he said in an interview. He has four other cases pending against him by the Manhattan District Attorney.

A member of Mr. Hogan's staff asked: "How could the Federal officials allow an informer to take that kind of money, which was admittedly made from criminal deals, and keep it? What do they think informers are? Some sort of bounty hunters?"

Mr. Hogan's office believes that the Federal prosecutors went to court with Mr. Itkin's testimony before they had their cases really proved.

Mr. Morgenthau's office, on the other hand, says that the District Attorney did not move fast enough, and that is why Mr. Hogan's office is trying to discredit Mr. Itkin. Moreover, Federal attorneys add, Mr. Hogan routinely grants immunity to his own informers.

Federal authorities, perhaps because Mr. Itkin is their man, paint a heroic picture. They praise him for his "guts," for "risking his neck almost every day" and for his "reckless patriotism," which, they insist, has earned Mr. Itkin the right to across-the-board immunity. In Mr. Hogan's office, he is referred to as "the germ."

"I have lived years of deceit and lies and danger for my country," said Mr. Itkin in the interview. Striving in his singular way for status, he bragged of his undercover work despite the obvious risks.

"Herbie told just about everything about the C.I.A. and F.B.I. He told some fellows he commuted on the train with," his first wife said.

And when he ran out of people to brag to, when his life as an informer did not conform to his fantasy, he turned to writing fiction. Some stories were pornographic and others were spy tales in which Herbert Itkin was the hero.

A Spy Thriller

In one such story, written in July 1968 and entitled "The Illegals: (Missile Espionage—Mafia)," Bret is the hero who, Mr. Itkin said, is himself. The character, David Emanuel, a lawyer, is Bret's C.I.A. chief. One portion reads:

"[Bret] was such an eager, outgoing young man, yet before this desk he became shy

and reticent. Emanuel recognized and understood the motivation. It was not he, Emanuel, as a person, but he, as a symbol of the authority of their country that Bret revered.

"When a man is a true patriot, when he has made the decision to offer his life for his country, he then only has those in authority to relate to as his basis of honor and integrity. To Bret, then, David Emanuel represented the symbol of the absolute National Authority."

How did Herbert Itkin miss becoming Bret, the professional secret agent of his dreams? Or did he miss entirely?

The answer begins in the Borough Park section of Brooklyn, where he and a sister spent their childhood and early adult years in a neat, two-family house at 1748 48th Street. In those days the area was middle-class, although the Itkins were not. Mr. Itkin's father, Arthur, made a modest living from various shopkeeping ventures.

Arthur Itkin "seemed rather weak," a boyhood friend of Herbert's remembered, but his mother, Edith, was the opposite. She was overreaching by living in the neighborhood, but (like the mother of James Marcus, the man her son was to befriend and betray) she was strong-willed, talkative, inventive and ambitious.

"The Itkins were Jewish like most of the other people around them," the boyhood friend said. "But they weren't religious. At Christmastime they had a tree, the only one on the block."

Herbert is remembered as a reasonably good student at New Utrecht High School, where he was on the swimming team.

Enlisted in Army

In 1944, he enlisted in a special United States Army training program for high school students and after V-J day was sent to northern Japan with a field hospital unit. Later, he said that he was a paratrooper attached to Army intelligence.

Returning home in 1946, young Itkin invested his Army savings—about \$2,000—in a small luncheonette in Brooklyn's Bush Terminal. Herbert and his parents planned to work together and make a success of the place.

One Saturday evening, Mr. Itkin recalls, his father did not come home from the late shift at the luncheonette. He has told at least two versions to friends and associates of what happened next.

According to one account, he

continued

Smell of gas nearly knocked me over—and revived his unconscious father just before the police arrived. "I told the cops that he had tripped and hit his head while the gas was on," he said.

In the other version, longer and more dramatic, his father was the victim of a Mafia shakedown. In a final effort to get a payoff, the hoods had held his head in the oven and nearly killed him. Enraged, the young veteran hunted down the local Mafia leader in his office and told him he would personally take revenge.

As three barrel-chested goons jumped the boy from behind, "Mr. Big" turned in his swivel chair and snapped, "Let the kid alone. He has spunk." Or so Herbert Itkin likes to tell it.

Whatever the truth, his father spent a brief period in a sanitarium on Long Island, and shortly thereafter was separated and divorced from his wife.

Mr. Itkin enrolled as a night student at Brooklyn Law School; by day he worked as a clerk in the law firm of Delson, Levin & Gordon, where his mother had become a bookkeeper. The firm is now Delson & Gordon, and Cyrus Gordon, a senior partner, recalls that young Itkin was "pretty bright, with an engaging personality."

"As far as he and I were concerned," Mr. Gordon said, "we were like father and son."

Mr. Itkin fell in love and married one of the office secretaries, Diana Kane, a daughter of a man on the fringes of Republican politics in Pennsylvania and the granddaughter of a Civil War general.

Diana was enchanted with her husband. "He had big ideas. He wanted to do big things. You got caught up in his planning," she recalled recently, adding:

"Herbie wanted very badly not to marry a Jewish girl. He wanted a shiksa like me. Once he was going to change his name to something he considered less Jewish and I told him, 'Herbie, you can make it wherever you want to go with your real name. Besides, your mother would have a heart attack. You have enough ambition and talent to overcome it.'"

The couple moved to Hicksville, L. I., with Diana Itkin's daughter by a previous marriage. Mrs. Itkin, a member of the high I.Q. Mensa Society, "became a good housekeeper and learned the idiom of all my Jewish neighbors," Mr. Itkin recalled.

He commuted to work at Delson, Levin & Gordon—he had been admitted to the bar in 1953—and life seemed settled.

But he was restless. A routine law practice was not exciting enough nor was it, he thought, a fast enough way to

make a lot of money. Approved for Release 2005/01/23 CIA-RDP80-01284A00180031-0
your lawyer, Mr. Itkin said, with just a touch of mystery, "can make money for his clients with certain kinds of deals." Deciding to enter labor law, he left the firm in 1957, in a cloud of ill will.

He took with him two other young lawyers, clerks in the firm's negligence group, the telephone operator and a batch of office files on negligence cases—files that he was forced to return when the law firm complained to the bar association.

Three years before leaving Delson, Levin & Gordon, Mr. Itkin said, he had begun his C.I.A. career. He said that the C.I.A. had recruited him in 1954, and put him on a retainer.

"The C.I.A. was just putting people in positions where they might be useful later," he said. "Sometimes the C.I.A. wants people in places to spread false rumors and the law firm had clients like the Indonesians and others. Later, I was inserting myself into the underworld and I used every means I could think of to do it."

His recruitment—as he tells it—was carried out at a very high level. His father-in-law, E. Kent Kane, he says, was a friend of Harold Stassen, one-time Republican Governor of Minnesota and former president of the University of Pennsylvania, and in July, 1954, Mr. Stassen introduced Mr. Itkin to Allen Dulles, then the C.I.A. director.

Mr. Dulles's interest in him, Mr. Itkin said, stemmed from information he said he had given to the late Senator Joseph R. McCarthy in the early nineteen-fifties.

Story Is Denied

Mr. Itkin's story of his recruitment into the C.I.A. is not true, according to Federal officials.

Mr. Stassen, now a lawyer in private practice in Philadelphia, said the other day that he met Mr. Itkin only once, years ago, at a Pennsylvania Society dinner held in New York.

"He introduced himself to me," Mr. Stassen said. "It wasn't until years afterward that I learned he was Mr. Kane's son-in-law. I never introduced him to Allen Dulles."

Mr. Itkin's recruitment into the C.I.A. is said not to have occurred until 1962 and then he was recruited only as a voluntary, unpaid informant. It happened, in fact, quite by chance.

The C.I.A. has scattered throughout the country covert agents and "contract" employees—men and women who conduct legitimate law practices, professions and businesses, who also are paid and employed on

Manhattan is a mid-aged lawyer who just happened to meet Mr. Itkin in early 1962. It was in a Madison Avenue office suite in which Mr. Itkin, along with eight or nine other lawyers, had rented space. The C.I.A. agent was in the office conducting legitimate business with another lawyer when he was introduced to Mr. Itkin.

At the time, Mr. Itkin was making a reasonably good living, wheeling and dealing here and abroad in mortgages and construction schemes, helped by good political contacts in Haiti, the Dominican Republic and Southeast Asia, particularly Indonesia—parts of the world in which the road to success in business is often paved with bribes to government officials.

After a few more meetings, he was recruited by the lawyer to become a voluntary, unpaid C.I.A. informant, to "keep his eyes open" during his foreign travels. It was then that Mr. Itkin, to his delight, received the code name "Portio." The middle-aged lawyer was his "control" agent—the person who transmitted C.I.A. orders and to whom "Portio" reported.

Political Entrance

At last, after several false starts, the aspiring lawyer felt he was on his way toward something big. One such false start had begun in 1960, also by chance. Mr. Itkin met a lawyer in Los Angeles who introduced him to Wayne Morse, then the United States Senator from Oregon. Mr. Itkin seized on this casual meeting to start a campaign to know somebody important in Washington and decided to invest a small sum of money in the project.

"I consider it a great privilege to enclose a check for \$1,000 to help in your campaign," he wrote to the Senator on Sept. 29, 1960.

Senator Morse said that he had spoken to Mr. Itkin only a few times, mostly about fund raising, but also about favors Mr. Itkin wanted concerning ventures in Haiti and the Dominican Republic.

Mr. Itkin began to tell business associates that Senator Morse was "my contact in Washington" and soon after he became involved with the C.I.A. he expanded on this theme by calling the Senator "my Congressional liaison with the C.I.A."

Seven years later, in sending the Senator campaign contributions totaling \$5,000, he asked that as a return favor Senator Morse write a "To Whom It May Concern" letter, saying that the Senator knew him as a prominent lawyer.

The Senator declined, after

staff member. Dated June 2, 1967, the memo ended by observing: "Senator, I still have reservations about this man. . . . I have no idea . . . just what his racket is."

At about the time Mr. Itkin wrote to Senator Morse in 1960, he became involved in the teamsters union and its pension fund because, he said later, "I'd heard about the way the pension fund operated with big percentage kickbacks for teamster officials and lawyers who could get mortgages from it."

He was also borrowing money from his friends, associates and in-laws. One Federal official has said that Mr. Itkin is now \$600,000 in debt, including \$150,000 he allegedly owes his former mother-in-law.

"Doing what I was doing, I found all kinds of information about how the Mafia and the teamsters worked," he said. "I could keep track of how green [hidden cash] was circulated, where secret accounts were, which so-called legitimate businessmen were willing to make crooked loans and payoffs."

Suspicious Mount

During this period, the Itkins moved from Hicksville to the more fashionable Oyster Bay.

However, it was a time of tenseness for Mr. Itkin. He suffered from insomnia, his former wife said. He refused to eat the meals she prepared for him unless someone else tasted the food first. He would often pass up a hot meal, she said, and eat from a can that he was careful to open himself.

"I convinced him to go to a psychiatrist," she recalled, "but Herbie told me he wouldn't see the shrink any more because he had no rapport and he [Mr. Itkin] was just lying to him. Can you imagine lying to a psychiatrist at \$40-an-hour?"

There were light moments too. Once his father-in-law phoned the C.I.A. and said, "Does Herbert Itkin work for you?"

"If he does don't believe anything he says." Then he hung up.

Once his father-in-law Nearly two years after Mr. Itkin was recruited, the C.I.A. decided that his usefulness to them was over, and, because his contacts with the Mafia were potentially so fruitful, that he should be turned over to the F.B.I.

Mr. Itkin was then being pressed by the Mafia for \$100,000 on a deal that had gone sour. Diana Itkin went one day to a safety deposit box in which her husband had hidden \$100,000 and found it gone.

"I was almost hysterical," she said. "I called Herbie and he said he needed it for a deal and that he intended to double back before I

found out. I never saw the money again."

Her husband, however, told the Mafia that his wife "stole" the \$100,000, a position he still maintains, with the same degree of firmness with which she insists he took the money.

Mr. Itkin had also met and fallen in love with a divorcee, "Scotty" Hersch, who had two sons, and late in 1963 he divorced his wife, with whom he had four children, and remarried.

Even though the C. I. A. turned Mr. Itkin over to the F. B. I. in January, 1964, he continued traveling abroad—sometimes contending that he was under Government auspices.

In the midst of his divorce plans, he said, he had undertaken one of his first "over-seas missions" for the C. I. A. The "mission" was to supply a band of Haitian exiles who wanted to invade the country from across the Dominican Republic and topple the government of President François Papa Doc) Duvalier. Mr. Itkin gave the group \$23,000—money he said came from the C. I. A. But, government sources said

none of the money came from the C. I. A., and at least part came from the Mafia, which was willing to invest in the scheme to gain gambling rights in Haiti provided Duvalier was deposed.

More Spy Stories

The Haitian caper collapsed, but even as it was failing Mr. Itkin said he was involved in other "Mission: Impossible" work for the C. I. A. ferreting and preventing such plots as:

The theft of precious metals, including platinum, from the innards of United States missiles in Europe; the smuggling of gold from Egypt as part of a scheme to profit from a devaluation of the English pound; a diamond smuggling operation in West Africa.

And in the fall of 1966, ample, he turned up in London shortly after George Blake, a British atomic spy, had mysteriously escaped from H. R. M. Wormwood Scrubs Prison and had fled behind the Iron Curtain.

In a London flat, he met several people, including an English bookmaker and a businessman with a passion for gambling. As far as the group knew, they were to be cut in on a \$100-million Dominican ship and roadbuilding deal.

But Mr. Itkin, in the dramatically confidential manner he used on such occasions, changed the subject to George Blake. According to someone present he produced a document that offered, allegedly on behalf of the United States Government, a huge cash reward for information on Blake's getaway.

The English bookmaker said recently: "I'm sure what he was doing was trying to con somebody in your Government so that he could get some money, maybe his travel expenses. I told him that he was crazy if he thought we'd get mixed up in things like that."

A Different Viewpoint

Mr. Itkin remembers the story somewhat differently.

He does not recall using any documents. But he insists that the scheme to get information did work, although "exactly how Blake got away is a matter of national security that I can't talk about."

Mr. Itkin's charm attracted women as well as prospective business clients. "Women liked the idea that he was a little bit dangerous, that he always thought big," said Diana Itkin. Although married, he was a frequent escort of airline stewardesses and had, at one time, a close relationship with a Broadway actress.

His charm worked perfectly on Marcus, whom he first met in 1968. A lawyer who shared

space in the same suite at 300 Madison Avenue as Mr. Itkin recalled: "I had Marcus in my office to discuss a matter relating to the Lindsay campaign, and Itkin wandered in. I introduced them, and within two minutes Itkin acted as if he'd known Marcus for years."

From that moment Mr. Itkin was convinced that he had found, as one former associate put it, "the keys to the city."

Marcus, like Mr. Itkin, was also in debt. He was married to Lily Lodge, daughter of Connecticut's former Governor John Lodge, and striving to find a place for himself in sophisticated society to which he aspired. He saw in Mr. Itkin the opportunity to raise money quickly.

Mr. Itkin's appeal to Marcus was direct. Marcus was working for John Lindsay's election as Mayor and Mr. Itkin, a labor lawyer, said he could get labor support for the candidate.

When Mr. Lindsay was elected and Marcus was made a mayoral assistant, Mr. Itkin had news stories of the announcement copied and mailed to several dozen persons. It was what one former associate called "a prospectus" for people who wanted to make deals in New York.

In Marcus, Mr. Itkin had his greatest single contact and the men became inseparable. It was Marcus, using a city limousine, who would pick up Mr. Itkin's children every Friday and bring them to their father, for his visiting rights.

And it was Mr. Itkin who introduced Marcus to the world of Corallo, Fried and Motto. It was the maze that became, first, the Jerome Avenue Reservoir kickback case, for which Marcus spent 15 months in prison, and later the De Sapio-Consolidated Edison case.

The widening ripples from that first Itkin-Marcus meeting also touched the Republican county committee chairman in Manhattan, Vincent F. Albano Jr., and one of his key lieutenants, Joseph Ruggiero, chairman of the law committee. Both men have been criticized by the United States Court of Appeals for having exerted influence on Marcus to award contracts when he was the Water Commissioner.

In January, 1967, Mr. Itkin flew to London with Corallo—Corallo allegedly was trying to buy into British gambling clubs for American Mafia interests—to report the racketeer's activities to the F.B.I. The trip was a fiasco, when immigration officials in London refused to let Corallo into the country. Both men returned on the next plane.

Too Much Exposure

But with each passing day in 1967 it became clear to both

that the informer was running the risk of premature exposure. "We knew that things were getting to the end and so it was decided to concentrate on the Marcus case," Mr. Itkin said. "Marcus was weak. I just opened avenues for him he wanted to take anyway."

Government officials will not comment on why they allowed Mr. Itkin to deliberately lead Marcus on and why the city government was not informed of Marcus's involvement in criminal activities.

In December, 1967, the secret world of Herbert Itkin came to an end, with the surfacing in a Federal courtroom of the man known as "Mr. Jerry" and "Portio."

Mr. Itkin and his second wife were put in protective custody on a military post in New York City. His first wife, and Itkin's four children by her, also were immediately put in protective custody, on a second military base in the city. Both families can use the officer's recreational facilities if they desire, and both can use the post exchanges at their respective bases, although Mr. Itkin is not allowed to purchase liquor, Government sources said.

Seven Federal marshals provide round-the-clock guard service to each of the families, living with them in the same house. Diana Itkin's children are taken to and from school by the marshals.

These days, Mr. Itkin mostly spends his time conferring with Federal prosecutors on possible new cases, and writing letters to clean up his reputation.

In March, 1968, he wrote to Senator Morse: "I am, of course, proud of what I have done. I have the comfort of knowing that I followed to the utmost my desire to do something constructive for my country. My only fear is that my work and life not be in vain. I know I will be a success in my endeavours when I hear that Senator Morse has named a bull after me—God bless..."

"He must be one of the great con men of all time," an aide to the former Senator said. "Not only does he refer to the Senator's habit of naming a bull after people he likes, but he ends the letter with 'God bless! How can a man the Senator barely knows have the gall to admit using him and say 'God bless?'"

But if Herbert Itkin had ample reserves of gall, he was also the kind of person to whom a Dominican priest would write a letter, after knowing him for a few hours during a plane trip, that said: "I'll never forget you. The world needs a lot of men like you."