

Litton Case Mired Deeper in Politics

By Jack Anderson

Litton Industries is suspected of bilking the taxpayers out of millions in customs payments while it was headed by Roy Ash, now the White House budget chief. Ash denies he was aware of it.

Yet we have learned that the boss of Litton's Memory Products Division, Robert Lurvey, and other Litton officials have taken the Fifth Amendment before a federal grand jury in San Diego.

The case is already mired in politics. Its prosecutor is U.S. Attorney Harry Steward, who was recently reprimanded by the Justice Department for his "highly improper . . . woefully indiscreet" action in killing a criminal case against a major Nixon contributor.

Now, Steward has been accused of dragging his feet on the prosecution of Ash's former company. The case has been in federal hands for at least 15 months.

In 1969, customs agents heard that Litton wasn't paying full duties on computer equipment brought into the United States after being assembled in its plants in Singapore and Tijuana. The government's break in the case came more than a year ago when a Litton controller, Mike Mitte, got disgusted and decided to tell all he knew to customs and to Steward's staff. With

his insider's knowhow, Mitte all but made Steward's case for him.

Mitte told how Litton was purposely underestimating its labor costs abroad to keep the duty low. He explained four different ways that Steward could catch Litton in outright "fraud." But Steward let the months drag by.

Explosive Letter

Finally, Mitte — who had risked his neck to help the government collect from Litton — exploded. In a letter this month to Steward's office, he charged: "The required documents (for the prosecution) are kept at the Canoga Park plant or were when I reported the fraud to you over a year ago.

"The fact that these documents have not been obtained a year and three months after I reported the misrepresentations raises some very serious questions. Your lack of action has most certainly put Litton in a better position to answer any charges against them."

In San Diego, Steward confirmed to us that he is pursuing the Litton case before a grand jury. But he denied that Litton's political clout had deterred him. His aides blamed some delays on difficulty in getting Litton records out of Singapore and Tijuana.

At Litton's Memory Products, President Lurvey denied that Steward had ever even

asked for the Tijuana and Singapore records. Indeed, Lurvey had thought the case was dead "because we didn't hear anything for a year. Then all of a sudden, the U.S. marshal slapped a subpoena on me a few weeks ago." He said he and some five other Litton officials had taken the Fifth on advice of their lawyers.

In Washington, Roy Ash repeatedly denied to us that he had used his influence in the White House to stall the case. "I expect Litton employees to be treated just like anyone else," he said. "I never even heard of Lurvey. It's a big company."

Footnote: among Litton's other problems are a \$544 million overrun on Navy ship contracts, a two-year lag in producing Navy helicopter assault ships and a congressional charge that Ash personally "unloaded" 85,000 shares of Litton stock based on inside information.

Traveling Editor

Lt. Col. Bob Chick has been seeing the world, including a nudist excursion in Hawaii, as executive editor of the Army's most expensive magazine, "Soldiers."

On a recent \$2,600 junket, Chick toured the Pacific for 40 days and 40 nights using commercial airlines, hotels and car rentals. Ostensibly, he was in pursuit of news. Chick,

however, is a firm believer in mixing business with pleasure. In Japan, he spent a day on Tokyo's golf links. He also did some in-depth reporting on GI scuba diving.

In Hawaii, Chick stripped down to his camera and joined sunbathers at a local nudist camp. The research ultimately resulted in an article entitled: "What Do You Say to a Naked Spec 4?"

The Army's editorial board ultimately vetoed the nudist camp article, but they have okayed Chick's efforts to liven up the magazine with "conservative" pinups from "Playboy" magazine.

The Pacific junket "wasn't a one-time thing," Chick told us candidly. "We go to Europe, the Pacific, Alaska at least once a year." Explaining his lavish expense account, he said: "Our job is to get the job done. Military facilities and transportation are not always convenient."

The magazine's whopping price tag — \$712,000 a year — flies in the face of Pentagon efforts to reduce its \$12.7 million budget for periodicals. Rather than cut his own expenses, however, Chick has reduced the number of pages in the monthly magazine — from 64 to 56.

Footnote: to be fair, not all of the stories Chick researched on his Pacific trip involved nudists and scuba divers. He also covered salvage operations in Vietnam.