

Nixon Budget Chief And Customs' Case



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.

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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 know-how, 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.

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 . . ."

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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.

At Litton's Memory Products, Lurvey had thought the case was dead "because we didn't hear anything for a year. Then all of sudden, the U.S. Marshal slapped a subpoena on me a few weeks ago."

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."