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STAT

CIA OPERATIONS CENTER

NEWS SERVICE

Date. 8 July 77 STAT
Item No. 3
Ref. No. 2

DISTRIBUTION II

Adds to referent item

UP-038
(COPLEY-CIA)
(BY DANIEL GILMORE)

WASHINGTON (UPI) - PENTHOUSE MAGAZINE CHARGED TODAY 23 EMPLOYES OF COPLEY NEWS SERVICE HAD WORKED SIMULTANEOUSLY FOR THE CIA AND THAT THE SERVICE "FOR YEARS WAS OPERATED IN SIGNIFICANT PART AS AN ARM OF THE CENTRAL INTELLIGENCE AGENCY".

THE CHARGES WERE MADE IN AN ARTICLE IN THE AUGUST ISSUE OF THE MAGAZINE WRITTEN BY JOE TRENTO, AN UNSUCCESSFUL CANDIDATE LAST YEAR IN A PRIMARY RACE FOR CONGRESS AS A CALIFORNIA DEMOCRAT, AND DAVE ROMAN, A FORMER SAN DIEGO NEWSMAN.

THEY QUOTED GENE GREGSTON, A FORMER EDITOR OF THE SAN DIEGO UNION - THE COPLEY FLAGSHIP NEWSPAPER - AS TELLING THEM THE COPLEY NEWS SERVICE "WAS NEVER RUN TO MAKE MONEY; IT WAS AN EGO THING FOR JIM COPLEY, AND THE CIA WANTED IT."

COPLEY NEWS SERVICE EXECUTIVES, AWARE THAT PENTHOUSE WAS COMING OUT WITH CHARGES OF CIA CONNECTIONS, TOLD UPI YESTERDAY THERE WAS NO TRUTH IN THE ALLEGATIONS. THEY WERE PREPARING A DETAILED REBUTTAL BASED ON THE FULL ARTICLE RELEASED TODAY.

UPI 07-08 11:00 AED

ADD 1 COPLEY-CIA, WASHINGTON (UP-038)

PENTHOUSE SAID ITS CHARGES WERE DENIED BY VICTOR KRULAK, A FORMER MARINE CORPS LIEUTENANT GENERAL, WHO RETIRED FROM THE COPLEY ORGANIZATION IN JUNE. BUT THE MAGAZINE SAID KRULAK "QUALIFIED HIS DENIAL, THOUGH, BY STATING THAT HE COULD NOT SPEAK FOR INDIVIDUALS OR STRINGERS WHO WORKED FOR CNS."

"AFTER A YEAR-LONG INVESTIGATION," A PENTHOUSE NEWS RELEASE SAID, "THE MAGAZINE LEARNED THAT 23 EMPLOYES OF THE COPLEY NEWS SERVICE (CNS) HAD WORKED FOR THE CIA SIMULTANEOUSLY; THAT THE CNS PUBLISHED ARTICLES ON ITS WIRE SERVICES TO ENLIST PUBLIC SUPPORT FOR CIA ACTIVITIES; THAT CNS PROVIDED INFORMATION TO THE CIA ABOUT LATIN AMERICAN ACTIVITIES; AND THAT THE LATE JAMES S. COPLEY, PUBLISHER AND SOLE OWNER OF THE COPLEY PRESS, ACTED ON BEHALF OF THE CIA" IN A NUMBER OF SERIOUS EFFORTS "TO [illegible] FOREIGN GOVERNMENTS.

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PENTHOUSE SAID IT LEARNED FROM COPLEY PRESS REPORTERS AND PHOTOGRAPHERS THAT KRULAK, TOGETHER WITH FRANK PRICE, "HIS SECURITY CONSULTANT", RAN "A SYSTEM OF INTELLIGENCE-GATHERING FOR THE FBI IN SAN DIEGO".

THE MAGAZINE SAID THE RELATIONSHIP BETWEEN COPLEY AND THE GOVERNMENT WAS INSPIRED BY A MEETING BETWEEN COPLEY AND PRESIDENT DWIGHT EISENHOWER "FOR THE PURPOSE OF SUPPLEMENTING CIA ACTIVITY".

CHARLES OHL, COPLEY'S EXECUTIVE NEWS EDITOR AND MANAGING EDITOR, SAID IN A TELEPHONE INTERVIEW YESTERDAY: "WE NEVER HAVE HAD ANY CONNECTION WITH THE CIA."

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DISTRIBUTION II

More follow-up.

UP-069
R B

ADD 2 COPLEY-CIA, WASHINGTON

A CIA SPOKESMAN SAID HE HAD NOT YET SEEN THE FULL PENTHOUSE ARICLE "AND ANY SORT OF A RESPONSE AT THIS TIME WOULD BE SUPERFLUOUS."

RICHARD CAPEN, COPLEY PRESS' SENIOR VICE PRESIDENT OF OPERATIONS, DENIED THE ALLEGATIONS. "...WE HAVE BEEN ASSURED BY THE HIGEST LEVELS WITHIN THE CIA THAT NO EMPLOYES OF COPLEY NEWSPAPERS OR CNS HAVE BEEN EMPLOYES OF THE AGENCY," HE SAID.

"FURTHERMORE, THE CLAIM THAT THE AUTHORS HAVE MADE ARE OLD ALLEGATIONS THAT COPLEY NEWSPAPERS HAVE REPEATEDLY DENIED OVER THE PAST TWO YEARS. ONE OF THE AUTHORS, JOE TRENTO, HAS PRINTED MOST OF THESE CLAIMS IN A MIMEOGRAPHED NEWSLETTER, SAN DIEGO CONFIDENTIAL, AND THEY HAVE BEEN REPEATEDLY DENIED BY US."

TRENTO AND ROMAN, WHO SAID THEY WORKED ON THEIR ARTICLE FOR A YEAR UNDER A $2,000 GRANT FROM THE INVESTIGATIVE REPORTERS FUND, TOLD A NEWS CONFERENCE THAT THE COPLEY NEWS SERVICE CONNECTION WITH THE CIA BEGAN IN 1953.

THEY SAID OWNER JAMES COPLEY VOLUNTEERED THE SERVICES OF HIS NEWLY FORMED AGENCY TO EISENHOWER AS "THE EYES AND EARS" AGAINST "THE COMMUNIST THREAT IN LATIN AND CENTRAL AMERICA" FOR "OUR INTELLIGENCE SERVICES".

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AFTER COPLEY DIED IN 1973, THEY SAID, "MOST OF THE ACTIVITIES STOPPED". THE SERVICE CLOSED DOWN ITS LATIN AMERICAN BUREAUS AND RETRENCHED TO A MAILER-TYPE OPERATION, THE AUTHORS SAID, BUT THEY "REALLY ARE NOT SURE" WHETHER ANY COPLEY EMPLOYES STILL WORK FOR THE CIA.

THEY CHARGED COOPERATION WITH THE FBI BY AT LEAST TWO COPLEY NEWSPAPERS IN CALIFORNIA CONTINUED INTO THE EARLY 1970'S AT THE HEIGHT OF ANTI-WAR PROTESTS.

THE AUTHORS INDICATED THEY HAD KNOWLEDGE OF CLASSIFIED DOCUMENTS HELD BY THE WHITE HOUSE AND CIA PURPORTEDLY ATTESTING TO THE COPLEY-EISENHOWER ARRANGEMENT. THEY SAID MOST OF THE SERVICE'S SALARIED EMPLOYES, WHO WERE ALSO PAID BY THE CIA, WERE STRINGERS IN LATIN AMERICA AND THAT NEWS STORIES WERE TIED IN WITH CIA MACHINATIONS - CRITICIZING GOVERNMENTS JUDGED UNFRIENDLY TO THE UNITED STATES-AND FOMENTING DISSENT.

THE AUTHORS SAID THEY ALSO UNCOVERED INFORMATION, WHICH WOULD BE PUBLISHED AT A LATER DATE, ON THE ALLEGED INVOLVEMENT OF OTHER AMERICAN NEWS SERVICES WITH THE CIA.

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