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Approved For Release 2005/11/21 : CIA-RDP75B00380R000300100009-3

THIS DOCUMENT WAS SUBJECT TO ITT/CHILE JUSTICE INVESTIGATION

8 MAR 1973

MEMORANDUM FOR: Deputy Director for Operations

SUBJECT: WH Comments on Jack Anderson Column

REFERENCE: Jack Anderson's Washington Merry-Go-Round Column of 8 March 1973: "Chilean Break-ins Reflect Watergate"

1. WH Division has reviewed the referenced column (copy attached) by Jack Anderson and finds that it contains no new information. To the best knowledge of the Division, there is no foundation to the allegation that E. Howard Hunt was engaged on behalf of ITT in breaking into Chilean diplomatic installations in Washington and New York.

2. Any connection between ITT and these break-ins is purely conjectural and the column takes care to point this out.

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Theodore G. Shackley  
 Chief  
 Western Hemisphere Division

Attachment: As Stated

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# Chilean Break-ins Reflect Watergate

By Jack Anderson

Senate investigators suspect that the same Mission Impossible team arrested at the Watergate may also have broken into the Chilean Embassy several weeks earlier. And three Chilean diplomats in New York City, the investigators discovered, have been victims of similar, mysterious break-ins.

In a memo intended for the eyes only of senators investigating ITT's operations in Chile, staff director Jerry Levinson reported: "A source with excellent contacts in the Cuban community told the subcommittee staff that Frank Sturgis had told other people that he and Martinez and Gonzalez, two other Watergate defendants, had broken into the embassy to photograph documents."

Levinson was cautious, however, about implicating ITT in the alleged Chilean caper. "The staff of the subcommittee," he reported, "has developed a number of leads suggesting a relationship between ITT and the team which was arrested at the Watergate." But he stressed "that the case outlined in this memorandum is circumstantial and that there is no hard evidence of ITT involvement."

## Suspicious Case

Here, however, is the circumstantial case which the subcommittee staff has pieced

together from jigsaw pieces of intelligence: "Government and non-government sources alike have told us that the Cuban exile community has a pool of talent which was trained by the CIA and is available for 'dirty tricks.' This talent has been used at one time or another by a number of federal agencies for missions of questionable legality inside and outside of the United States.

"Federal sources report the Cubans to be absolutely loyal, fanatically anti-Communist and willing to take any risk. It is also likely that when 'teams' were assembled for operations, only one or perhaps two members knew who had requested and was financing the operation.

"Washington business and political sources report that about eight months before the Watergate arrest, E. Howard Hunt let it be known around the city that he had a 'team' available for 'Mission Impossible' assignments and that the team would be willing to work for private clients.

"It is possible that E. Howard Hunt, acting as the contractor for the 'team,' had more than one client and that a second client was ITT, which was interested in obtaining information about its negotiations over the fate of its investment in the Chilean Telephone Company. The members of the team may have been recruited, thinking they were doing a patriotic thing to

block a 'Communist' government.

"ITT is the only likely contractor for operations against the Chileans. It claims to have an investment worth \$153 million in the Chilean Telephone Company; it knew that documents were leaking from its files; it asked the Chilean government to move negotiations from Santiago to Washington."

## ITT and Watergate

We reported last week on other strange links between the ITT and Watergate scandals. We noted, for example, that acting FBI chief L. Patrick Gray and convicted Watergate felon E. Howard Hunt had been involved in an abortive effort to discredit the famous Dita Beard memo, which tied a \$400,000 political pledge from ITT with a settlement of its antitrust troubles.

The Washington Post reported that Hunt, apparently disguised in an askew red wig, went to Denver to talk to Mrs. Beard about renouncing the memo. We reported that Gray, meanwhile, turned the original memo over to ITT for its experts to try to discredit.

Gray refused to comment when we called the FBI for his response. Questioned by senators under oath, however, he testified that he had not turned the memo over to ITT directly but had delivered it to White House aide John Dean. It was the White House, in

other words, that not only dispatched the bewigged Hunt to Denver but also passed the document to ITT.

This makes the story even more sordid. It shows that the White House, while denying any involvement with ITT, was working closely with the giant conglomerate to discredit the Dita Beard memo.

The Chilean Embassy burglary was investigated by the FBI, which dismissed it as routine. But Senate investigators disagree. "Careful investigation of the circumstances leads us to the conclusion," Levinson wrote, "that it was not routine.

"Valuable office equipment and cash were left untouched. The Ambassador's office and the office of the First Secretary were both searched and files were inspected. The thieves walked past several more attractive offices to get to the First Secretary's office, suggesting they knew where they were going." The burglarizing of the New York apartments of Chilean diplomats were described in the memo as "similar clean break-ins."

Footnote: Jerry Levinson refused to comment on his memo, which he said wasn't intended for publication. An ITT spokesman called the allegations about Hunt "absolutely and totally untrue." He said ITT had never hired Hunt for any purpose.