

Klassen Quit Post as FBI Closed In

By Jack Anderson
and Les Whitten

Postmaster General Ted Klassen announced his resignation last week just as the FBI was closing in on him.

The FBI confirmed our charge, according to sources close to the investigation, that Klassen accepted a \$22,917 fee from the Martin E. Segal Co. after helping the firm get postal business.

This allegedly violates two conflict of interest statutes. The FBI, therefore, will present its findings to the Justice Department for prosecution.

For nearly a year, the craggy Klassen has held out in his postal penthouse, denying reports of wrongdoing and deploring his critics. His abrupt departure from the Postal Service, he said, had nothing to do with the criticism of his conduct.

On the contrary, postal sources say the sworn evidence finally caught up with him. The board of governors stuck by him, they say, as long as the charges were confined to our column. But when a congressional committee confirmed our charges, the board could no longer ignore them. Klassen re-

signed two days after meeting with the board.

Here are the facts that brought him down:

- We revealed that Klassen, not once but twice, had helped the Martin E. Segal Co. with postal contracts. When our associate, Jack Cloherty, questioned him, Klassen denied any knowledge of the second contract. Now sworn congressional testimony contradicts this. The FBI investigation has also confirmed our story.

- We reported that Charles Burnaford, a close friend of Klassen, had picked up \$821,000 in postal contracts without submitting a bid. The blustery postmaster general feigned amazement over this. He said he was "appalled." But sworn testimony now reveals that he gave Burnaford's business card to a postal subordinate and suggested that Burnaford could "do a good job."

- We charged Klassen with padding the payroll with his friends, wasting money on fancy offices and abusing the contracting system. Klassen pooh-poohed the allegations. But a House subcommittee, headed by Rep. Charles Wilson (D-Calif.), found that "circumvention of regulations, favoritism, inefficiency and waste have ex-

isted in recent years in (postal contracting and procurement."

- We described how Klassen had lavished the taxpayers' money on his office complex. The General Accounting Office confirmed our report down to the exact figures he laid out.

Under the contract the enterprising Klassen wangled from the board, he can continue to collect \$30,000 from the Postal Service for two more years simply for "making himself available" as a consultant. Then he will be able to retire on a \$12,000 annual government pension, although he worked only five years for the government.

Footnote: Astonishingly, the board of governors appointed Ben Bailar, Klassen's deputy, as the new postmaster general. Bailar worked with Klassen both at the American Can Co. and later in the Postal Service. We have published evidence that Bailar was implicated in some of Klassen's questionable dealings, although Bailar had no part in the alleged violation of law.

Bargains for Congress—Members of Congress are constantly discovering new ways to skin the taxpayers. The latest: last year, they slipped through a bill which permits defeated congressmen to purchase their of-

fice furnishings for bargain-basement prices.

Former Rep. Dan Kuykendall (R-Tenn.) hauled off a load of chairs and typewriters, for example, that had cost the government \$2,366.39. Yet he paid only \$1,016.89.

Ex-Rep. Ben Blackburn (R-Ga.) bought for \$251.95 four electric typewriters, a bookcase and metal office table that originally cost the government \$635. He intends to use the furniture, he told us, to open a law office.

For a paltry \$40.19, outgoing Rep. Edith Green (D-Ore.) was able to buy a davenport that had cost the government \$220.91. In all, she paid \$370.21 for furniture that had an original price tag of \$539.88.

Three ex-senators—Norris Cotton (R-N.H.), J. W. Fulbright (D-Ark.) and Edward Gurney (R-Fla.)—have inquired about getting some of the bargain furniture. But at this writing, they had made no purchases. Inquiries also have been received from 53 departing congressmen.

The General Services Administration determined the price of the furniture by deducting a flat 8 per cent annual depreciation. If the furniture was "slightly worn or soiled," an additional deduction was granted.

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