

FBI Was Closing In on Klassen

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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, 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 could no longer ignore the charges. Klassen resigned two days after meeting with the board.

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HERE ARE some of 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 completely.

• We reported that Charles Burnaford, a close friend of Klassen's, 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 Representative Charles Wilson, (Dem-Calif.), found that "circumvention of regulations, favoritism, inefficiency and waste have existed 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 figure he laid out.

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.

Today's column is by Jack Anderson and Les Whitten