

Details of a Postal Service Contract

By Jack Anderson
 and Les Whitten

One reason why the Postal Service is sinking into bankruptcy is its habit of passing out juicy contracts to the buddies of the bigwigs.

Before Ted Klassen was forced out as Postmaster General, for example, he awarded an \$870,000 contract for a product that wasn't needed to a company that wasn't qualified to produce it.

The company had one major asset: its owner happened to be a friend of Klassen's.

The details, never intended to be read outside the executive offices of the Postal Service, are spelled out on documents in our possession.

These show that Klassen took a liking to a Los Angeles entrepreneur named Alfred Hollingsworth. He ran a one-horse-power company called Sqwat.

Klassen was eager to throw some postal business his way. Accordingly, Ben Bailar, who was then Klassen's obedient deputy but is now the new Postmaster General, tried to line up a modest contract for Sqwat to manufacture historical display panels.

The only trouble was that Hollingsworth's company was the least qualified bidder. The deal was blocked, therefore, by Senior Assistant Postmaster General Murray Comarow, who refused to bypass the bidding process.

When Comarow cited government regulations, Bailar protested: "What is this government crap? When the top man wants something done, you do it."

Klassen and Bailar were obliged to look around for a new contract for Sqwat. They de-

cidied there was an "urgent need" for plastic covers to keep the letters on postal trays from becoming soiled.

This time they didn't bother to solicit bids. They simply awarded the \$870,000 contract, willy nilly, to Sqwat.

The postal procurement section was ordered to work out the details of the deal. States one memo: "I understand that a telephone call from Mr. Hollingsworth to Mr. Klassen caused this flurry of action."

There were rumblings from the postal technicians. "There is an excessive amount of promotion flavor to the deal," objected purchasing chief Edwin R. Itnyre.

Echoed procurement chief Conrad Trahern: "I have signed off, both of us knowing that this is not a good procurement but were ordered to do it over our objections."

The technicians also found, according to the suppressed documents, that the company had "uncertain finances" and had "no in-house capability for producing the item."

The quality assurance chief, John J. Mark, put it bluntly; "In my opinion, Sqwat Corp. does not currently have the technical capability and capacity to manufacture plastic letter mail tray covers."

In a letter to the company, the purchasing chief questioned "the management ability of your firm, particularly the ability of your firm to manage a contract for 500,000 units of an injection molded product which has never before been produced."

Despite all the adverse reports, Klassen and Bailar pushed the contract through. Then, Hollingsworth, still not satisfied, asked for a price increase. This was too much even

for his postal pals, and the project fizzled.

Hollingsworth demanded an \$84,959 settlement and finally got \$24,020. In return, the taxpayers got the unused molds for the controversial tray covers.

Footnote: Hollingsworth told us he received "no special consideration" from his friend Klassen and swore he lost \$125,000 on the deal. He said the Postal Service technicians were insensitive to the problems of a small, minority-owned business, and treated him unfairly. The cost increase request was necessary, he said, because of higher petrochemical costs.

A Postal Service spokesman said Klassen "expressed interest" in Hollingsworth because the project had "merit" and because he wished to "encourage minority-owned firms."

Postmaster General Bailar does not recall the remark about "government crap," added the spokesman.

Presidential Puffing?—Despite the refusal of the TV networks to broadcast President Ford's reflections on America, the telecast will be aired today on columnist William F. Buckley's regular "Firing Line" show.

This will give the American people a chance to judge for themselves whether the networks were justified in barring the program.

A spokesman for the Public Broadcasting Service, meanwhile, complained that the program was little more than a "puff piece" for our bicentennial slogan campaign.

It is true that the President, after discussing what is wrong and right about America, took a moment to praise our effort to find a bicentennial slogan. We have received close to 1 million

slogans for Americans who are searching for the right words to express their feelings about the U.S.A.

"Let me congratulate you," said the President. "I think this bicentennial slogan program, Jack, is a great addition to our bicentennial effort."

The Public Broadcasting Service, too, ought to support, rather than belittle this bicentennial effort.

In any case, President Ford had many more meaningful things to say of importance to all Americans than the few words about the slogans.

Footnote: the slogans, incidentally, are still pouring in. There is time for you to mail in your entry. Send it to SLOGANS USA, Box 1976, Washington, D.C.

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