

McGovern Employed Mail Concern Operated by Associates of Kalmbach

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LOS ANGELES, July 22—In one of the odder incidents of the 1972 Presidential campaign, several law partners of Herbert W. Kalmbach, then President Nixon's personal lawyer, owned part of a computer mailing company that worked for Senator George McGovern during the California primary.

Because the South Dakota Democrat's mailings were badly bungled, there has been some concern that the company might have been part of the Nixon campaign's "dirty tricks" operation. The Senate Water-gate committee has opened a preliminary inquiry.

Tax Shelter Detected

Thus far, however, no evidence of wrongdoing has been uncovered, and the whole thing could well be a coincidence.

But the incident does illustrate some of the hazards involved in the new technology of politics in which computers are used to write personalized letters that identify in detail the concerns of individual vot-

ers. It also gives an idea how, in the current climate of suspicion, people can add two and two and sometimes get five.

In 1971, Roger A. Haney, the owner of a small computer mailing company called Computer Ideas, got the chance to buy out a competitor, Ken Ross & Co.

Mr. Haney needed money, he said, and went to his attorney. The lawyer, in turn, approached some of his friends at the law firm of Kalmbach, DeMarco, Knapp & Chillingworth. The deal presented an attractive tax shelter, and in September several partners at the Kalmbach firm agreed to invest a total of \$70,000, all of which apparently came from a bank loan.

According to legal documents, the investors included Frank DeMarco, who still represents President Nixon on tax matters. They did not include Mr. Kalmbach, who has admitted financing part of the Republicans' espionage campaign in 1972 and who was dismissed as the President's personal counsel last spring.

Through personal and political contacts in Democratic party circles, Mr. Haney was able to acquire the contract for Senator McGovern's California primary campaign in March, 1972.

From the outset, the relationship was stormy. Mr. Haney contends that the McGovern people kept changing their minds about what they wanted; the McGovernites blame Computer Ideas for "staggering incompetence." By primary day, about 600,000 pieces of McGovern mail remained unsent.

Refund Made

Computer Ideas had to pay a refund of \$72,000. According to Mr. Haney, the loss crippled the company and in November, after the general election, it folded. The investors contend they lost about \$50,000.

These events pose several interesting questions:

¶Why did the McGovern campaign hire the company? Mr. Haney insists that he was providing a "mechanical service," and that no conflict of interest existed between his investors and his client. Many politicians feel this attitude is

"naive," and Miles Rubin, the McGovern official who signed the contract, says he "obviously" would not have hired Computer Ideas if he had known who owned it.

¶Why was the McGovern mailing so snarled? Experts agree that the use of computers in political campaigns is still an imperfect science, and that mishaps are common.

¶Why didn't Computer Ideas get any Republican business? Ken Ross thought the company would use its high-level connections to acquire contracts from the Nixon campaign. But Mr. Haney says he was told never to invoke the Kalmbach firm's name because it could be "embarrassing" to both the firm and the President.

¶What happened to the computer tapes that recorded the information gathered by the McGovern campaign? Mr. Rubin points out that the tape contained the names of more than five million California voters, with information about their political leanings, the issues bothering them, and in some cases, their ethnic background.

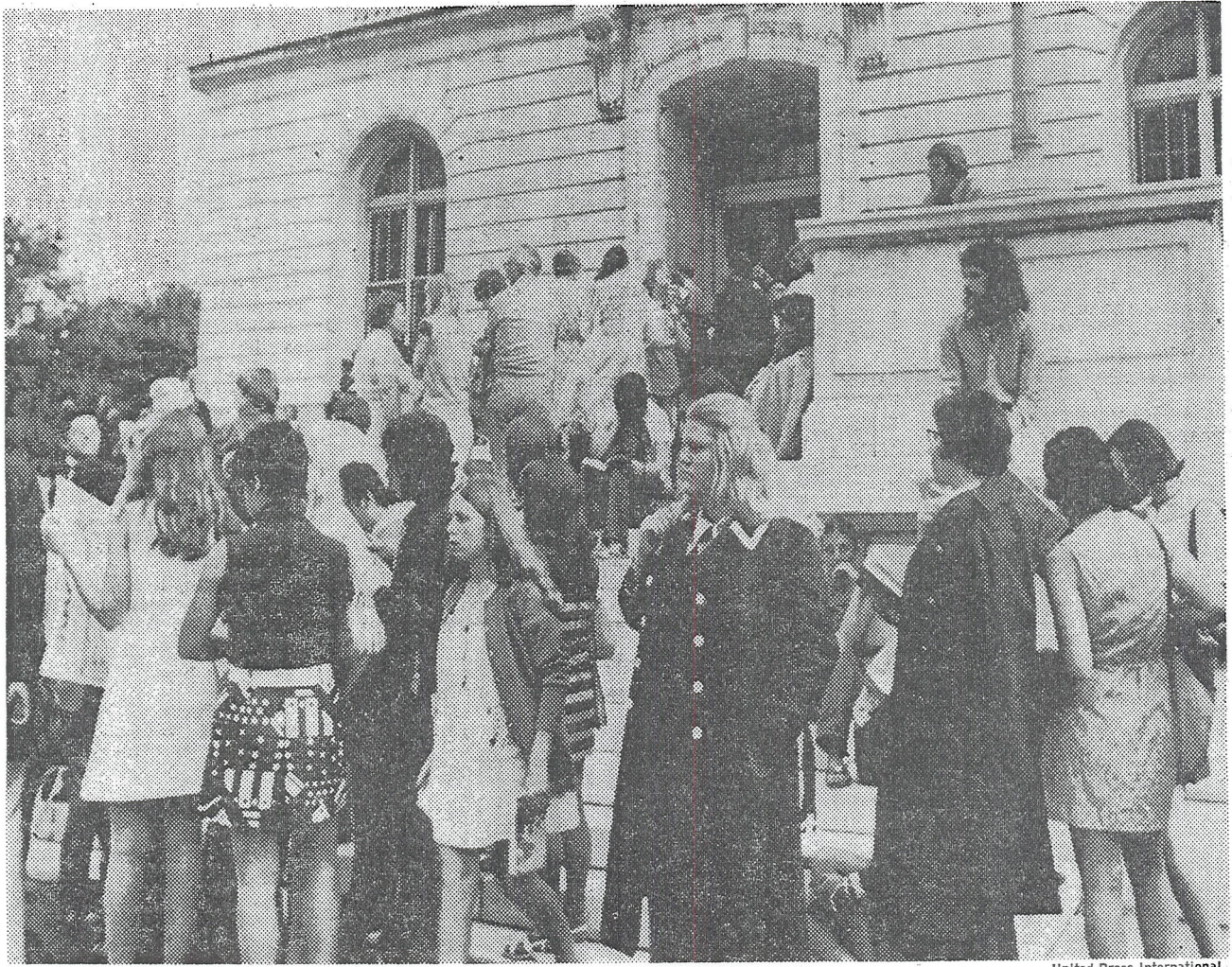
Lyn Nofziger, director of President Nixon's California campaign, says he received "intimations" from intermediaries that he could gain access to the McGovern tapes if he hired Computer Ideas in the general election. Mr. Haney denied that any such suggestion was ever made. In any case, all Nixon computer work was handled by one company.

The incident indicates how computer mailings, and computer security, are a growing part of the political business.

"I have a very firm rule," said Mr. Nofziger, a veteran political strategist. "I don't hire Democrats to do Republican business, period."

An aide to a Democratic senator pointed out that his tapes contained years of accumulated information about his state's voters, information that would form the base for the Senator's re-election campaign next year.

"We're scared silly about our tapes," the aide confessed. "It's the most valuable thing we own in politics."



United Press International

People lined up outside the Old Senate Office Building yesterday as they waited for the door to open