

# CSEA, publisher are linked in mail deal

By ROGER BRUGHAM,  
Staff Writer

ALBANY — Federal officials are looking into a "piggybacking" mail order deal in which the state Civil Service Employees Association offered its members a reduced rate on encyclopedia — and saved the book publisher about \$12,000 in mailing costs.

The state union is a non-profit organization and thus gets a break on postage rates. Recently, a letter and order blank went out to state workers, signed by President Theodore Wenzl, offering a special buy on Encyclopedia Britannica.

The letters were mailed at the rate of 1.8 cents, less than one-fourth the regular 7.7 cents rate for commercial mailings. The letter from Wenzl states that all mailing costs were paid by Britannica.

The mailing went to an estimated 200,000 Civil Service employees. CSEA paid non-profit-status postage of \$1,600 instead of the \$15,400 commercial rate.

The original complaint was filed at the Albany Post Office on July 8 by Rocco Ferran of Albany, head of the Co-

Equal Citizens Committee for Legislative Reform and an announced candidate for 29th Congressional District seat.

Ferran said his wife, a state worker, received the letter selling encyclopedias. The complaint objects to the use of the non-profit rate to endorse a commercial product and raised the question of a possible nationwide pattern of commercial solicitations mailed under non-profit rates.

Joseph Perrego of the Mailing Requirements Office at the Albany Post Office took Ferran's complaint and sent the papers to Washington because of nationwide implications.

Van Seagraves, information officer with the Washington, D.C. postal headquarters, told The Times Record Washington Bureau it is a violation of federal postal laws for a non-profit organization to use its mailing privileges to send commercial literature unrelated to the organization's purpose.

..When you insert promotional

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## MY FIRST 'SCOOP', JULY 16, 1976

In my first few weeks in my first journalism job, an editor on the state desk told me there was a reader who frequently called in with tips on things he considered newsworthy but almost never panned out. As the reporter with the least seniority, it was my job to chase the wild goose so we could at least say we made the try.

I did as asked and spent a few weeks nagging the local postmaster. It paid off. The complaint I reported on in this story resulted in a non-profit group being forced to pay more than \$13,000 to the post office for enclosing a commercial insert from Encyclopedia Britannica in a mailing sent using its non-profit mailing license.

The publisher paid the non-profit back for that assessment. But I investigated further. The fee the post office imposed was merely the amount that the misuse of permit had saved Encyclopedia Britannica; there was no additional fine for the permit abuse, so there was no financial incentive for it not to try the abuse whenever it had the chance. Sure enough, we found that EB, which had told us it didn't handle the mailing arrangement and did not know it was illegitimate, had done this repeatedly in the past. Our series led to a federal inquiry into EB's past practices and the issue of the insufficiency of an abuser merely having to repay the amount it had cheated the post office out of.

In the scheme of things, small stuff. For me, a sign that I had chosen the right profession. A reminder not to be dismissive of people with stories to tell no matter how inconvenient it may seem.

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material unrelated to the activities of the organization, that is illegal, and the postal service should charge the organization the difference between non-profit and commercial rates," he said.

"This 'piggybacking' stuff comes up from time to time," Seagraves said. "When the mail was presented, it should have been looked at."

Perrego said his office had not previously checked the mailing. "We do spot-check. We cannot check every mailing."

"We have had no trouble with CSEA in the past," he added.

Seagraves could not comment on the specific complaint until it is received and acted on by the Washington office. He would not speculate on what action might be taken and said such com-

plaints are handled on a "case by case basis."

Bruce Felkner, Encyclopedia Britannica director of public information in Chicago, told The Times Record that the employees association handled all the details of printing and mailing.

"Our position on the postal rate is that it is up to the postmaster at the post office of the mailing and we abide by his decision," Felkner said.

Felkner, readily told The Times Record that Encyclopedia Britannica is involved in many such non-profit organization mailings nationwide.

The following organizations, he said, have sent out the encyclopedia offering under non-profit rates: University of California Alumni Association, Berkeley; St. Louis Knights of Columbus, Atlantic Christian College Alumni Association, North Carolina State Government Employees Association,

University of Northern Iowa Alumni Association, Cincinnati Postal Employees Credit Union, Mission Council, Boy Scouts of America, License and Practical Nurses Association of Ohio and many others.

Felkner said Encyclopedia Britannica had approached the state union about the mailing as it has done with the other profit and non-profit groups.

Although Wenzl's name was signed on the cover letter, he told The Times Record that the mailing had been handled by Joseph Lochner, executive director of the association. Lochner's office said he was on vacation last week. On Thursday, The Times Record was told Lochner would be in a meeting all day and could not be reached.

Mr. Lochner's secretary told The Times Record this morning that her boss was "in a meeting and would be tied up all day."