

EX-OFFICER INDICTED ON FIRESTONE FUNDS

Beasley Accused of Theft of Most of Million Set for Illegal Political Gifts

By **ARNOLD H. LUBASCH**

A former executive vice president of the Firestone Tire and Rubber Company was indicted in Manhattan yesterday for allegedly stealing most of \$1 million in corporate money that was supposedly being used for illegal political campaign contributions.

The 40-count Federal indictment named Robert P. Beasley, who earned more than \$200,000 a year as executive vice president for finance and vice chairman of the board of directors before he resigned from Firestone last year. He is 63 years old and lives in Akron, Ohio.

In effect, Mr. Beasley was accused of cheating his company by taking money for himself instead of using it for illegal political contributions.

'Methods of Subterfuge' Alleged

His lawyer, Robert J. Rotatori, said Mr. Beasley had not yet seen the indictment and could not comment on it. A spokesman for Firestone also said the company would not comment on the case.

According to the indictment, Mr. Beasley had controlled an "illegal political contribution program" for Firestone and had used "methods of subterfuge" to divert most of the money to his own use. He allegedly used the money to buy securities and repay loans.

Mr. Beasley was charged with fraud

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Ex-Aide Charged With Stealing Firestone's Funds

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and interstate transportation of stolen property. If convicted, he could face up to 10 years in prison on each of the main charges and could be fined more than \$50,000.

Robert B. Fiske Jr., the United States Attorney, said that a three-year statute of limitations barred prosecution of anyone for violations of Federal election laws involving the use of corporate funds for political campaign contributions in this case.

Last December, Firestone said that Mr. Beasley had collected at least \$1.16 million for political contributions. And in May, the company filed suit against the former officer, seeking the recovery of more than \$625,000 from Mr. Beasley. Of the \$1.16 million, it was charged, about \$300,000 went for contributions, \$206,101 was returned to the company, and \$625,000 was still missing.

The use of Firestone's corporate funds for illegal campaign contributions in Federal, state and local elections until 1973 was disclosed by an audit committee of the company's board of directors in response to an inquiry by the Securities and Exchange Commission.

Mr. Beasley allegedly used "a network of more than 20 bank accounts" in New York, Akron and other cities to conceal money he obtained from Firestone, according to V. Thomas Fryman Jr., the Assistant United States Attorney who presented the case to the grand jury.

The indictment said that "Firestone had a program of funding political contribu-



Robert P. Beasley

tions from corporate funds in violation of Federal law" from some time prior to 1960 until at least May 1973. It added that Mr. Beasley "assumed control of this illegal program" in 1968 when he became executive vice president for finance.

"It was an important part of the Firestone illegal political contribution program," the indictment continued, "that the monies be obtained from the corporate treasury through subterfuge in order to avoid detection by Firestone's auditors." It added:

"Robert P. Beasley was given complete responsibility and discretion in devising the methods to be used for this purpose.

"Having devised these methods of subterfuge, Robert P. Beasley then utilized them to defraud Firestone by obtaining additional corporate monies without detection for his own personal use."

Mixed With Other Monies

More than \$1 million was obtained from Firestone by Mr. Beasley during a period of several years, the indictment said. It alleged that he "used most of such funds for personal expenditures, including purchases of securities, payments of interest on loans and repayments of principal amounts on loans.

Through numerous bank accounts, the indictment said, he mixed "such monies with funds which he obtained from other sources."

Mr. Beasley became treasurer of Firestone in 1962, vice president in 1965, executive vice president for finance in 1968 and vice chairman of the board of directors in 1975. He was regarded as one of the company's top five officials when he was an executive vice president.

He is scheduled to be arraigned on the indictment on Nov. 3 in the Federal District Court in Manhattan.

His indictment resulted from a 10-month investigation by the United States Attorney's Office and the Federal Bureau of Investigation, according to Mr. Fiske, who said the case was an example of "outstanding achievements" by the F.B.I. in white-collar crime investigations over the past year.

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