“POSTAL SERVICE HAS ITS EYE ON YOU”

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 27, 2001

Mr. PAUL. Mr. Speaker, I am pleased to take this opportunity to draw my colleagues’ attention to the attached article “Postal Service Has Its Eye On You” by John Berlau of Insight magazine, which outlines the latest example of government spying on innocent citizens. Mr. Berlau deals with the Post Office’s “Under the Eagle’s Eye” program which the Post Office implemented to fulfill the requirements of the Nixon-era Bank Secrecy Act. Under this program, postal employees must report purchases of money orders over $3,000 to federal law enforcement officials. The program also requires postal clerks to report any “suspicious behavior” by someone purchasing a money order. Mr. Speaker, the guidelines for reporting “suspicious behavior” are so broad that anyone whose actions appear to a postal employee to be the slightest bit out of the ordinary could become the subject of a “suspicious activity report,” and a federal investigation. As postal officials admitted to Mr. Berlau, the Post Office is training its employees to assume those purchasing large money orders are criminals. In fact, the training manual for this program explicitly states that “it is better to report many legitimate transactions that seem suspicious than let one illegal one slip through.” This policy turns the presumption of innocence, which has been recognized as one of the bulwarks of liberty since medieval times, on its head. Allowing any federal employee to assume the possibility of a crime based on nothing more than a subjective judgment of “suspicious behavior” represents a serious erosion of our constitutional rights to liberty, privacy, and due process. I am sure I do not need to remind my colleagues of the public’s fierce opposition to the “Know Your Customer” proposal, or the continuing public outrage over the Post Office’s proposal to increase monitoring of Americans who choose to receive their mail at a Commercial Mail Receiving Agency (CMRA). I have little doubt that Americans will react with the same anger when they discover that the Post Office is filing reports on them simply because they appeared “suspicious” to a postal clerk.

This is why I will soon be introducing legislation to curb the Post Office’s regulatory authority over individual Americans and small business (including those who compete with the Post Office) as well as legislation to repeal the statutory authority to implement these “Know Your Customer” type policies. I urge my colleagues to read Mr. Berlau’s article and join me in protecting the privacy and liberty of Americans by ensuring law-abiding Americans may live their lives free from the prying “Eagle Eye” of the Federal Government.

POSTAL SERVICE HAS ITS EYE ON YOU

(By John Berlau)

Since 1997, the U.S. Postal Service has been conducting a customer-surveillance program, “Under the Eagle’s Eye,” and reporting innocent activity to federal law enforcement. Remember “Know Your Customer”? Two years ago the federal government tried to require banks to profile every customer’s “normal and expected transactions” and report any slightest deviation from the fields as a “suspicious activity.” The Federal Deposit Insurance Corporation withdrew the requirement in March 1999 after receiving 300,000 opposing comments and massive bipartisan opposition.

But while your bank teller may not have been spying on you every financial move, your local post office has been (and is) watching you closely. Insight has learned. That is, if you have bought money orders, sought cash cards from a postal clerk. Since 1997, in fact, the window clerk may very well have reported you to the government as a “suspicious” customer. It doesn’t matter that you are not a drug dealer, terrorist or other type of criminal or that the transaction itself was perfectly legal. The guiding principle of the new postal program to combat money laundering, according to a U.S. Post Office training video obtained by Insight, is: “It’s better to report 10 legal transactions than to let one illegal ID transaction get by.”

Many privacy advocates see similarities in the post office’s customer-surveillance program, called “Under the Eagle’s Eye,” to the “Know Your Customer” rules. In fact, in a postal-service training manual also obtained by Insight, postal clerks are admonished to “focus on those who do not follow ‘normal’ patterns of activity.” The postal service has a responsibility to know what their legitimate customers are doing with their instruments. “We’re watching you!”

Gillum’s boss, Henry Gibson, the postal-service’s Bank Secrecy Act compliance officer, says the anti-money-laundering program started in 1997 already has helped catch some criminals. “We’ve received acknowledgment from our chief postal inspector that information from our system has been very helpful in the actual catching of some potential bad guys,” Gibson says.

Gillum and Gibson are proud that the postal service received a letter of commendation from then-attorney general Janet Reno in 2000 for this program. The database system the postal service developed with Information Builders, an information-technology consulting firm, received an award from Government Computer News in 2000 and was a finalist in the government/nonprofit category of the 2001 Computerworld Honors Program. An Information Builders press release touts the system as “a standard for Bank Secrecy Act compliance and anti-money-laundering controls.”

Gillum and Gibson say the program resulted from new regulations created by the Clinton-era Treasury Department in 1997 to apply provisions of the Bank Secrecy Act to “money service businesses” that sell financial instruments such as stored-value cash cards, money orders and wire transfers, as well as banks. Surprisingly, the postal service sells about one-third of all U.S. money orders, more than $27 billion last year. It also sells stored-value cards and some types of wire transfers. Although the regulations were not to take effect until 2001, Gibson says the postal service wanted to be “proactive” and “visionary.”

Postal spokesmen emphasize strongly that programs take time to put in place and they are doing only what the law demands.
Postal service says, is a customer objecting coach in the video was black, Gillum insists going to have a bank account and going to have that kind of money. If he's a school-coach, a schoolteacher in town, buy [that standing citizen in the community, but cause anyone could be a potential money that postal clerks can't be too careful be-out a form. He frequently has been buying examples of suspicious activity, leaving that largely for the regulated companies to determine. But the postal-service training video points to the kind of activity that defendants should be sensitive to when serving customers the benefit of the doubt. "We are very sensitive to the private citizen," Singleton tells Insight. "The presumption seems to be that from the standpoint of the post office and the Bank Secrecy regulators every citizen is a suspect."

Both Singleton and Nojeim say "Under the Eagle's Eye" unfairly targets the poor, minorities and immigrants—people outside of the traditional banking system. "A large proportion of the reports will be immigrants sending money back home," Nojeim says. Singleton adds, "It lends itself to discrimi-nation. Again, it's only a small percentage of marginally legal. That's the basic problem."

There is also the question of what happens with the information once it's collected. Gillum says that innocent customers should feel secure because the information reported about people who are not auto-matically sent to the Treasury Department's Financial Crimes Enforcement Network (FinCEN) to be shared with law enforcement authorities. But whatever the reason, any customer who switches from a transaction that requires reporting requirement before he walked into the post office. "I think there's a lot of reasons that people might not want to fill out such forms: they may simply think it's none of the post office's business," Singleton tells Insight. "The presumption seems to be that from the standpoint of the post office and the Bank Secrecy regulators every citizen is a suspect."

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TRIBUTE TO LLOYD OYSTER

HON. DAVE CAMP
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 27, 2001

Mr. CAMP. Mr. Speaker, I rise today to pay tribute to Lloyd Oyster, a decorated soldier from World War II. I would like to acknowledge his bravery as a serviceman fighting on the front lines in Europe at the Battle of the Bulge. His many medals and awards demonstrate his bravery and patriotism. I am proud to stand and honor this outstanding citizen of the United States and would like to call his admi-rable actions to the attention of my colleagues in the House of Representatives.

I have attached for the record an article printed in the Ogemaw County Herald by Deanne Cahill about Mr. Oyster's experience as a World War II soldier.

Six decades ago, at the end of World War II, Lloyd Oyster was given a choice. The Lupton man had to decide whether or not to spend an extra few months in Europe and re-ceive the medals he was entitled to, or re-turn home to his wife and baby daughter.

Critically wounded in the Battle of the Bulge, Oyster didn't hesitate. He wanted to go home. He didn't regret that decision until recently, when he remarked to his youngest son, Joe, that he wished he would have spent that time in Europe and received his medals.

Without letting his father know, Joe went on a mission to grant his father's wish.