

Consumer Education, Fraud Prevention and Legislative Action

Consumer Education and Fraud Prevention

Potential victims of fraud scams have a choice: to participate or to wisely refrain from enticing but dishonest promotions. Armed with the right knowledge, almost anyone can recognize a fraudulent scheme and make the right decision—to stay away. For this reason, Postal Inspectors work to educate the American public about current fraud trends. Inspectors this fiscal year joined a number of initiatives with consumer protection agencies and other groups to help citizens protect themselves before they become victims of a fraudster's gambit.



Postal Inspectors work to make the mail safe, relying not just on their investigations and interventions of suspected criminal activity, but on consumer education to proactively alert the American public about crimes involving the mail.

Memorandum of Understanding: Postal Inspection Service and FTC

A Memorandum of Understanding between the Postal Inspection Service and Federal Trade Commission (FTC) signed in March 2001 supports consumer protection efforts by joining the resources of the agencies and leveraging their assets. Through data-sharing on fraud and related intelligence, activities related to fraud prevention, detection and prosecution are expected to increase. The Postal Inspection Service's Fraud Complaint System and the FTC's Consumer Sentinel database are now open to Postal Inspectors and FTC analysts for review. This allows them to target complaints that, when viewed in tandem, may represent significant criminal activity—activity that might once have gone overlooked.

Know Fraud: Identity Theft

The intent of the Know Fraud initiative is to educate consumers before they become victimized by fraud schemes. Before there can be "no fraud," the public must "know fraud."

Hoping to duplicate the success of its efforts in FY 2000, Know Fraud partners have taken the campaign to the grass roots level, hosting town hall meetings with consumers across the country to educate them about the dangers of identity theft and other schemes specific to their communities.

With the help of extensive media coverage, a Town Hall meeting on July 26 in Atlanta, GA, and another one on August 3 in Phoenix, AZ, reached diverse audiences of consumers and advocates. The Atlanta meeting was endorsed and attended by the attorney general of Georgia and representatives from Senator Max Cleland's (D-GA) office, the U.S. Attorney's Office, the Federal Trade Commission and the FBI, among others. The Phoenix meeting featured a representative of the U.S. Attorney's Office and representatives of the local Better Business Bureau and AARP. Senator John Kyl's (R-AZ) video on identity theft and fraud demonstrated his support of the Know Fraud initiative. On-site computers allowed attendees to file fraud complaints, and a Postal Inspector provided training for law enforcement officers on the Federal Trade Commission's Consumer Sentinel Fraud Complaint system and Identity Fraud database.

Consumer Protection Week

Staff members from the Postal Service's Consumer Advocate office and the Postal Inspection Service's Congressional & Public Affairs Division partnered to sponsor seminars and publicity campaigns during Consumer Protection Week, February 2 through 9, 2001. "If it's too good to be true, it probably is" was the theme for the 2001 campaign. The Postal Service's Consumer Advocate and the Chief Postal Inspector greeted Headquarters employees at the building entrance the morning of February 9, distributing pamphlets and other informational literature on mail fraud-related scams. The two offices also paired to pro-

duce an educational video news release about an Internet scam that victimized an Ohio teenager when he failed to receive an item he had ordered online and paid for through the mail. Consumer Affairs managers and Postal Inspector-Public Information Officers in Cleveland, Philadelphia and Richmond were recognized for their outstanding contributions and creativity in the week's events at a luncheon hosted by the Chief Postal Inspector and the Consumer Advocate.

Business Mailing Industry Task Force

The U.S. Postal Inspection Service continued its rewarding sponsorship of

the new Business Mailing Industry Task Force (BMITF) in FY 2001. Its focus was on merging the Rebate Data Center, Inc., with the Postal Inspection Service's former Confidence in the Mail Task Force. The Postal Inspection Service hosted the first joint meeting of the two groups in Seattle in December 2000, when it was decided that working as a single entity would benefit each by substantially increasing their power to target and eliminate fraud in the mailing industry. Additional meetings of the Business Mailing Industry Task Force resolved issues on sharing fraud data, forming a leadership team and setting criteria for membership. The U.S. Department of Justice formally approved data-sharing in June 2001.

The Postal Inspection Service is preparing to host an Internet Web site with fraud updates, industry news, meeting notes and a BMITF membership directory. When established, it will open a new gateway for communications among the business mailing community and law enforcement groups.

In August 2001, the Postal Inspection Service initiated an undercover investigation targeting mail order fraud and rebate, or coupon, fraud on the Internet. BMITF members are attempting to determine the extent to which Internet fraud affects the business mailing industry. Titled "Operation Cut It Out," it represents a first for law enforcement groups, which traditionally reserve such operations for other criminal arenas.

Preventing Child Exploitation Through the Mail

The Postal Inspection Service and the Postal Service launched a national crime prevention initiative with the National Center for Missing & Exploited Children (NCMEC) to raise public awareness of the online sexual victimization of children. The Postal Inspection Service printed an eye-catching poster



Photo by Robert J. Campbell, Postal Inspection Service

Inspector in Charge of the Northern Illinois Division Ida L. Gillis welcomed President George W. Bush to the 25th annual conference of the National Organization of Black Law Enforcement Executives (NOBLE) in July 2001, bringing her year as President and CEO of NOBLE to a close. Since 1976, NOBLE has served as the "conscience of law enforcement," addressing critical issues related to the mission of law enforcement agencies nationwide and their relationships to the communities they serve.

for display in 40,000 post offices nationwide, offering a simple, powerful message to adults: Be aware of your child's online activities, and make sure you know who they "talk" to online. The poster features NCMC's toll-free hotline number, 800-843-5678, and the Cyber Tipline's Internet address at www.cybertipline.com for reporting suspected incidents of child exploitation and sexual abuse.

Postal Inspectors from the Southeast, Southwest and Mid-Atlantic Divisions were presented with the 2001 National Missing and Exploited Children's Award on May 23, 2001. It is the third consecutive year Postal Inspectors received this honor. The Inspectors were recognized for their investigation of a husband and wife who videotaped themselves and others having sex with their children, ages nine and 12. The father was sentenced to four consecutive life terms, and the mother

was sentenced to 45 years in prison; other defendants received two consecutive life terms and a 15-year prison sentence. Another investigation involved two Henrico County, VA, residents who molested their neighbor's 12-year-old boy, videotaped the acts and sold the videotapes through the mail. Attorney General John Ashcroft recognized Postal Inspectors at a Department of Justice ceremony for their exceptional accomplishments in child exploitation investigations.

The Federal Law Enforcement Administrators (FLEA), an organization comprising leaders of 17 federal law enforcement agencies in Northern California, presented a Postal Inspector from the Northern California Division with an Excellence in Law Enforcement Award for his extensive efforts related to child exploitation cases and the report he has developed in coordinating investigations with other federal, state and local law enforcement agencies.

Recognition for Fraud Prevention

The Postal Inspection Service received an award on March 11, 2001, from the Software & Information Industry Association (SIIA), which represents more than 1,000 high-tech companies that develop and market software. SIIA protects the intellectual property rights of its members through anti-piracy education and enforcement and refers any possible mail-related violations to Postal Inspectors. The SIIA award recognized Postal Inspection Service efforts to protect customers from intellectual property violations and named the Inspection Service as a leader in protecting citizens' rights. Postal Inspectors are currently investigating five mail fraud schemes based on SIIA referrals.

The National Association of Consumer Agency Administrators (NACAA) recognized the Postal Inspection Service for its participation in the Strategic Partnership, a United States and Canadian effort to fight cross-border telemarketing fraud. The partnership includes the Postal Inspection Service, Toronto Police Service, Ontario Ministry of Consumer and Business Services, Competition Bureau of Industry Canada, Canada's PhoneBusters and the Federal Trade Commission. At the annual NACAA conference in June 2001, the Strategic Partnership received NACAA's prestigious Consumer Agency Achievement Award.

Legislative and Regulatory Action

During the first session of the 107th Congress, the Postal Inspection Service briefed Capitol Hill legislators on deceptive mailings, identity theft, revenue and asset protection, registry losses and e-commerce, and testified at hearings on related issues. Staff from the Postal Inspection Service's Congressional &



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Public Affairs Division also prepared and disseminated brochures and information packages to acquaint new members with postal crime-related issues.

The Postal Inspection Service participated for a second year at a Technology Summit sponsored by the Senate Appropriations Subcommittee on Treasury and General Government. The event afforded law enforcement agencies the opportunity to showcase technology developed and used in their crime-fighting campaigns. The Chief Postal Inspector and members of the Inspection Service's Forensic & Technical Services Division demonstrated new technology in mail-screening devices, transmitters, video cameras and tracking equipment for senators and other attendees.

On May 31, 2001, congressional staffers from the House Government Reform Committee toured the Inspection Service's National Forensic Laboratory at Dulles, VA. State-of-the-art forensic technology and its role in meeting the mission of the Postal Inspection Service was emphasized. Staffers also toured the Postal Inspection Service's training facilities in August 2001 at the Career Development Division, located at the Bolger Center for Leadership Development at Potomac, MD.

The Postal Inspector in Charge of Fraud, Child Exploitation, Asset Forfeiture & Money Laundering testified June 14, 2001, on cross-border fraud before the Senate Permanent Subcommittee on Investigations. He discussed Postal Inspection Service cross-border investigations and task force successes, emphasizing that Postal Inspectors seized approximately 129,000 pieces of incoming illegal foreign lottery mail that month alone. The illegal mail was seized before it entered the mailstream.

The Postal Inspector in Charge of Fraud, Child Exploitation, Asset Forfeiture & Money Laundering again testified on July 19 at a Capitol Hill

hearing on deceptive mailings related to tax refunds. The House Ways and Means Subcommittee on Oversight sponsored the hearing. The Inspector in Charge discussed an investigation of the Revenue Resource Center (RRC) of Boca Raton, FL. Postal Inspectors arrested two suspects who were charged with conspiracy to commit mail fraud in a scheme related to the Economic Growth and Tax Relief Reconciliation Act of 2001.

H.R. 2600 and H.R. 2601, The Children's Air Travel Protection Act, would amend federal aviation law to prohibit an air carrier or foreign air carrier from providing air transportation to an unaccompanied minor under the age of 18, or a minor accompanied by someone 18 years or older, without written authorization by a custodial parent, foster parent or legal guardian. If passed, this law sets forth civil and criminal penalties for falsely certifying authorization. The legislation was prompted by the work of a Postal Inspector in Florida who located a 14-year-old girl in Greece after a German sex offender lured her there (see the Child Exploitation chapter of this report).

Staffers from 15 offices of the Congressional Caucus on Missing and Exploited Children were briefed in August 2001 on Operation Avalanche, a multimillion-dollar child porn sting operation conducted by the Postal Inspection Service and others. Chief Postal Inspector Kenneth Weaver and Attorney General John Ashcroft announced the results of that operation at a national press conference at National Headquarters on August 8, 2001.

The Postal Inspection Service participated in the 2001 Annual Legislative Conference sponsored by the Congressional Black Caucus Foundation in Washington, DC, from September 26 through 29, 2001. Postal Inspectors

presented information on postal crime issues and discussed their mission to protect postal employees and assets and safeguard the mail.

On September 20, 2001, Chief Postal Inspector Weaver was requested to accompany Postmaster General John E. Potter to testify before the Senate Subcommittee on International Security, Proliferation and Federal Services. Chief Postal Inspector Weaver described in full the role of the U.S. Postal Inspection Service in responding to the terrorist attacks on September 11, 2001, assigning Inspection Service personnel to the investigations in New York, Washington, DC, and Pennsylvania. Excerpts from the Chief's testimony are provided in a special section in the front of this report.