



# The Phyllis Schlafly Report



VOL. 33, NO. 7

P.O. BOX 618, ALTON, ILLINOIS 62002

FEBRUARY 2000

## Are We Becoming a Society of Snoops?

Concerns have faded about a Y2K breakdown of government computers, but Americans should be worried about how computer efficiency gives the federal government extraordinary powers to monitor the daily activities of law-abiding Americans. Unknown to most people, government databases are storing all kinds of personal information about every American.

The Federal Communications Commission (FCC) has mandated that all wireless providers by 2001 be able to pinpoint the location of wireless phone calls. Cell phones are becoming homing devices for the government to track our whereabouts.

The Federal Deposit Insurance Corporation (FDIC) tried to impose a regulation called Know Your Customer. It was a plan to require banks to make a computer profile of all their customers' deposits and withdrawals and report "inconsistent" transactions to a federal database in Detroit called the Suspicious Activity Reporting System. After the comment period produced more than 250,000 negative and only 3,000 positive comments, the FDIC backed down and on March 23 abandoned its plan temporarily.

However, during congressional consideration of the big Financial Modernization bill last year, we discovered that many banks are already making customer profiles and selling them to telemarketers. The banking lobby successfully blocked an amendment that would have required banks to get the prior consent of customers before selling private financial information.

The Federal Aviation Administration (FAA) has proposed a regulation that would effectively give the government unlimited access to everyone's personal travel records. The FAA gave \$3.1 million to Northwest Airlines to create software for a database of personal travel records, plus \$7.8 million to other airlines to assist in deploying it.

The 1996 Welfare Reform Act requires all employers to send the name, address and Social Security number of every new worker, and every employee who is promoted, to a new government database called the Directory of New Hires. This is a massive database tracking nearly every worker in America.

In 1999 Congress authorized the linkage of this database with the Department of Education. Meanwhile, public schools are requiring children to fill out nosy questionnaires revealing all sorts of non-academic information about attitudes, behavior, health and family privacy, which is then entered on databases.

The 1996 Kennedy-Kassebaum Act authorized the Department of Health and Human Services (HHS) to assign a "unique health care identifier" to every American so the government can enter and track individual medical records on a government database. Public reaction was so adverse that Congress put a moratorium on implementation.

The 1993 Comprehensive Childhood Immunization Act gave the Department of Health and Human Services \$400 million to induce states to create databases of all children's vaccinations. By giving "rewards" to the state of \$50, \$75 or \$100 per fully vaccinated child, states are financially motivated to make vaccines compulsory and to produce the proof by storing the information on a state database.

The Centers for Disease Control (CDC) is trying to link these state databases into a federal database containing every child's medical records. This will become a gatekeeper to deny admission to daycare, kindergarten, school or college, or even access to medical care for any child who has not had all government-mandated shots.

It will be easy to add all medical records to this database, which would then become the key to the government's ability to dictate the giving and rationing of health care. This would accomplish Bill Clinton's original 1994 goal when he displayed his Health Security Card to a national television audience.

Another plan to collect private information on a government database involves sending "home visitors" into the homes of all first-time parents in the project called Healthy Families America. Information is entered on a nationwide computerized tracking system called the Program Information Management System that can eventually be combined with preschool and public school tracking systems.

The 1996 Immigration Act mandated that state

driver's licenses contain Social Security numbers as the unique numeric identifier so the federal government could use driver's licenses (a state matter) as a federal I.D. card. After public protest, this was repealed in 1999.

HHS is recruiting senior citizens to spy on their own physicians by offering a reward of up to \$1000 if they call the toll-free "Fraud Hotline" and file a report that leads to a monetary "recovery" from their doctor. The harassment potential is enormous when 39 million seniors start trying to collect a bonus if the doctor's office enters the wrong code number on a Medicare form.

This government monitoring is allegedly for the purpose of locating terrorists, money launderers, drug kingpins, Medicare and welfare cheats, student loan delinquents, and deadbeat dads. But law enforcement must not be allowed to turn us into a society of snoops.

We should prohibit the federal government from building, or assisting the states or private corporations to build, databases of personal information on American citizens that is none of the government's business. Only totalitarian regimes monitor the private actions of law-abiding citizens.

### ***Banking Confidential? Don't Bank on It!***

During consideration of the Financial Modernization bill passed by Congress last year (Public Law 106-102), we were all shocked to discover that, without any authorization from customer or government, many banks have been selling personal customer financial information to telemarketers who use it to peddle insurance, travel clubs, health plans, and a host of other consumer products. In return for this valuable information, some banks receive commissions on sales made by the telemarketers.

Senator Richard Shelby (R-AL) flushed this issue out into the open by urging that strong consumer privacy protections be added to the bill, but the big banks immediately staged such a massive lobbying effort against this provision that it was not included. Banks just don't want to give up the profits they've been making by secretly selling customers' personal financial information. Banks don't want to have to ask customers for permission because they doubt that customers will give it, and that's probably correct. Some bankers shamelessly admit that they profile their customers so the bank can tell telemarketers which products a customer might like.

But why should banks be able to make secret profits off of customers' personal information such as deposits, checks, phone numbers or credit card numbers? The checks you write and receive, the invoices you pay, and the investments you make reveal as much about you as a personal diary.

One of the incidents that brought this secret banking

practice to public attention is the case of Albert Newman, age 79, of Washington State who suddenly started getting mailings from an insurance company. It turned out that Mr. Newman was a cryptographer during World War II, and he deciphered the numbers on the mailing labels and traced them to his local bank.

Another problem involving banks was caused by a new federal law designed to catch parents who fail to pay child support. Financial institutions are now required to help locate so-called deadbeat parents by searching their customer databases every three months for matches against state-provided lists of child-support delinquents.

If matches are found, the banks must turn over the names, account balances and all other information to the state, which can then seize the assets. But small banks and credit unions that can't afford the technology or manpower to comply are using a provision in the law that lets them simply hand over all confidential information on all their customers, thus forcing the state to conduct the search for matches.

One of the worst aspects of all this snooping is that Congress has prohibited financial institutions from telling their customers that the bank spied on them and reported their transactions to the government.

In order to catch crooks and money launderers, the Bank Secrecy Act of 1970 requires banks to send a Currency Transaction Report to the government for every transaction involving more than \$10,000 cash. The inefficiency of the process is shown by the fact that, between 1987 and 1995, the snoopers sent 77 million Currency Transaction Reports to the government but the bureaucrats failed to catch the \$50,000 transmissions made by the Communists to CIA spy Aldrich Ames.

### ***Collections of Information***

The Collections of Information Antipiracy Act, H.R. 354, is a dangerous bill pending in the current Congress that would grant a new federal right to corporations that build databases. It would protect corporations' control of these databases by threatening to prosecute anyone who interferes with this new right.

These new federal crimes carry penalties of a \$250,000 fine and five years in jail for the first infringement, and twice that for the second. H.R. 354 would subject the mere copying of a part of a corporation's database to the jurisdiction of federal judges with the power to seize assets without a finding of guilt, and impose huge fines and prison sentences.

Congress should not make "collections of information" a new federal right enforced by the police and judicial power of the federal government! The Supreme Court correctly ruled in *Feist v. Rural Telephone Service* (1991) that, under the U.S. Constitution, copyright protection is granted only to authors who create new works, not to corporations that merely collect data. For

example, telephone companies do not own their listings of phone numbers just because they spent money collecting them. The Collections of Information bill is deviously designed to finesse the *Feist* decision by creating a new federal right called "collections of information" (with a special exclusion for telephone listings). It will create new rights not constitutionally available under copyright laws.

Databases are a tremendous financial asset because they can be used for so many commercial purposes such as targeted marketing and health insurance underwriting. Since the database markets are already growing by billions of dollars a year, corporations already have ample incentives to build databases and make big money off of them, and they don't need Congress to legislate any new incentives.

By vesting all these new rights in companies that build databases, H.R. 354 will make it difficult, expensive or impossible for individual Americans to access or restrict usage of their own information. We don't want the federal government to create new federal rights or incentives to encourage corporations to collect, manipulate, control, or market databases. H.R. 354 is so dangerous to our liberties that 128 prominent corporations and organizations, including such diverse groups as Harvard University and the United States Catholic Conference, are expressly opposed to it.

### *Asking Nosy Questions*

Meanwhile, a regulation to force 9,000 home health care agencies to collect and report sensitive information about all their patients was issued last year by the powerful federal agency called HCFA (Health Care Financing Administration). OASIS (Outcome and Assessment Information Set) was the cutesy name for this latest venture into Big Brotherism, but there was such opposition to it that the plan was put temporarily on hold.

OASIS was designed for home health providers to interrogate **all** their patients, not merely those whose bills are being paid by the government through Medicare or Medicaid, exempting only children under age 18 and pre- and post-natal mothers. The government is thus reaching out to grab the medical records of patients whose medical bills are paid by private sources, *i.e.*, not paid by the government.

The 12-page fine-print form that home health care providers were ordered to fill out on each patient was extraordinarily detailed and offensively privacy-invading to the patient. The questionnaire wasn't just about medical history, treatment and medications. Questions were asked about race, ethnicity, family, whether you own or rent your residence, whom you live with, your finances, and your psychological attitude and behavior, all tied into your Social Security number.

### *Government Experiments on Humans?*

It isn't often that federal bureaucrats admit to embarrassment, but the *New York Times* reported on October 23 that it was "highly embarrassing to federal health officials" to have to admit the "causal association" between the RotaShield rotavirus vaccine and the life-threatening condition called intussusception. The embarrassment was aggravated "in part because the vaccine [for diarrhea] was 23 years in development and much of the work was done at the National Institutes of Health."

Health officials should be expressing deep and sorrowful regret for the terrible damage they have done to infants. Intussusception is a bowel obstruction caused by one portion of the bowel sliding inward, like a telescope, into another part of the bowel, causing a previously healthy infant to scream in terrible pain, and often requiring surgery to repair.

The government's formal position until October 22 had been that all infants in the United States should receive three doses of the vaccine, at 2, 4 and 6 months of age, although caution was expressed by the Centers for Disease Control (CDC) on July 15 and the manufacturer withdrew the vaccine from the market on October 15.

CDC immunization spokesman Dr. John Livengood said that the health officials' decision to withdraw the vaccine recommendation reflected a stepped-up review of scientific evidence, which showed that the rotavirus vaccine appeared to cause intussusception in about 1 in 5,000 recipients, and that vaccinated babies were 25 times as likely to develop intussusception three to seven days after the first dose as those who did not receive it.

What is so shocking about this admission is that the high rate of intussusception was known before Food and Drug Administration (FDA) approval in August 1998. The raw data were kept secret and the CDC went ahead with its recommendation.

Another disturbing piece of news is that, of the federal health advisory panel's 12 members, only 4 voted, all for the recommendation to withdraw use of the vaccine. We are told that the others were absent "because of emergencies or abstained because of ties to the manufacturer or other conflicts of interest."

It is unacceptable that members of the advisory panel are permitted to have conflicts of interests, and it's no answer to say they merely don't vote on the decisions where their conflict of interest is immediate. Panel members should represent the public, not be beholden to the pharmaceutical companies or the CDC.

All the raw data supporting any vaccine recommendation should be made public so they can be reviewed by disinterested parties. Many infants would have been saved from the intussusception tragedy if the raw data about the rotavirus tests had been available to the public.

We are long overdue for a Congressional investiga-

tion to educate the public about the current process of mandating vaccines, the secrecy about raw data, the failure to do risk and cost-benefit analysis, and the role of the pharmaceutical corporations in lobbying for mandates. The American people have a right to know exactly how and why the CDC disregarded the danger signals in the test data and recommended the rotavirus vaccine anyway.

The Association of American Physicians and Surgeons has urged Congress to investigate the process by which vaccines are approved and recommended. The public is entitled to know if government approval is a political rather than a scientific decision, as well as the fact that government mandates are what make vaccines so commercially profitable.

Parents are beginning to fear that the real clinical tests may be post-mandate instead of pre-mandate. When the CDC can conceal the raw data about the pre-tests and reveal only summary statistics, it's easy to distort the results, recommend a vaccine for all infants, and make the universal use of the vaccine the real test. This process amounts to experimentation on humans without telling the recipients or their parents that the vaccine is experimental.

President Clinton added to our worries about vaccine scandals when he issued Executive Order 13139 requiring military personnel to receive experimental vaccines that don't even have FDA approval for the intended use. It appears that EO 13139 is an attempt to finesse Pentagon responsibility for administering the controversial anthrax vaccine to all military personnel. The Defense Department has been inoculating for inhalational anthrax even though the only FDA approval, issued nearly 30 years ago, was only for cutaneous anthrax (contact through touch).

Hundreds of servicemen (including dozens of pilots) have resigned rather than submit to the anthrax vaccine because they have observed or heard about adverse reactions in many of their peers. Dozens of military personnel have been prosecuted and punished for refusing to be inoculated, and more than 1,000 are now awaiting trial.

Infants and military personnel are two groups of Americans subject to medical decisions made by others. Is our government using those two groups for human experimentation with inadequately tested drugs?

### ***Government Should Do No Harm***

In the televised presidential debates, Alan Keyes kept reminding us that moral and cultural issues are paramount, and he challenges the media and his opponents to address them. While most would concede that Columbine and other recent unhappy events indicate that America has a big moral problem, what is the government's role in morality and culture?

We don't expect our president to be our preacher or our Big Brother or our nanny or our morality policeman.

But we should insist that the federal government do no harm. Yet, so many federal programs, even when designed to do good, have followed the law of unintended consequences and been downright harmful.

The liberal welfare program, whose enormous expansion dates from Lyndon Johnson's Great Society, is widely acknowledged to be a disaster, which is why welfare reform was one of the few Republican bills that Bill Clinton signed (after two vetoes). Unfortunately, the welfare program was not merely a failure. It was a major contributor to the social problem of illegitimacy because it made fathers irrelevant by routing its cash and other benefits exclusively through mothers.

It's generally admitted that our nation has lost the war on drugs or at least is in big-time retreat. It's possible that the billions of federal tax dollars spent on drug education is another counterproductive program. Since more kids are now using illegal drugs, is government drug education a failed program, or has it encouraged more children to experiment with illegal drugs? Some people think the latter because most drug-education courses teach children to make their own decisions about drugs instead of explicitly warning them that drugs are wrong and illegal.

Planned Parenthood-style sex education has been taught in the public schools for the last 25 years. It certainly hasn't achieved its purpose of preventing teenage sex, and some now say it has exacerbated the problem by inviting children to cast aside their natural modesty and assume that pre-marital teen sex is normal.

The government is to blame for the fact that more than 40 million Americans lack health insurance. Federal laws have rigged the system so that, unless you work for a company that can afford a health plan, it is difficult or impossible for an individual to get insurance. So many mothers, who would rather be fulltime homemakers or take only part-time employment, are the victims of "job lock": they don't dare quit and lose their health insurance. Before the government starts imposing new regulations, it should remedy its own mistakes and fix the system so that employees can own their own health insurance just as they own their own automobile insurance.

It wouldn't be so bad if waste were the only bad result of big government. We should address the moral and cultural problems by first remedying the harm done by federal spending and wrong-headed policies.

#### **The Phyllis Schlafly Report**

PO Box 618, Alton, Illinois 62002

ISSN0556-0152

Published monthly by the Eagle Trust Fund, PO Box 618, Alton, Illinois 62002. Periodicals Postage Paid at Alton, Illinois. Postmaster: Address Corrections should be sent to the Phyllis Schlafly Report, PO Box 618, Alton, Illinois 62002. Phone: (618) 462-5415.

Subscription Price: \$20 per year. Extra copies available: 50¢ each; 3 copies \$1; 30 copies \$5; 100 copies \$10.

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