

National News

Postal privatization sparks union protest

The increasing privatization of the U.S. Postal Service was the target of a national one-day protest by postal workers on May 27. The most recent move which sparked the demonstration was USPS's decision to contract out its Priority Mail service to Emery Worldwide Airlines. USPS is also looking to privatize its bulk mail facilities. With the Emery contract, the USPS has begun processing First Class mail, a core function, outside the Postal Service for the first time in history.

According to a fact sheet from the American Postal Workers Union, in 1997 USPS awarded a 58-month contract for \$1.7 billion to Emery to create a new Priority Mail network, despite the fact that the Postal Service had spent several years designing the Priority Mail network for in-house operation with postal workers. However, according to the APWU analysis, postal workers, who are unionized and paid more than Emery workers, could perform Priority Mail processing in-house for millions of dollars less than Emery. Even the Postal Service's analysis determined that Emery was more expensive.

The APWU's Dave Gibson told EIRNS: "The Postal Service historically — Benjamin Franklin set it up — was set up not to be a profit-making organization. It was to serve the country, the community, to have a mail service." Privatizing mail delivery, however profitable, said Gibson, "is a disservice to the American people, to start doing this."

FOIA suit seeks Defense records on Linda Tripp

EIR's Anton Chaitkin filed a Freedom of Information Act lawsuit against the Department of Defense on May 4 in U.S. District Court in Washington, asking the court to enjoin the department from withholding information which must be released under FOIA, regarding the employment of Linda Tripp, who allegedly taped 20 hours of phone conversations with Monica Lewinsky, in which

the White House intern claimed to have had an affair with the President. Shortly after both she and Lewinsky were subpoenaed in the now-defunct Paula Jones case in December 1997, Tripp — a Bush appointee, who acted against Clinton from within the White House — took her tapes over to independent counsel Kenneth Starr.

Tripp's resumé, which the DOD released to the media in February 1998, shows that she had a history of working in sensitive military and intelligence positions during her DOD career in the mid- to late-1980s. Chaitkin filed FOIA requests with various Defense units, to obtain the department's version of the jobs listed in her resumé, and any related material, such as her education and training by the DOD, for those jobs. All units except the Office of the Secretary of Defense (the civilian leadership component), which currently employs Tripp, professed themselves unable to find anything. OSD refused to hand over the documents, because they'd been "advised" by Starr's office, that doing so would interfere with a "law enforcement proceeding."

HMOs create class of 'virtually' uninsured

According to a complaint by the Maryland Hospital Association to the state's Insurance Commission, health maintenance organizations (HMOs) have created a new class of individuals who have insurance coverage, but whose insurers won't pay for treatment. The April 21 complaint, which was released to the public last month, shows that the state's top HMOs refused to pay over \$50 million for 20,000 hospital patients with discharge dates in 1997. MHA cited Mid-Atlantic Medical Services Inc. (MAMSI), one of the state's largest insurers, for illegally refusing to pay for part or all of hospital care given to 1 in every 10 patients in 1997, an increase in payment denial by 50% from 1996, when the insurer informed its shareholders that it had sustained a loss for the year. In a July 12, 1996 letter to physicians, MAMSI imposed draconian restrictions on specialist referrals.

MHA's complaint documented a substantial number of refusals to pay for emer-

gency cases, in which hospitals had complied with all requirements to provide timely information to the insurer, had obtained pre-approval for treatment, or had documented that the patient was unconscious, requiring the hospital, by Federal law, to perform necessary stabilizing procedures.

Hispanic state lawmakers endorse McDade-Murtha

Two leaders of the National Hispanic Caucus of State Legislators issued a statement announcing the NHCSL endorsement of the McDade-Murtha "Citizens Protection Act." The act would place stiff penalties on prosecutorial abuses by the Justice Department.

The statement, by NHCSL President Sen. Efraim Gonzalez (New York) and Treasurer Rep. John Martinez (Connecticut), was released at a Houston press conference on May 27, to protest the Department of Justice's decision to retry their failed "Houston Five" case against minority city officials (see *EIR*, June 5). The NHCSL officials wrote: "We have become aware that the U.S. Department of Justice has been accused of targeting minority elected officials in Houston, Texas, and then of devising a sting operation to entrap them. We are familiar with the practice of racial targeting by the FBI and the DOJ under 'Operation Fruhehmen-schen,' and are very concerned. . . ."

"After reading about this trial, we were pleased to hear that a mistrial was declared, but then were surprised to learn that the DOJ prosecutor is proceeding with a second trial. We can assure you that, as officials of the NHCSL, we will be watching this case closely."

In a related development, the National Association of Assistant U.S. Attorneys sent a frantic letter to all Congressional offices taking the "strongest exception" against McDade-Murtha, which complains that such a law would be a "waste of time and money." "Quite simply, the notion that the American people need a statute to protect them from the Department of Justice is, in our view, absolutely ludicrous," and it would have a "detrimental impact upon the morale" of DOJ employees.

PRESIDENT CLINTON should remain involved in fostering peace in Ireland, said Sinn Fein President Gerry Adams at a Washington press conference on May 29. Prior to meeting President Clinton, Adams identified economic investment and policing reform in Northern Ireland, as crucial areas for U.S. help.

TRANSIT WORKERS struck the Southeastern Pennsylvania Transit Authority (SEPTA) on June 2, as months of bargaining over a new contract broke down. The Transport Workers Union of Philadelphia, Local 234, has tried, since their contract expired in March, to avoid a strike, TWU spokesman Bruce Bodner said. "But, we came to the point in May, where SEPTA said that basically they were unwilling to negotiate any further unless we were willing to accept all of their takeaway demands."

EXECUTIONS in Virginia are the most efficient in the country, as the only state in the nation that has executed more people, 50, than it now has on death row, 44. A new U.S. study shows that from 1973 to 1996, only 6% — the lowest rate in the nation — of the 103 men sent to death row in Virginia had their convictions or sentences overturned in court. The average rate is about 35%.

THE U.S.-CHINA 'HOTLINE' was used for the first time by Presidents Clinton and Jiang Zemin on May 25. White House spokesman Mike McCurry confirmed on May 29 that President Clinton had phoned President Jiang to discuss "our mutual concerns about the situation in South Asia and the ways in which it could be addressed."

LIONEL JOSPIN, France's Prime Minister, will make an official visit to Washington to meet with President Bill Clinton in a "working session" in June. Other evidence of the thaw in Franco-U.S. relations was First Lady Hillary Clinton's private trip to France to meet with First Lady Bernadette Chirac, who was a candidate in local elections.

CSI's Rep. Smith backs Indonesia separatists

Rep. Chris Smith (R-N.J.), a U.S. leader of the British intelligence destabilization outfit Christian Solidarity International, delivered a letter to Indonesia's President B.J. Habibie on May 20, demanding a laundry list of "democracy" and "human rights" reforms, and implicitly threatening a foreign-aid cut-off. The letter, signed by 15 Congressmen, also demands special consideration for long-simmering ethnic and separatist movements in at least five regions. "In the coming months," the letter warns, "we will be watching the events in your country with interest and with a continued concern for the welfare of the Indonesian people."

According to the *International Herald Tribune* of May 28, while in Jakarta, Smith called for the Habibie government to release certain political prisoners, although Justice Minister Muladi has ruled that those guilty of subversion cannot be released for national security reasons. Topmost among these is Xanana Gusmao, head of the East Timor Fretilin terrorist movement, who, as recently as May 25, declared from prison that he will not renounce the use of terrorism.

Wall St. Journal looks at Lott's 'Money Trail'

An exposé by the *Wall Street Journal* on May 28 revealed some of the benefits of making big contributions to Senate Majority Leader Trent Lott's political slush fund, "Republicans for a New Majority." The *Journal* profiled the 114 persons who contributed the maximum of \$5,000 in 1995-97, and found that "four out of five donors to the Mississippi Republican's PAC had identifiable stakes in specific programs and policies pending before the government." Just before Congress closed in 1996, Lott pushed through the National Securities Markets Improvement Act, which lifted limits on how many investors a hedge fund could suck in. Before the bill passed, Stan

Druckenmiller of Soros Fund Management LLC gave \$250,000 to the Republican National Committee. Tiger Fund Management's Julian Robertson gave the RNC \$100,000 before passage, and another \$100,000 afterward.

Among those who gave to Lott's PAC were former Bush White House Counsel C. Boyden Gray, who had been hired by Tiger Management hedge-fund to lobby for the new investor rules. Gray's secretary also ponied up \$5,000. Another contributor was Jeremy Jacobs, head of Delaware North Companies (originally the organized crime-linked Emprise). Wrote the *Journal*: "The gift got Delaware North's in-house lobbyist, Bill Bissett, into a small dinner with Mr. Lott at the City Club in Washington. 'We thought it would be a chance to get the issue in front of Senator Lott,' Mr. Bissett says. 'We wanted to see it passed.'"

Moldea exposes Starr's policy of press leaks

Investigative author Dan Moldea, who has just written *A Washington Tragedy* debunking the Vincent Foster "murder" theories, said in a speech in Washington in late May that special prosecutor Kenneth Starr has a policy of orchestrating leaks to news reporters whom he considers sympathetic to him and hostile to President Clinton. Moldea said that the "rules" of Starr's Office of Independent Counsel, were explained to him by Starr's top deputy in Little Rock, Hickman Ewing. OIC, Ewing told Moldea, regularly talks to reporters, including "providing information that is not on the public record."

"This information is provided to approved writers on an off-the-record basis," Moldea said he was told, adding, "Ewing made it clear to me that no reporter or book reviewer receives anything from the OIC without Starr's expressed approval." Moldea said that he decided to go public, after Starr issued a denial that he had ever leaked information to a reporter. Moldea said that this is further proof that Starr's investigation of Clinton is "political, partisan, and punitive."