

LIBERTARIAN PARTY PROGRESS REPORT

We've buried the FDIC in e-mail!

Important news about our campaign against "Know Your Customer."

Dear friend,

Did you ever dream of the day when the Libertarian Party would be large and powerful enough to influence public policy on a national scale? **That day has arrived!** Within the last month:

- ✓ We caused a federal agency to furiously backpedal on a **dangerous, privacy-busting regulation**. They've received over 100,000 complaints about it — and the LP generated a majority of them! Read on. I'll tell you how we did it.
- ✓ A Congressman who co-sponsored the bill authorizing that regulation is now sponsoring REPEAL legislation — thanks to an LP staff member. Keep reading, and I'll tell you how we got the Congressman to perform such an abrupt about-face.
- ✓ Radio stations have been calling us three, four, even five times to get LP representatives on the air to talk about this issue. Why? Because they know we're leading the charge against it. Read on, and find out how we'll generate even more media coverage.

Why have we been so successful in our battle against this regulation?

Because we were able to harness the power of our Internet presence, our professional media operation, and our rapidly growing membership. Keep reading and you'll see how we leveraged those strengths into real, tangible, political success.

If you haven't guessed it yet, the issue that provided such an amazing opportunity for the LP is . . .

The "Know Your Customer" regulation — an innocently named rule proposed by the

Federal Deposit Insurance Corporation (FDIC). **But there's nothing innocent about it.** If implemented, it would require your bank to . . .

- ✓ Find out where you get your money.
- ✓ Monitor your banking, and develop a "profile" of your banking habits.
- ✓ Question you whenever you make any "unusual" transactions. And if they don't like your answers, report you to federal investigators.

Unbelievable, isn't it? This regulation would turn your local bank teller into a government snitch — and treat you like a criminal suspect.

The government claims it will help them catch "money launderers." But the regulation is so vague that almost any American — including you — could get reported to the federal government as a possible financial felon.

Even worse, the rules could subject your bank account to asset forfeiture — unless you prove that you're not a criminal. That's right: You have to prove that you're innocent to get your own money back!

Of course, in a free society, the government has no business asking where you get your money — and politicians have no right forcing your bank to spy on you. You know it and I know it.

And the American public knows it.

Within hours of issuing our January 8th press release exposing this "bank spying law," we knew we had a red-hot issue on our hands.

**Within a day, we realized we were wrong:
The issue was WHITE hot.**

Media calls started to pour in, and the LP headquarters staff did a record 51 broadcast interviews in January — the highest number ever outside of a presidential race. **February was even busier.**

As I write this letter in early March, we've already talked about the bank spying law on 723 radio stations — and the interview requests continue to pour in!

All this publicity is having an impact . . .

On January 11, LP Press Secretary George Getz was being interviewed about Know Your Customer on WJBO Radio in Baton Rouge, Louisiana. As the phones lit up with angry callers, the district's Congressman, Rep. Richard Baker, quickly called in to do some damage control.

Baker — a senior Republican on the House Banking Committee — said, "I agree with my constituents that the government has no business

interfering with your privacy in this way. I'm going to call a Congressional hearing on this issue immediately!"

Sounds good? It did to us, too — until we discovered that Baker had, in fact, co-sponsored the House legislation that authorized Know Your Customer in the first place!

Of course, George passed this information on to the host, who spilled the beans to his listeners. Baker immediately asked the station if he could come back on the air to defend himself.

On January 26, a very agitated Congressman Baker wound up blaming his vote on . . . one of his colleagues on the House Banking Committee!

"What really happened," explained Baker, "is that liberal Democrat Maxine Waters slipped the Know Your Customer amendment into the bill late at night — behind everyone's back! I never even knew about it!"

Apparently, the Congressman doesn't consider reading amendments to bills he sponsors to be part of his job description.

Two days later, Baker came back on the program — for a third time — and announced that he had "taken the lead on repealing the Know Your Customer rule" and had written a bill to do just that.

Did you ever think you'd see the day when pressure from the Libertarian Party would force a Congressman to come on the air to defend his radical position on an issue — and force him to back down?

Think about it: In just 17 days, Baker went from being a co-sponsor of the legislation, to calling for hearings, to filing a bill to repeal the legislation he'd co-sponsored — and it was the LP's press secretary who made it happen!

And that was only the beginning . . .

Powerhouse talk station WKRC in Cincinnati has now requested three LP interviews on Know Your Customer. During the interview on January 13, host Jerry Thomas said . . .

"You guys are doing a great job keeping us informed about government threats to our privacy. How come the Libertarians are the only party talking about these issues?"

On January 19, a Denver Post reporter called our national office. After the interview he said, "Now I need a comment from an organization supporting the regulation, just to balance out my story. Can you point me in the right direction?"

George gave him the phone number for the American Banking Association, which was the only non-government organization supporting it.

The reporter called us back two hours later and said, "Apparently they're starting to back

down, too. It looks like this proposal is headed for a major revision."

But that's not all . . .

- ✓ The Nashville-based **WLAC**, a 50,000-watt station that booms into four states, has interviewed LP spokespeople three times on this issue.
- ✓ In San Francisco, leading talk station **KSFO** interviewed the LP twice — lighting up the phones with angry callers each time.
- ✓ On January 31, Press Secretary George Getz discussed the LP's campaign on the 65 affiliates of the **Talk America Radio Network**.
- ✓ And, on February 22, LP Political Director Ron Crickenberger invited fans of the Wayne LaPierre Show, heard on 70 affiliates on the **Westwood One Network**, to join the LP's effort!

We've also picked up a new Libertarian talk show host thanks to this effort.

In Denver, radio station KOA, "a 50-000 watt blowtorch that's heard in 38 states," invited the LP on the air twice to discuss Know Your Customer.

After the interviews, host **Rick Barber** — long a small "l" libertarian — decided to formally join the LP and asked for a membership card!

And the day I wrote this letter, WJBO in Louisiana called for the fourth time — this time to invite the LP to give Know Your Customer updates during two consecutive hours of afternoon drive-time. I hope Congressman Baker will be listening!

We knew from the dozens of radio interviews that Know Your Customer was a white-hot issue. And we used every appearance to urge listeners to call, write, fax, or e-mail the FDIC.

We also sent an "Action Alert" to the 10,000-plus subscribers to the LP's e-mail announcement list, urging our members and supporters to contact the FDIC.

The result: By the end of January, over 15,000 comments had poured into the offices of the FDIC. (Of that number, only 12 were in favor!) Suddenly, the FDIC started talking about "studying or reforming" Know Your Customer.

Warning bells! You see, Libertarians know what government bureaucrats mean when they promise to "study" or "reform" an issue. It usually means they're searching for a new way to sneak it in.

At that point, we realized we needed to kill Know Your Customer completely. Not study or reform it — but to drive a stake through its heart.

We had to generate even more opposition to Know Your Customer. But how?

After some brainstorming, we came up with a plan . . .

- ✓ We would set up a website for people to sign an **electronic petition** opposing Know Your Customer. It would also generate e-mail messages to the FDIC and their U.S. Representative and U.S. Senators.
- ✓ We would launch the site with an announcement to the LP's e-mail list. In addition to asking every Libertarian to visit the site personally, we would ask them to forward the message to friends and family — and get an **Internet "chain reaction"** started.
- ✓ We would give out the web address during our **talk show appearances**. That would generate more hits. And the campaign could continue to spread by word-of-mouth.
- ✓ We would set up an e-mail distribution list for people who signed the online petition, so we could send out **updates about the campaign**. If, as we suspected, the FDIC tried to "sneak" the Know Your Customer rule into effect, we would be able to immediately mobilize more support to squash it again.

The Libertarian Party had never tried a lobbying campaign with this scope or complexity. And we didn't know if it would work. But we had to do something to kill Know Your Customer. And fast!

Two weeks later, www.DefendYourPrivacy.com was up and running.

- ✓ On February 17, we sent a message to the LP's e-mail list announcing the site. At that time, the FDIC had received approximately **20,000 comments** about Know Your Customer.
- ✓ On February 23 — less than a week later — the FDIC had received a whopping **78,000 comments**. More than half were generated from our new website.
- ✓ By February 25, the FDIC had been deluged with **100,000 comments** — a majority of them coming from the [DefendYourPrivacy.com](http://www.DefendYourPrivacy.com) website. And the numbers continue to grow.

Does that mean Know Your Customer is dead? Not yet.

Consider these comments by David Barr, a spokesperson for the FDIC, as reported in the February 20th edition of Wired News:

"We could write a policy statement that still gets a program in place . . . When our examiners come in to an institution, they'll look for a Know Your Customer program."

Out goes the "regulation." In comes a "policy." Clearly, the FDIC bureaucrats don't care

what the American people think. They seem determined to enact it one way or another. We must keep up the pressure!

In fact, it may take legislation to completely revoke, abolish, terminate, and repeal Know Your Customer.

Congressman Ron Paul (R-TX) has already introduced the Know Your Customer Sunset Act (HR 516), which would prohibit the FDIC, the Federal Reserve, or any other agency from implementing the regulation.

However, that legislation won't pass without a strong grassroots lobbying campaign.

And the Libertarian Party is the only political organization that can make it happen.

- ✓ **We have the DefendYourPrivacy.com website in place.** After the FDIC's comment period ends on March 8, we can immediately start generating e-mail petitions in support of HR 516.
- ✓ **By then, our DefendYourPrivacy.com e-mail list will likely exceed 100,000 people.** And every one of those 100,000 people is on our side on this issue!
- ✓ **We have a professional media operation** that can generate even more radio and television coverage — this time about the legislation.
- ✓ **We have over 35,000 LP members and contributors** who can call Congressional offices and help build the momentum required to force Congress to act.

The LP has already thrown a monkey-wrench into the FDIC's plans to impose its wacky bank spying scheme — now we have the opportunity to kill this invasion of privacy permanently. But we need your help to do it.

The bad news: Our anti-Know Your Customer campaign wasn't part of our planning for 1999. We didn't budget for it, nor was our staff prepared to handle this incredible upsurge in political activity. George Getz has already pulled one "all-nighter" to handle the media interviews coming in at all hours of the day and night.

The good news: We've been able to do it — so far — on a shoestring budget. We just asked our staff to work a little harder to handle the incoming media, support the website, and keep the pressure on.

But the battle isn't over yet.

By the time you read this letter, the FDIC's public comment period will have expired. When all the numbers are finally counted, we expect to have hammered them with — get

ready! — **over 150,000 comments.**

But the regulation probably won't be dead. Like a dangerous virus, we expect it will mutate into a "policy," or emerge from a government "study" under a new name.

Know Your Customer is a disease that threatens our freedom. HR 516 is the cure.

Will you help us keep the pressure on — to pass HR 516?

It costs us \$105 a day to maintain our DefendYourPrivacy.com website — the vital nerve center of our campaign.

- ✓ Will you contribute **\$105** to keep the website up and running for one more day? Without it, we can't mobilize our campaign for HR 516.

Thanks to all the media attention we've generated, we're also getting bombarded by an average of **173 information requests every day**. These people are attracted by our pro-privacy positions — and may become the next generation of Libertarian activists.

This barrage of info requests is more than double our regular daily volume. It costs us \$1.20 apiece to process, print, and mail each comprehensive LP information package. That's \$207 per day, or about \$52 every six hours.

- ✓ Will you contribute **\$52** to send information to six hours' worth of prospects who are clamoring for LP information? Know Your Customer is turning into a remarkable recruiting opportunity — but we need your help to take advantage of it.

We were able to implement the Know Your Customer campaign because the party has grown so dramatically in recent years. **The more we grow, the more clout we have.** Just imagine what we could accomplish if we had 50,000 members! Or 100,000!

Our next Project Archimedes mailing is scheduled for April. It's our biggest ever: We're going to ask **one million Americans** to join the Libertarian Party — and we expect to bring in 7,000 new members and contributors.

- ✓ Could you contribute **\$30** to sponsor 1,000 Project Archimedes prospecting letters? With your help, we can continue to develop even more political clout.
- ✓ Or, could you contribute **\$1,000** to Project Archimedes — which will produce 24 new members? Those new members will produce more than \$5,000 in revenue for the party over a three-year period.

Remember, every increase in manpower, money, and members in office puts us in a better position to fight for your liberty.

The old, smaller Libertarian Party would have been forced to watch helplessly as the

FDIC imposed Know Your Customer. The new, bigger Libertarian Party is powerful enough to effectively fight back.

But we can't declare victory yet. We need your help to:

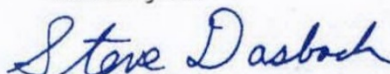
- ✓ Keep our privacy website up and running.
- ✓ Keep our media blitz going.
- ✓ Lobby to pass HR 516 — to kill Know Your Customer.
- ✓ Turn our flood of new prospects into new members, and keep the LP growing.

Thanks to your support, the visibility and political clout of the Libertarian Party has never been greater. But we can't afford to stop now.

We've weakened Know Your Customer — and shocked the bureaucrats who thought it would pass without a fight.

With your help, we can push this tottering regulation into the grave — and bury it, once and for all.

Thank you.



Steve Dasbach,
National Director

PS: I just got word: **The number of petition signatures at our website — DefendYourPrivacy.com — just passed 100,000!** And a staff member in Ron Paul's office reports that the FDIC's office is buried in letters, faxes, and e-mail print-outs. They don't know what hit them!

PPS: The 100,000 people who signed our anti-Know Your Customer petition are grateful that we are fighting for their privacy against government intrusions. Makes you feel good, doesn't it?

PPPS: A few years ago, when the LP's office staff was just three people, we simply could not have pulled off a project like this. But thanks to your support, we had the resources to mobilize quickly.

Without our recent membership growth, the LP would have been shut out of this debate . . . and Know Your Customer would have sailed to easy approval. **We can't let that happen.** Your generous contribution will give us the resources we need to keep up the fight. Thank you!

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e generated 100,000 comments to the FDIC in just 14 days -- but it may not be enough to kill the "Know Your Customer" regulation.

Will you help us take the last step to protect your privacy?



LIBERTARIAN PARTY

Libertarian National Committee, Inc.
2600 Virginia Avenue, NW, Suite 100
Washington DC 20037

Know Your Customer:

**What we've done to
kill it (and what still
needs to be done.)**



**es! I want to help the DefendYourPrivacy.com Project
continue to fight the FDIC's "Know Your Customer" regulation,
generate more media coverage, and recruit more members!**

Here's my targeted contribution!

- ☐ \$1,000 — Will help Project Archimedes recruit 24 new members.
- ☐ \$105 — Will keep DefendYourPrivacy.com up and running for one more day.
- ☐ \$52 — Will send out six hours' worth of prospect information packages.
- ☐ \$30 — Will fund 1,000 Project Archimedes recruiting letters.
- ☐ \$_____ Other contribution for the campaign for privacy.
- ☐ Check/Money Order Enclosed. Or charge my: ☐ MasterCard ☐ Visa

Acct. # _____

Expires _____

Signature _____

MAIL TO: AND PLEASE MAKE CHECKS PAYABLE TO: LIBERTARIAN PARTY,
2600 VIRGINIA AVENUE, NW, SUITE 100, WASHINGTON DC 20037

I want to be a Monthly Pledger!

- ☐ I would like to contribute to the Libertarian Party on a regular basis to support this kind of political project. Please sign me up as a Liberty Pledger! I'll get the monthly insider's newsletter *Liberty Pledge News*, plus automatic membership renewals. Charge my first pledge — my card type and account number are provided (to the left). **Sign me up for . . .**
 - ☐ \$30 per month. (*Just a dollar a day for liberty!*)
 - ☐ \$10 per month (minimum)
 - ☐ I can do **more than \$10 a month**. I'll pledge: \$_____ monthly

■ Federal law requires political committees to report the name, mailing address, and occupation and name of employer for each individual whose contributions aggregate in excess of \$200 in a calendar year.

Occupation _____

Employer _____