

Testimony of
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STATEMENT OF INSPECTOR IN CHARGE LAWRENCE E. MAXWELL
OF THE
UNITED STATES POSTAL INSPECTION SERVICE

Before the
United States Senate
Committee on the Judiciary
Hearing on "Indecent Exposure: Oversight of the Department of Justice's Efforts to Protect
Pornography's Victims"

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Good afternoon Mr. Chairman and members of the Judiciary Committee. I am Lawrence Maxwell, Inspector in Charge for the Fraud and Dangerous Mail Investigative programs of the U.S. Postal Inspection Service. My management responsibilities include the oversight of our child exploitation and obscenity investigations and programs. Thank you for holding this hearing on the topic of pornography and its effect on victims and society, and in particular, our children. It is an honor to appear before you today to discuss the important role of the Postal Inspection Service, both past and present, in combating obscenity and child pornography through the mail.

The U.S. Postal Inspection Service

As one of our country's oldest federal law enforcement agencies, founded by Benjamin Franklin, the United States Postal Inspection Service has a long, proud and successful history of fighting criminals who attack our nation's postal system and misuse it to defraud, endanger, or otherwise threaten the American public. For over 250 years, Postal Inspectors and our predecessors have investigated criminal offenses. From embezzlements in the colonial post offices to mail train robberies in the 1800s, from the major fraud cases in the 1900s to the mailing of deadly anthrax in 2001, Postal Inspectors have worked diligently to ensure America's confidence in the mail.

Postal Inspectors tenaciously investigate any criminal offense involving the mail or postal systems. We carry firearms, make arrests, execute federal search warrants, and serve subpoenas. In carrying out our mission, Postal Inspectors work closely with the Department of Justice and all United States Attorneys offices; other federal and local law enforcement agencies; and local prosecutors to investigate cases and prepare them for court. To effectively enforce over 200 federal laws covering investigations of crimes that adversely affect or fraudulently use the U.S. mail and postal system, there are approximately 1,900 Postal Inspectors stationed throughout the United States, Puerto Rico, Guam, the U.S. Virgin Islands, and Germany, as well as at Interpol Headquarters in Lyon, France, and at Universal Postal Union Headquarters in Berne, Switzerland.

History of Postal Inspectors and Obscenity Investigations

Postal Inspectors have investigated obscenity offenses for well over a century. In the 1860s and 70s, Post Office Special Agents, as Postal Inspectors were called then, had to deal with European smut peddlers who were invading American shores with obscene material. In 1873, Congress passed a law banning the use of the mail to distribute obscene material. This legislation was known as the Comstock Act, named for Post Office Inspector Anthony Comstock, who drafted the bill and urged its passage. It was a forerunner to the current postal obscenity statute (Title 18, United States Code, Section 1461).

The Postal Inspection Service investigates any criminal offense involving the mail, including violent crimes, theft, fraud, narcotics trafficking, mail bombs, money laundering, and even terrorism. We are also responsible for protecting employees, postal assets, and the public. Because we must address such broad responsibilities with limited personnel resources, there are only about 50 Postal Inspectors nationally who specialize in child exploitation and obscenity investigations. Despite this relatively small number of investigators, our success in this area has been significant.

Child Exploitation and Obscenity Investigations

While over the years child pornography offenses were, as a matter of course, investigated along with other obscenity matters, increased public concern over this material resulted in the United States Congress enacting the Sexual Exploitation of Children Act in 1977 (Title 18, U.S. Code, Section 2251-2253). This was the first federal law specifically designed to protect children from "commercialized" sexual exploitation. It was the culmination of years of effort by Congress, the Department of Justice, concerned members of the public and the law enforcement community to take action against the pernicious effects of pornography and the sexual exploitation of children.

In support of the new legislation, the U.S. Postal Inspection Service was the first federal law enforcement agency to begin aggressively identifying, targeting and arresting commercial child pornography distributors. The mail was a preferred means to traffic in this illicit material because of the security, reliability and anonymity it can provide. Use of undercover operations that were designed to ferret out these mail-order child pornography dealers proved to be most effective, and offenders were arrested and convicted under the new federal laws. During the course of conducting investigations into the commercial sale of child pornography, Postal Inspectors began encountering and arresting more and more actual child molesters--those producing the illegal material--along with their child victims.

On May 21, 1984, six years after the enactment of the first federal child pornography statutes, President Ronald Reagan signed into law the Child Protection Act of 1984. This 1984 Act amended the original Act and created some new statutes, putting more "teeth" into the federal anti-child pornography laws. This Act recognized that any person trafficking in child pornography, not only people selling child pornography for profit, should be brought to justice.

In 1985, President Reagan called upon Attorney General Edwin Meese to create a panel to examine the effects of pornography, and child pornography in particular, on American society. The Commission on Pornography, as it was known, comprised a chairman and ten members. The

Commission had several full-time staff investigators, one of whom was Postal Inspector Daniel Mihalko. Inspector Mihalko currently serves as the Inspector in Charge of Congressional and Public Affairs at our National Headquarters. Today, most of the recommendations made by the Attorney General's Commission on Pornography back in 1986 have been put into place. Over the past 17 years, since the Commission concluded its work, Congress has continually passed new legislation to better protect our children and close all possible loopholes in existing laws. Speaking on behalf of all the men and women of the Postal Inspection Service, we thank you for all that you and other members of Congress have done to make our world a safer place for kids.

In 1986, the Postal Inspection Service took advantage of the new laws and worked in concert with the Department of Justice to launch a proactive undercover operation, targeting for investigation persons across the country suspected of trafficking in child pornography. This nationally-coordinated investigation was known as Project Looking Glass. A total of 235 search warrants were obtained and served throughout the country, resulting in the arrest and conviction of 165 child pornographers, many of whom were found to be molesting children.

In 1987, the Department of Justice asked the Postal Inspection Service to take a leading role in the enforcement of federal obscenity law, specifically to investigate large mail-order companies distributing obscene materials in violation of federal statutes. Many of the companies investigated routinely mailed unwanted sexually-oriented advertisements into the homes of citizens, generating a public outcry for action. The operation was known as Project Post Porn and ultimately led to 50 indictments and convictions in 20 federal judicial districts. Over \$5.2 million in fines were levied by the courts.

Following on the success of Project Post Porn, the Postal Inspection Service was again asked in 1991, by then Assistant Attorney General Robert Mueller, to conduct another series of obscenity investigations. This investigative operation was launched in 1992 and was known as Project Mail Porn. Although a number of obscenity dealers were convicted, the success of Project Mail Porn did not equal that of the earlier Project Post Porn. Due to a change in the priorities of federal prosecutors as a result of an Administration change, many of the cases being investigated were never charged.

In 1996, Postal Inspectors dismantled a \$500,000 a year mail-order child pornography enterprise. The San Diego based company, Overseas Male, was the largest commercial child pornography business known at that time. After putting the company out of business and arresting the principals, Postal Inspectors again worked with the Department of Justice's Child Exploitation and Obscenity Section to design and implement a proactive undercover operation targeting some of the more egregious violators and customers of Overseas Male. The operation was dubbed Project Special Delivery, and in the end, over 135 search warrants were obtained and served and more than 100 individuals were arrested and convicted. Again, many of the people identified through this child pornography investigation were also child molesters.

Recognizing a need to factually demonstrate the correlation between child pornographers and child molesters, the Postal Inspection Service began compiling statistical information from our case work in 1997. Hard data has confirmed what we, as investigators, intuitively knew: there is a direct correlation between traffickers of child pornography and child molesters. In fact, our data

has revealed that at least one in three suspects arrested for child pornography offenses by Postal Inspectors has also sexually abused children. Since 1997, 757 child victims have been identified and rescued from further abuse as the result of Postal Inspectors' investigations. That is why such crimes continue to be one of our top investigative priorities.

Child Exploitation and the Internet

Use of the mail to traffic in child pornography, or otherwise sexually exploit children, continues to be a significant problem in our society. But nothing has aided the spread of child pornography as much as Internet communications. More and more child molesters and pornographers have become computer-literate and have turned to cyberspace to seek out potential victims, communicate with like-minded individuals, and locate sources of child pornography. Over the last several years, there has been a dramatic increase in the number of unlawful computer transmissions and ads for child pornography on the Internet that occur hand-in-hand with trafficking of child pornography videotapes and computer media through the mail.

In 1997, 33 percent of child exploitation cases investigated by Postal Inspectors also involved computers. Now, approximately 70 percent all of our child exploitation cases involve electronic communication in addition to postal violations. The instant file-sharing, e-mails, peer-to-peer networks, newsgroup postings, and aggressive marketing by child pornographers have made the trafficking of this material easy, quick, and virtually anonymous.

Perhaps, no other single child exploitation case has been as successful as the investigation of Landslide Productions, a company that was located in Ft. Worth, Texas. The investigation led by Postal Inspectors began in 1999. It was known as Operation Avalanche and was worked in partnership with the Dallas Police Department's Internet Crimes Against Children (ICAC) Task Force. Our investigation unraveled and shutdown a multi-million dollar web-based child pornography business. In one month alone, the company grossed in excess of \$1.4 million through subscription sales to child pornography websites. Again, throughout this investigation, trial attorneys from the Child Exploitation and Obscenity Section of the Department of Justice provided legal advice and guidance, working hand-in-hand with Postal Inspectors and ICAC Task Force representatives as the case expanded. Landslide's principal owner, Thomas Reedy, received an unprecedented 180-year sentence in federal prison. Nearly 200 spin-off investigations were initiated here in the United States and over 4,000 searches have now been carried out in other countries, making this the largest global action ever undertaken against child pornographers.

In another chilling case, last year, Postal Inspectors arrested an Ecuadorian national in Miami Beach, Florida, for using a commercial mail receiving agency address to sell child pornography videotapes and DVDs to customers throughout the United States. Our investigation determined the suspect produced the child pornography that he sold, sexually abusing well over 175 minor females. Tragically, this suspect is HIV positive. He remains in federal custody and is scheduled for trial later this year.

In an effort to educate the American public and reduce the incidence of child sexual abuse and exploitation, the Postal Inspection Service partnered with the National Center for Missing and Exploited Children (NCMEC) in a national crime prevention initiative designed to raise the

public's awareness about the online victimization of children. This initiative centered on a simple, yet powerful, poster that was created and distributed for display in each of the 38,000 postal facilities nationwide. The poster presents the results of this first scientifically based national research studying the risks faced by children on the Internet and provides an easy reporting mechanism for such incidents through the NCMEC's Cyber Tipline.

Since the enactment of the Federal Child Protection Act of 1984, Postal Inspectors have conducted investigations resulting in the arrests of more than 4,000 child molesters and pornographers. The Postal Inspection Service is committed to this work and we remain steadfast in our determination to identify, investigate, and bring to justice those individuals who sexually abuse and exploit children.

In recognition of our work to combat the sexual exploitation of children, Postal Inspectors have been recipients of the prestigious National Missing and Exploited Children's Awards in each of the last five years for their exemplary investigations. In three of those years, Postal Inspectors have been named Officer of the Year. No other agency has achieved such acclaim. The awards are presented during a Congressional Breakfast and Awards Ceremony here on Capitol Hill each May.

Adult Obscenity Investigations

In addition to targeting the producers and consumers of child pornography, we also investigate commercial distributors of materials that violate the federal obscenity laws. Our efforts in these most recent investigations mirror the prosecutive climate of the respective federal judicial districts. Our obscenity investigations are conducted in total partnership with the Child Exploitation and Obscenity Section (CEOS) of the Department of Justice and with the individual United States Attorneys offices where the cases are charged.

In the past, obscene materials involving the actions of consenting adults had to be specifically sought out by the people that wanted them, and there were typically some efforts to restrict access by minors. As Internet use has become commonplace, the purveyors of these materials have begun to aggressively market their products. It is difficult to maneuver through the Internet, or even maintain an e-mail account, without being bombarded by offers of the most graphic, vile, and obscene sexual materials. Flashing banner advertisements, spam e-mails, and a creative variety of other marketing methods invite any Internet user to the pornographic and obscene products. The websites boldly offer images of teen and pre-teen sex; individuals engaging in sexual activity with animals (bestiality); brutal sexual violence including rape and genital mutilation; and, sexualized behavior involving defecation and urination. Unfortunately, much of this purchased material, videotapes, and DVDs is distributed via the U.S. Mail, in violation of federal law.

Today, the offers are not limited to those adults who specifically seek them--they are virtually unavoidable for any Internet user, including children. Numerous pornographers have intentionally acquired seemingly harmless Internet domain names that are especially likely to invite children. They have also acquired domain addresses similar to popular mainstream websites in an intentional effort to snare individuals who mistype Internet addresses. Earlier this year, Congress enacted and the President signed into law the Truth in Domain Names

Act, under the PROTECT Act, which made it illegal to knowingly use a misleading domain name on the Internet with the intent to deceive a person into viewing material constituting obscenity, and a crime to knowingly use a misleading domain name with the intent to deceive a minor into viewing "material that is harmful to minors" on the Internet.

In the very first federal prosecution under this new law, originating in the Southern District of New York (SDNY), one notorious Internet operator, John Zuccarini stands accused of registering at least 3,000 Internet domain names that included misspellings and slight variations of popular names like "DisneyLand," "Nsync", "Teletubbies," "Britney Spears," "Bob the Builder," and "Yahoo." Zuccarini earned up to a million dollars per year from leasing these domain names to pornographers. Inadvertent typing mistakes by children and others with no intent of accessing Internet pornography led directly to obscene materials. The Federal Trade Commission received numerous complaints from consumers who had unintentionally accessed websites controlled by this individual and were suddenly barraged by pornographic materials through a practice commonly referred to as "mousetrapping." Attempts to exit the websites often opened additional pornographic websites, and many users had to shut down their computers to escape the onslaught of sexually-graphic material. The FTC began civil actions, and requested the assistance of the Postal Inspection Service to pursue a criminal investigation. We did, in cooperation with United States Attorney James Comey (SDNY), and we arrested the defendant in his hotel room in Florida last month.

The tactics currently used by obscenity dealers are so outrageous that they appear to operate under an assumption of impunity and social acceptance. We believe the community disagrees, and the recent prosecutions and jury convictions support our investigative priorities. Since so many of the businesses use the mail to distribute videotapes, printed materials, and computer media, we have not, and will not, hesitate to pursue investigations that lead to criminal prosecution of individuals and companies violating federal obscenity law.

A few of our recent investigations are summarized below.

? A trial is set to begin this month for a former Dallas, Texas, police officer and his wife on charges stemming from the mailing of obscene matter. The couple owned, managed and maintained a website named "The Rape Video Store," where they offered obscene video tapes depicting rape scenes, which they categorized on the website as the "Real Rape Video Series" and the "Brutally Raped Video Series." This case was investigated jointly by Postal Inspectors and the Federal Bureau of Investigation (FBI). As with other obscenity investigations, we pursued this investigation in a much-valued partnership with the Department of Justice Child Exploitation Obscenity Section (DOJ-CEOS).

? On August 6, a ten-count federal indictment was returned against Extreme Associates of North Hollywood, California, and its owners, at Pittsburgh, Pennsylvania, following a seven-month investigation conducted by Postal Inspectors and detectives of the Los Angeles Police Department. The charges result from the company's distribution of obscene videotapes and DVDs depicting rape and violent sexual abuse to individuals through the mail and to wholesale distributors throughout the United States. The videotapes and DVDs included titles such as, "Forced Entry--Director's Cut" and "Extreme Teen #24." This case is also a result of our partnership with the DOJ-CEOS, and is being prosecuted by the office of Western District of Pennsylvania United States Attorney Mary Beth Buchanan.

? Four individuals pled guilty to federal obscenity charges on August 25 in Beckley, West

Virginia. The investigation by Postal Inspectors, working with the Department of Justice, Child Exploitation and Obscenity Section, determined their company, using an Internet website, conducted business from Lewisburg, West Virginia and Quitman, Georgia. The company distributed video tapes and DVDs by mail that depicted graphic and sexually explicit scenes of defecation and urination. Visitors to the website now find the official seals of the Postal Inspection Service and the Department of Justice, with this message displayed as notice and warning: "The website formerly known as 'www.girlspooing.com' has been forfeited to the United States Government pursuant to the prosecution of the website's owners and operators for violations of federal obscenity laws, including mailing obscene matters and conspiracy to use the Internet for the purpose of sale and distribution of obscene material, pursuant to 18 United States Code Sections 1461 and 371."

? In 2000, Postal Inspectors investigated a Florida company known as New Technology that was responsible for mailing out particularly offensive videos depicting males and females engaging in sex acts with dogs, horses, goats, and eels. They also advertised and sold an assortment of rape re-enactment videos. New Technology purchased large mailing lists and sent unsolicited advertisements to citizens all across the country. A United States Magistrate Judge in Houston received one of these solicitations, and immediately contacted Postal Inspectors. Following an undercover investigation, Postal Inspectors executed a search warrant on the offices of New Technologies and seized videotapes, computers, and business records. In the ten months preceding the search, the business made more than a million dollars in sales for their bestiality videos. Guilty pleas for mailing obscene materials were obtained from the two owners of the business and their company.

? The owner of an Internet website, Taboomovies.net, was successfully prosecuted in the Eastern District of Kentucky (EDKY) last December following an investigation into the distribution by mail of obscene videotapes. The videotapes that were sold depicted rape scenes, bestiality, and extreme physical and sexual abuse, including the mutilation of women's genitals. The investigation was carried out by Postal Inspectors and prosecuted by the U.S. Attorney's office for the EDKY, in cooperation with the CEOS/DOJ. The individual was recently sentenced to six months in prison and ordered to pay a \$2,500 fine. The defendant received a downward departure from the sentencing guidelines due to his significant cooperation with the government that has led to a number of new investigations.

Currently, we have ongoing obscenity investigations being conducted in a number of states, from coast to coast, and more federal prosecutions can be expected. You can also be certain that the Postal Inspection Service will continue to work with all other federal, state, and local law enforcement agencies, and the Department of Justice to aggressively investigate, arrest, and seek prosecution of those individuals who use the mails to traffic in child pornography and obscene materials.

Senator Hatch, the U.S. Postal Inspection Service applauds your support of the law enforcement community in this fight.

I would be happy to answer any questions that you have at this time.