

Testimony Submitted for the Record
House Committee on Oversight and Reform
Hearing on “Protecting the Timely Delivery of Mail, Medicine, and Mail-in Ballots”
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Chairwoman Maloney, Ranking Member Comer, and members of the Committee, thank you for the opportunity to submit testimony regarding the Trump administration’s repeated and flagrant attempts to cripple the United States Postal Service (“USPS”). This hearing is a critical step in ensuring that the USPS, a vital public service that has existed, in some form, since before the founding of the republic, continues to exist. Specifically, I write today to highlight the numerous serious ethical issues that have been raised by the appointment and service of Postmaster General Louis DeJoy.

Citizens for Responsibility and Ethics in Washington (“CREW”) is a non-partisan non-profit organization committed to ensuring the integrity of our government institutions and promoting ethical governance. I write on behalf of CREW today to express our deep concern with Postmaster General DeJoy’s significant and flagrant financial conflicts of interest, and his seeming disregard for the grave ethical problems that arise therefrom. The USPS is one of the foundational pillars of our republic: Article I Section 8 of the Constitution provides that Congress shall have the power to “establish Post Offices and Post Roads.” But the institution itself predates even the Constitution. Postmaster General DeJoy is the successor to a long, proud list of public servants who have governed the postal institution. This lineage stretches back to July 26, 1775, when the Second Continental Congress appointed Benjamin Franklin to serve as the first Postmaster General. The USPS does nothing less than “bind the Nation together through the personal, educational, literary, and business correspondence of the people.” 39 U.S.C. § 101(a). It is a vital and inclusive government service that reaches all Americans where they live, even when their homes lie beyond the reach of commercial delivery businesses.

This long history is what is at stake right now. Unfortunately, the Postal Service is under attack. The President has launched verbal and social media broadsides against this institution since the start of his term, and has ramped up his attacks as it became clear that voting by mail would be crucial during a pandemic, given his apparent belief that voting by mail would hurt his electoral chances. The President’s words have translated into concrete policy changes which have harmed the Postal Service and which seem specifically designed to help the President politically by undermining voting by mail. But the President and his allies have not just attacked the USPS in ways that appear directed at swaying a presidential election during a pandemic; they have installed a Trump crony to pull an inside job on one of our greatest institutions. This is an attack on the fabric of our shared society, conducted by an individual whose financial and political entanglements have created obvious conflicts of interest. You don’t need to be an expert in government ethics to see what’s wrong with this situation.

Postmaster DeJoy's conflicts, and the qualifications that, in part, give rise to these conflicts, raise significant concerns about his selection as Postmaster General. DeJoy is only the fifth Postmaster General since the USPS was reorganized in 1971 to be appointed from the private sector, and he is the first Postmaster General in decades to have no experience as a letter carrier, a qualification that ensured that every previous Postmaster General personally understood the critical work of the agency's core employees.

DeJoy's history of partisan political work raises serious concerns about how and why he was hired for the position, and his fitness to serve. During his time as Postmaster General, DeJoy has been a willing and eager participant in President Trump's attempts to attack and discredit the USPS generally, and the safe, nonpartisan process of voting by mail (i.e. absentee voting). Since his appointment he has worked diligently to implement changes in an apparent cynical attempt to benefit President Trump's reelection campaign. Specifically, he has instituted a series of changes, outlined in a [June 10 memo](#) to all USPS employees, including limiting mail carriers' ability to complete their delivery routes should there be any delay in departure or in delivery. Many of the actions outlined in the June 10 memo directly impact the amount of mail the USPS can reasonably deliver in a day, with the obvious impact of creating systemic backlogs that delay mail that in any other scenario would simply be delivered later in the day.

Postmaster General DeJoy has also implemented a sweeping plan to decommission mail sorting equipment across the country, another action that appears intentionally calculated to support President Trump's stated goal of limiting citizens' right to vote by mail. On August 14, the *Washington Post* [reported](#) that DeJoy planned to decommission 10% of the USPS's sorting machines, effectively removing hundreds of high-volume mail-processing machines from facilities. In fact, documents obtained by the *Washington Post* indicated that 671 machines used to organize and sort mail were slated for decommissioning which will be expecting a staggering amount of election ballots in November, a policy shift that the Postal Service's document describes as a "reduction". This move is particularly troubling because 671 machines taken in totality are generally able to sort [21.4 million](#) pieces of paper mail every hour. Individual machines, including Automated Facer-Canceler Systems, Delivery Bar Code Sorters, Automated Flat Sorting Machines and Flat Sequencing Systems, are integral components in their individual postal areas, as they label and sort tens of thousands of letters, bills, and ballots per hour.

These numerous, systematic steps to undermine USPS's ability to facilitate citizens' right to vote absentee by mail reflect the actions of a Postmaster General who is intent on undermining the function and purpose of the agency he is supposed to run in support of partisan political aims. In addition to the specific actions detailed above, his other decisions to cut overtime pay for postal workers, to increase the price for states to purchase postage for mail-in ballots, and to consolidate power within the USPS will have the effect of limiting postal service functionality during an election year marred by an ever-worsening pandemic. While he has recently announced that he is "suspending" these initiatives until after the election, this announcement has been called "misleading" by Speaker Pelosi and it remains unclear whether he will fully reverse the changes he has already made. For example, *Vice News* reported that according to internal USPS emails, shortly after DeJoy's August 18th statement, USPS headquarters "instructed all maintenance managers around the country not to reconnect or reinstall any mail sorting machines

they had already disconnected.” Postmaster General DeJoy’s actions do a deep disservice to all Americans, and will likely force old and immunocompromised citizens to choose between exercising their fundamental right to vote and their lives.

Postmaster General DeJoy’s partisan attack on the postal service should not come as a shock. Prior to his appointment, he was deeply enmeshed in the Republican party establishment. Before he was appointed as Postmaster General by the USPS Board of Governors, he was overseeing fundraising for the Republican National Convention, a position from which he only resigned in June. Public records additionally reveal that DeJoy donated more than \$1.2 million to the Trump Victory Fund and millions more to Republican political committees. These political connections could help explain why DeJoy was reportedly recruited by Treasury Secretary Steven Mnuchin. Mnuchin reportedly [pressed](#) the USPS Board of Governors for information about the hiring process, and then, according to documents CREW recently obtained through the Freedom of Information Act, conducted a months-long pressure campaign that raises serious concerns that the Trump administration was attempting to politicize one of our nation’s great nonpartisan institutional services.

DeJoy’s appointment also coincided with numerous critical departures from the USPS. Principally, USPS Deputy Postmaster General Ronald Stroman abruptly resigned. And Stroman was not the only senior official to resign: a little over a week earlier, David Williams resigned from the postal board, reportedly over the Trump administration’s heavy-handed role in the agency’s business decisions. Williams, a highly respected civil servant with decades of government service, was a critical member of the board of governors, in part because of prior experience as an inspector general for USPS. Perhaps more alarming is that these departures leave the agency with a deeply concerning lack of institutional memory.

In addition to the alarming nature of DeJoy’s partisan attack on the Postal Service, DeJoy is now in a position to use his authority to impact his own financial interests because he has retained his large financial interest in two major USPS contractors. This glaring conflict of interest includes DeJoy’s \$30 to \$75 million dollar interest in a USPS supply chain logistics contractor named XPO Logistics. XPO Logistics is a top USPS contractor: according to publicly available data, USPS paid XPO Logistics over \$130,000,000 from fiscal years 2017 through 2019. Any action or decision that Postmaster General DeJoy undertakes that impacts any aspect of USPS’s supply chain contractors could impact XPO Logistics--and could impact Louis DeJoy and his wife (who also holds a substantial interest in XPO, though she has promised to divest from the company should she be confirmed as the next United States ambassador to Canada). In fact, he recently admitted to making a policy change that directly impacts supply chain contractors: in a hearing before the Senate Homeland Security and Governmental Affairs Committee (“HSGAC”), Postmaster General DeJoy explained that he implemented the change outlined in the June 10th memo to make “the trucks leave on time.” Postmaster General DeJoy appears to have knowingly participated in designing and implementing a USPS policy change that specifically impacts USPS supply chain logistics.

Postmaster General DeJoy also has significant financial interests in major USPS customer and competitor, Amazon. While serving as Postmaster General, he bought an option to purchase

Amazon stock valued at between \$50,001 and \$100,000, which will expire shortly before the election, on October 16. It is not clear why DeJoy engaged in this transaction, but it does create a conflict of interest under the criminal conflict of interest statute, 18 U.S.C. § 208. It also creates the possibility that DeJoy might exercise or sell his options based on insider knowledge.

Postmaster General DeJoy will need to exercise or sell this option by October 16, but because he possesses inside knowledge of how and when the U.S. government may take actions affecting Amazon, even if he trades in Amazon shares innocently, the public will be left wondering if his action is based on insider knowledge. This circumstance, which Mr. DeJoy himself created, falls short of the mandate of the government's ethics regulations to avoid not only violations of law but even the appearance of violating the law.

As a result of these financial interests in XPO Logistics and Amazon, Mr. DeJoy cannot legally participate in any particular matter affecting either of these companies. It is hard to conceive of a recusal that could effectively insulate him against violating the law. In a deeply concerning statement, the USPS ethics official designated to ensure DeJoy complies with ethics rules and regulations explained to CNN that DeJoy is recused from making "decisions" regarding the XPO Logistics' contract with the postal service. This explanation strongly suggests Postmaster General DeJoy has implemented an ineffective recusal because the criminal conflict of interest law requires that DeJoy recuse himself from more than "decisions." It requires him to recuse himself from any type of deliberations, discussions or recommendations focused on XPO Logistics or USPS contractors generally. In addition, the law requires Postmaster General DeJoy to recuse from more than just matters specifically related to XPO Logistics. The conflict of interest law would be implicated by any policy changes he makes regarding USPS contractors, which, according to the June 10th memo and DeJoy's testimony before the Senate HSGAC, appears to have already happened.

There is reason to be concerned about his work affecting Amazon, too. Postmaster General DeJoy personally negotiated with Secretary Mnuchin to give the Treasury Department copies of the Postal Service's service agreements with its top ten customers, including Amazon. This could lead to higher rates for these customers, a goal which aligns with President Trump's infamous pressure campaign to force DeJoy's predecessor to double Amazon's rates. The arrangement itself is suspicious because Secretary Mnuchin appears to have used USPS's need for a coronavirus bailout loan as leverage to access these proprietary service agreements. There is no obvious reason why the Treasury Department would need to know the details of USPS's contract with Amazon as a condition for lending a hand during the pandemic.

Postmaster General DeJoy's political and financial interests have given rise to one of the most substantial and obviously unethical set of conflicts of interest in modern memory.

However, Despite President Trump and Postmaster General DeJoy's [attacks](#) on voting by mail and preemptive attempts to discredit mail-in ballots, voting absentee by mail is an efficient and effective way for citizens to exercise their fundamental right to vote. The safety, efficiency, and effectiveness of voting by mail has not, and had never been, in doubt. In fact, voting by mail has been and remains supported by both Republican and Democratic Secretaries of State. President Trump's near-constant attacks, and DeJoy's numerous policy changes apparently in support of

the President's goal of casting doubt on the legitimacy of mail-in ballots, raise serious concerns that DeJoy and the President are working together to undermine the people's ability to vote by mail in order to support President Trump's reelection campaign. As we noted in our [complaint](#) to FBI Director Christopher Wray, DeJoy's actions confer a benefit to President Trump, a political candidate for partisan office, and could violate criminal provisions of the Hatch Act.

All of DeJoy's actions as Postmaster General, in addition to his continuing and shocking financial and political conflicts of interest, merit his immediate resignation, and potentially a criminal investigation. Before he resigns or is removed, there are a number of critical and pressing questions that must be answered: first, how and why was he hired? What is the extent of his attempt to impede the work of the USPS, and how can it be ameliorated, prior to the election and in the long term? And, if DeJoy leaves or is removed from his position, what is the process for selecting his successor, and how can we ensure that the process is immune from political pressure from Secretary Mnuchin and others?

As head of America's postal workforce, which comprises roughly a half million employees, Mr. DeJoy is chiefly responsible for ensuring the integrity of his agency's operations. Executive branch-wide regulations direct him to exercise "personal leadership in, establishing and maintaining an effective agency ethics program and fostering an ethical culture in the agency." As a supervisor, they further instruct that it "is imperative" for him and his subordinate supervisors to serve as "models of ethical behavior for subordinates." His conduct falls far short of this standard. The potential for conflicts of interest should have been readily apparent to him. Now, his failure to divest XPO and Amazon puts him at risk of committing a criminal violation of the conflict of interest law and sets a bad example for the workforce he leads.

The changes he has implemented have slowed the mail, created new backlogs, and alarmed an American public that continues to experience an ongoing trauma as the novel coronavirus pandemic continues its deadly sweep across the nation. Americans are rightly afraid that Postmaster General DeJoy may steal their right to vote by forcing them to choose between casting a ballot or exposing themselves to a deadly virus that has already taken the lives of over 170,000 of their fellow citizens. Americans deserve better. Their Postal Service deserves better.

The United States Postal Service is a public service that binds our nation together. From coast to coast, USPS mail carriers and administrative staff, are, as the inscription on the National Postal Museum states, "messengers of sympathy and love, servants of parted friends, consolers of the lonely, [binders] of the scattered family, enlargers of the common life, carriers of news and knowledge, instruments of trade and industry, promoters of mutual acquaintances, of peace and of goodwill among men and nations." To undermine this institution is to undermine the fabric of our nation, to deprive the people of their right to vote without fear of infection and death, of their right to live in a united nation conceived in liberty, and dedicated to the proposition that all men are created equal. Postmaster General DeJoy and President Trump appear to be intentionally destroying an institution that has served our nation since before it was born, undermining an institution that proudly serves the people: for hundreds of years, "[n]either snow nor rain nor heat nor gloom of night stays these couriers from the swift completion of their appointed rounds."

We therefore write to urge Congress not to allow the destruction of an agency that is so fundamentally tied to our country's united social fabric and our rights as Americans.