

# POSTAL UPDATE

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## HEARING

BEFORE THE  
SUBCOMMITTEE ON GOVERNMENT OPERATIONS  
OF THE  
COMMITTEE ON OVERSIGHT AND  
REFORM

HOUSE OF REPRESENTATIVES

ONE HUNDRED SIXTEENTH CONGRESS

SECOND SESSION

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*Documents entered into the record during this hearing and Questions for the Record (QFR's) are listed below / available at: docs.house.gov.*

- \* USPS Mission Statement; submitted by Rep. Keller.
- \* Service Performance Measurement of the Postmaster General by the Postal Service; submitted by Chairman Connolly.
- \* *Washington Post*, "Meet Richard Painter, the Anti Trump Former Republican Who Is Running for Senate As a Democrat", article; submitted by Rep. Hice.
- \* *Washington Post* article about Minnesota Primary Election Results; submitted by Rep. Hice.
- \* CNN, "Financial disclosures reveal Postmaster General's business entanglements and likely conflicts of interest", article; submitted by Chairman Connolly.
- \* NBC, "Postal contracts awarded to DeJoy run company were questioned in 2001 Postal Service audit", article; submitted by Chairman Connolly.
- \* *The Guardian*, "Trump's postal chief ousted brother to win control of family firm, court files allege" article; submitted by Chairman Connolly.
- \* *Washington Post* article about Postmaster General DeJoy; submitted by Chairman Connolly.
- \* "Tips for Treasurers" from the FEC; submitted by Rep. Speier.
- \* FEC Complaint filed by CREW against Mr. DeJoy; submitted by Rep. Speier.
- \* Letter from the Project for Government Oversight; submitted by Rep. Speier.
- \* Postal Customer Postcard; submitted by Rep. Speier.
- \* *Minneapolis Star Tribune* article, "DFL in Bitter Clash with Senate Candidate Richard Painter"; submitted by Chairman Connolly.
- \* Statement of Support from Citizens of Responsibility; submitted by Chairman Connolly.
- \* Statement of Support from Ethics in Washington; submitted by Chairman Connolly.
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- \* Statement of Support from Released Reports by Lisa Graves; submitted by Chairman Connolly.
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## POSTAL UPDATE

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**Monday, September 14, 2020**

HOUSE OF REPRESENTATIVES  
SUBCOMMITTEE ON GOVERNMENT OPERATIONS  
COMMITTEE ON OVERSIGHT AND REFORM  
*Washington, D.C.*

The subcommittee met, pursuant to notice, at 12:08 p.m., in room 2154, Rayburn House Office Building, Hon. Gerald E. Connolly (chairman of the subcommittee) presiding.

Present: Representatives Connolly, Maloney, Norton, Sarbanes, Speier, Lawrence, Plaskett, Khanna, Raskin, Hice, Massie, Grothman, Palmer, and Keller.

Also present: Representatives Wasserman Schultz, Scanlon, and Cooper.

Mr. CONNOLLY. The committee will come to order.

Without objection, the chair is authorized to declare a recess of the committee at any time.

The chair would also ask, without objection, that Ms. Debbie Wasserman Schultz, Ms. Scanlon, and who else? Mr. Cooper? I'm sorry. I've got it right here. Yes. Mr. Cooper, Ms. Debbie Wasserman Schultz, and Representative Mary Gay Scanlon be waived on to the committee for their participation in today's hearing. Without objection, it is so ordered.

I want to welcome everyone to our hearing on recent developments regarding the Postal Service. I now recognize myself for an opening statement, and then I will recognize the ranking member, Mr. Hice, for his opening statement.

Mr. Hice, I have agreed—is the chairwoman on? Does the chairwoman wish to have an opening statement, because I'll recognize her with your permission, Mr. Hice, after myself?

Our colleague, Mrs. Lawrence, given her long involvement in this issue, is also going to issue—have an opening statement, I will recognize. And if somebody on your side wants to have additional—OK, that would be fine. You just let me know. OK.

The Postal Service is the crown jewel of our Federal Government. It serves every household and business every day. It employs 630,000 brave individuals who live in every single congressional district. According to Pew Research, 91 percent of Americans have a favorable view of the Postal Service—leaps and bounds above that of any other Federal entity.

During the coronavirus pandemic, the Postal Service's value to this Nation is greater than ever. The Postal Service is a formal component of our Nation's National Response Framework, serving as a linchpin of our Nation's response to the pandemic.

A June 2020 Harris Poll found that the Postal Service ranked as the “single-most essential company to Americans during the pandemic,” because it’s a constant in our lives. It outranks companies that manufacture PPE and sanitizers in that respect.

Starting now and going through November, the Postal Service will also play a critical, unprecedented, in the sense of expanded, role in our democracy, protecting the health of voters who cast their ballots by mail. We know postal workers can handle the volume of that election mail. The question is whether those at the helm are taking steps to hinder that capacity and slow it down in ways that hurt the prospects of a fair election but benefit one candidate’s reelection campaign.

It’s essential that Postal Service leadership demonstrate non-partisanship and not cronyism or favoritism.

Leading the Postal Service, serving everyone in our country, and particularly during this pandemic, is a responsibility to bestow upon only the most qualified and honorable of leaders. It’s a job for those who are ready and willing to listen to the millions of stakeholders—mail recipients, mailers, voters, unions, veterans, older Americans, Congress, and so many others—to connect the United States, as Benjamin Franklin foresaw, and serve as the thread that unites our society’s many fabrics.

Unfortunately, that’s not what is happening. Instead, we have a Board of Governors who inserted a political ally of the President into the search process at the 11th hour, circumventing proper vetting and background checks.

We have a crony at the helm of our Nation’s Postal Service, a man rife with conflicts of interest and potential violations of law even. We have a Postmaster General who would benefit financially if the Postal Service contracts out its services and sprints toward privatization. He who would benefit financially and politically if mail-in ballots are delayed or undelivered.

That would be unacceptable under any circumstance. It’s catastrophic, however, during a global pandemic, on the precipice of one of the most consequential national elections in our lifetimes.

This hearing seeks to provide the public with an update on what we know about the background and qualifications of the Postmaster General selected by the Board of Governors. In fact, one might say that this is the homework that Board of Governors should have done but failed to do.

Using publicly available resources, we’ll piece together the troubling past of Mr. DeJoy. We’ll examine his actions related to campaign donations while he was at the helm of New Breed Logistics. We’ll explore his continued investments in companies that benefit from contracts with the Postal Service, companies that would also benefit if the USPS pursued the President’s plan for privatization. We will discuss why these actions and those connections matter and why they should have rendered him, in my view, ineligible for consideration for this position.

Mr. DeJoy’s first day of work was June 15. Today marks the start of his 13th week of Federal service. Yet, his record is characterized by tumult, controversy, plummeting service, betrayal of customers in dire need of lifesaving medicines and supplies. But the

trucks are on time, albeit with the mail often left behind. So, there is that.

We learned at our last hearing that Mr. DeJoy has known for weeks that his so-called “operational changes,” that just so happened to coincide with the election starting, slowed down the mail by 10 percent. That’s according to their own inside sources, as the chairwoman of this committee made public at our last hearing.

For two weeks, he withheld from Congress and the public the data and analysis that demonstrated how his leadership undermined the actual mission of the Postal Service—to deliver the mail.

Days later, details of Mr. DeJoy’s personal lack of ethics have come to light. He reportedly forged his own brother’s signature to take greater control of his family’s company. Mr. DeJoy, reportedly, and potentially illegally, used the family company as a personal political action committee, coercing his staff, reportedly, to donate to preferred Republican candidates, and then reimbursing those employees with bonuses and salary.

If true, DeJoy’s actions should have been of great concern to the Board of Governors and could be prosecuted for criminal activity.

But we’re not done. Over the weekend, the Postmaster General sent every home in America a mailer instructing all who seek to vote by mail to request a mail-in ballot, sending misinformation and confusing voters in nine states that automatically send out such ballots. This debacle could have been avoided if Mr. DeJoy had simply accepted the offers of state election officials to proofread that message before he sent it out.

Today, we see reports emerging that when Mr. DeJoy was the CEO of New Breed Logistics and contracting with the Postal Service, his company may have received as much as \$53 million in overpayments for services rendered.

The dossier released today by Ms. Lisa Graves, one of our witnesses, shows that Mr. DeJoy continues to hold investments, assets, or other interest in entities that benefit when the Postal Service contracts out its operations. Moreover, Mr. DeJoy improperly mixes his personal and political friendships with his nonpartisan position, ostensibly, as PMG.

What should scare every American who believes that the Postal Service should not be an arm of any campaign is that Mr. DeJoy, in his official capacity, continues to conceal his secret coordination with Trump campaign associates, about which he has also provided misleading information and testimony before the Congress.

The chairwoman and I have repeatedly asked the Postmaster General and the Board of Governors for information that would justify the sweeping operational changes, clarify what Mr. DeJoy’s investments are, ensure transparency of operations, and restore trust in the Postal Service. They have not given the committee the documents we have requested and that we require.

On September 2, Chairwoman Maloney issued a subpoena compelling Mr. DeJoy to produce a wide range of documents, including those previously requested and a list of contacts, all contacts, with Trump campaign affiliates and individuals.

Today is the deadline for the Board of Governors to provide the committee documents and information to shed light on the way Mr. DeJoy was selected for this position.

While the Board of Governors might be, quote, “tickled pink,” unquote, with Mr. DeJoy’s performance, the American people are not. Perhaps they need to be reminded that their job is to serve the country, not any particular President.

I look forward to hearing from our expert witnesses today and continuing this critical discussion and the committee’s ongoing investigation.

With that, I recognize my friend, the distinguished ranking member, for his opening remarks.

Mr. HICE. Thank you, Mr. Chairman.

I think just the mere notion that this hearing is a postal update is utter nonsense. By the chairman’s own admission, just moments ago, the issues that will be discussed in the hearing today shows this hearing for what it is, an absolute farce. In fact, not a single one of the witnesses who are here—we’re supposed to be having a postal update. Not a single one of the witnesses even work for the USPS currently.

The fact is, in relation to the Postal Service update, because of better than expected revenue during this pandemic, because of packages, the Postal Service has reported that it has enough money to be totally solvent through at least August of next year, 11 months from now. Eleven months. There is no immediate need for a \$25 billion bailout.

However, as GAO reported in May, and as we have all known now for decades, the USPS’ current business model is not financially sustainable because of such things as declining mail volumes, increased compensation costs, and rising unfunded liabilities.

The \$25 billion bailout money cannot fix these types of problems. All it does is just push the problems down the road a little bit further for us to have to deal with it later.

We have 11 months, as of right now, 11 months to come together to work in a bipartisan fashion to bring real reforms to the Postal Service, just like, Mr. Chairman, you did with my predecessor, Mark Meadows. But instead of having a serious discussion about proposals for a postal reform bill, we are using this valuable time to delve into conspiracy theories about the Koch family and to opine into Mr. DeJoy’s financial interests.

Assembling a group of people like we are doing here today, regardless of their experience, to speculate with no more facts or information than what is printed in *The Washington Post*, is absolutely a waste of time. This is, in my opinion, as close to a kangaroo court as anything I’ve seen.

And given the reckless apathy toward facts and truth as the Democrats have exhibited throughout this entire affair, it’s clear that this so-called hearing is nothing more than a further attempt at political assassination.

What we do know at this point is that the USPS Ethics Office cleared Mr. DeJoy to retain certain assets. And to the best of anyone’s knowledge here, he has complied with the conditions around that ruling.

For his part, the Postmaster General has confirmed at our full committee hearing that the OIG is currently conducting an investigation, and he said that he welcomed the results of that report.

Furthermore, the President himself has said that he is open to a campaign finance investigation of the Postmaster General, and said if he did something wrong, if it could be proven, if there is evidence of wrongdoing, then he should lose his job.

Despite all of the cooperation between those two, the Democrats try to paint them as partners. It sounds like at least the two of them, the Postmaster and the current administration, are willing to at least collect the facts and evidence before rushing to judgment, something certainly that this committee so far has not done.

Just for example, when the entire House was forced to vote on a postal bailout bill before we even had a hearing, before we even had the opportunity to question the Postmaster General and analyze data on what was causing the reported slowdowns, or when the Democrats claimed that the removal of collection boxes and sending letters to states about their election deadlines was somehow an assault on the Postal Service and democracy without even admitting the fact that these are the same actions that Postmaster Generals in the past have done, the same actions that they have taken time and again.

Today we're having a hearing two days before the Postal Service is due to start producing documents from the Democrat subpoena which asked for documents regarding the Postmaster General's divestments, recusals, and communications with the Ethics Office.

But let me just add this. In the documents that have already been received from the Postal Service, there is evidence of the Democrats' disingenuous narrative about the USPS. The documents show in black and white evidence countering two of the Democrats' favorite topics on this issue: the postal boxes and mail-sorting machines. Interestingly, more of these were removed just prior to the 2016 election than have been removed this year. Yet, strangely, I don't recall any talk about it then.

So, as a result, the hearing today will not be based on fact, it will be based on conjecture and supposition.

In the hopes of one day that we will resume genuine postal reform, I have invited Mr. Mike Plunkett of the Association for Postal Commerce, or PostCom. This is a national association of businesses and organizations that rely on the use of mail for communications and commerce.

I certainly look forward to hearing from him, as well as our other witnesses who are here with us today. Hopefully, we will be able to move forward with genuine efforts for postal reform rather than these types of hearings that are nothing more than a kangaroo court to score political points.

With that, Mr. Chairman, I yield back.

Mr. CONNOLLY. I thank the gentleman. I would simply note for the record what was characterized as character assassination was actually an in-depth investigation done by *The Washington Post*, and independent media outlets confirmed the findings of *The Washington Post* investigation that members of New Breed staff, when Mr. DeJoy was the CEO, were pressured to make straw donations, to make donations which could be construed as straw donations.

Mr. HICE. I appreciate the chairman's remarks with that. But the fact is this hearing is supposed to be about postal updates, not

about potential investigations or the kangaroo court type investigation that we're having here today.

Mr. CONNOLLY. We appreciate the gentleman's point, but leadership of the Postal Service is directly related to issues about performance of the Postal Service. That's what leadership is about.

Before I call on Mrs. Lawrence and then Mr. Keller for opening statements, I recognize the chairwoman of the full committee for any comments she may wish to make.

Mrs. MALONEY. Good morning. I would like to thank you, Chairman Connolly, for holding this important hearing and being such a strong partner in our investigation to hold the Postal Service and its leadership accountable to the American people.

I would like to welcome our witnesses. We look forward to learning from you and working with you to ensure that the public interest is protected, and I thank you for being here.

Ever since the Board of Governors announced the selection of Mr. DeJoy as Postmaster General, questions have been raised about the process for selecting him and possible conflicts of interest given his many financial interests in Postal Service contractors.

During our full committee hearing on August 24, 2020, multiple committee members questioned Mr. DeJoy and Board Chairman Duncan about his selection process and whether it was influenced by the fact that both Mr. DeJoy and Mr. Duncan are longtime megadonors for the Republican Party.

When directly asked by Congressman Cooper whether Mr. DeJoy had ever paid back any of his executives for contributing to Republican campaigns by providing bonuses or rewarding them, Mr. DeJoy responded in no uncertain terms and, strongly, and I quote, "That's an outrageous claim, sir, and I resent it," end quote.

Yet, less than two weeks later, a headline appeared in *The Washington Post* which stated, and I quote, "Louis DeJoy's rise as GOP fundraiser was powered by contributions from company workers who were later reimbursed, former employees say," end quote.

If true, these allegations are not only incredibly unethical, they are illegal. And to compound these possible crimes, Mr. DeJoy would have lied to Congress as well.

The United States Postal Service is one of our Nation's most trusted institutions. It dates back to the very founding of our country, it is mentioned in our Constitution, and consistently receives the highest rating of Federal agencies from the public. Every day it provides millions of people with access to critical mail, medications, and especially in this unique election, mail-in ballots. But how long can we expect the faith of the American people to last if the Postal Service is tainted by partisan leadership and alleged criminal activity?

These are just a few of the reasons why I have introduced the Nonpartisan Postmaster General Act, which will prevent Postal Service leadership from participating in any political activity and will prevent anyone who has held a political position in the last four years from being hired as Postmaster General or Deputy Postmaster General. This is critical, time-sensitive legislation that the full committee will consider this week.

Again, I thank Chairman Connolly for holding this important hearing and the witnesses for being here today, and I look forward

to hearing from all of my colleagues on both sides the aisle on this vital issue.

I yield back the balance of my time.

Mr. CONNOLLY. I thank the chairwoman, and I also thank her for her leadership. You know, after she was elected chairwoman, she and I had a conversation minutes after the election, on the floor of the House, and the very first thing the chairwoman brought to my attention was postal reform, the need for comprehensive postal reform.

So, obviously, that's been a priority, you have said, since you became chairwoman of this committee, and I really appreciate it. Thank you, Mrs. Maloney.

Mrs. MALONEY. Thank you. I look forward to working with you on it, and my colleague Mr. Comer and others. Thank you.

Mr. CONNOLLY. I am now going to call on Congresswoman Brenda Lawrence for an opening statement. Then, Mr. Keller, you will also be called on for an opening statement. Then we will hear from our witnesses.

Mrs. Lawrence, welcome.

Mrs. LAWRENCE. Thank you.

I want to thank Chairman Connolly for holding this important hearing.

Prior to serving in Congress, I want the record to reflect that I spent 30 years, almost 30 years with the United States Postal Service. During that time, I worked alongside some of the Nation's most dedicated public servants, individuals who work long hours to ensure that the American people across this country receive their mail in a timely manner.

The Postal Service's existence is a critical government service that began in 1775. Throughout history, whether it was world wars or global pandemics, the Postal Service rose to the challenge and continued to deliver mail across this country and throughout the world.

During the Civil War, the Postal Service did not cease their operations. During the 1918 flu outbreak, which was the same as the pandemic, COVID-19, that we're going through, the Postal Service never stopped continuing to move the mail, even while people were dying within the Service.

To this day, the Postal Service's ability to deliver mail to our Nation's heroic servicemembers serving at home, and even abroad in a war zone, provides a vital link to their families and to their friends back home.

Never before have I seen a Postmaster General undermine the Postal Service's ability to do its work; by undertaking the kind of drastic and ill-informed operational changes that our current Postmaster General, Mr. DeJoy, has instituted in recent months.

In a hearing before this very committee last month, the Postmaster General confessed that he didn't know the Postal Service's stated mission and that he couldn't explain some of his most harmful operational changes.

I feel like I'm stating the obvious, but a businessman with absolutely no experience serving in the Postal Service should not have changed operational procedures without first grasping the negative impacts that they would have on our delivery.

I want everyone to know that he ordered the removal of more than 700 sorting machines, just this year alone, nearly double the average number of mail-sorting machines that are removed on an annual basis.

While I try to find the best in people, Mr. DeJoy's recent reversal can better be understood as an admission that his policies ended up being more disastrous to the Postal Service than he even understood.

Regardless, mail sorting machines are still being removed, leading us to question whether Mr. DeJoy is serious about correcting his mistakes.

In the more than four months—think about this—700 machines. And more, he has only been there four months. He has caused incredible harm to the reputation and, most importantly, the trust that the American people have in the Postal Service.

We cannot take this situation lightly in the midst of a global pandemic when millions of Americans may plan to vote by mail. The disastrous policies by this Postmaster General jeopardizes the American people's well-being and pose an immediate threat to our democracy.

I look forward to hearing from our witnesses today. Again, I want to thank the chairman. And I yield back.

Mr. CONNOLLY. Thank you, Mrs. Lawrence. Thank you for your service.

Mr. Keller, you are recognized for a five-minute opening statement.

Mr. KELLER. Thank you, Mr. Chairman.

First, I would like to echo the sentiments of the ranking member and say that reports about the Postmaster General are speculation. This hearing is another attempt to attack the Postmaster General instead of tackling the real issue of postal reform.

My colleagues on the other side of the aisle have been critical of Postmaster DeJoy's focus on operational efficiencies and have launched into conspiracy theories that these are somehow tied to destroying the Postal Service.

So, the key question is: Why does USPS need be to efficient? The answer is simple: It's so Americans can have a reliable and affordable Postal Service.

As one of our witnesses has mentioned in his testimony, the Postal Reorganization Act of 1970 established the USPS to be a self-sustaining, business-like entity that would cover its costs primarily with revenues from postage. When the Postal Service is spending money on inefficient routes or extra machines, those costs get passed on to Americans and businesses in the form of slower service or possibly increased postage.

Meaningful postal reform will require changes from the status quo and the current broken business model that results in regular threats of insolvency.

The Government Accountability Office recently published a report, and the title says it all: "U.S. Postal Service: congressional Action is Essential to Enable a Sustainable Business Model."

USPS' financial viability has been on GAO's High-Risk List since 2009 due to their poor conditions, worsened by the long-term decline in mail since the rise of the internet.

GAO found that First Class mail declined 44 percent since Fiscal Year 2006, and that the Retiree Health Benefit Fund is projected to be depleted by 2030 if the Postal Service continues to not make payments.

These are the issues we need to focus on and develop bipartisan solutions. We also need to hear from stakeholders who rely on the mail, like Mr. Plunkett, who the Republicans invited. We need to hear from them about reforms that should be put in place.

Furthermore, the Postal Service needs to communicate a long-term business plan to Congress, an item I have been requesting since the previous Postmaster General's tenure. None of that is achieved by today's hearing.

Last, I want to address the false notion about privatizing the Postal Service. Mr. Chairman, I would like to submit to the record the USPS Mission Statement from the agency's website adopted by the Board of Governors on April 1, 2020.

Mr. CONNOLLY. Without objection.

Mr. KELLER. Thank you. This statement was adopted by the very Board of Governors that some witnesses today claim are hyperpartisan actors. It was also created before Postmaster DeJoy arrived and remains unchanged. It states that part of its mission is to serve the American people and through the universal service obligation bind our Nation together by maintaining and operating our unique, vital, and resilient infrastructure.

To carry out this mission, the Board of Governors states that the Postal Service will remain an integral part of the U.S. Government, providing all Americans with universal and open access to our unrivaled delivery and storefront network.

The Postal Service is a crucial part of our Nation's communications and commerce. Fearmongering and sham hearings, like this one today, only weaken the public's trust in such an important institution.

Thank you, and I yield back.

Mr. CONNOLLY. Thank you, Mr. Keller.

I would also ask that we enter into the record the findings of the Trump task force that President Trump put together just a few years ago that, in fact, did recommend privatization of the Postal Service, contradicting the statement of the Board of Governors. So, there's a contradiction that I think ought to be in the public record.

With that, our first witness is Ann Ravel, who is a former Federal Election Commission Chair and California Fair Political Practices Chair, currently serving as adjunct professor at UC Berkeley Law.

Then we'll hear from David Fineman, who is the former Chairman of the Postal Service Board of Governors and currently serves as a senior partner at Fineman Krekstein & Harris as Chairman and Secretary of the Fair Elections Center.

Then we will hear from Lisa Graves, who's the Executive Director and Editor-in-Chief of True North Research.

After that, we'll hear from Michael Plunkett, who is the President and CEO of the Association for Postal Commerce.

Finally, we'll hear from Richard Painter, who is here with us in real time, a familiar figure here on this committee, who was a

former chief White House ethics lawyer under the Bush Administration and current law professor at the University of Minnesota.

If we could ask all of our witnesses to be unmuted, and if you would raise your right hand. And if you would rise, Mr. Painter, and raise your right hand.

Do you swear or affirm that the testimony you are about to give is the truth, the whole truth, and nothing but the truth, so help you God?

Let the record show that all of our witnesses answered in the affirmative. Thank you.

Without objection, your written statements will be made part of the record. We ask you to summarize in your five-minute opening statement what you want the committee to know.

Ms. Ravel, welcome.

**STATEMENT OF STATEMENT OF ANN M. RAVEL, FORMER FEDERAL ELECTION COMMISSION CHAIR AND CA FAIR POLITICAL PRACTICES CHAIR, ADJUNCT PROFESSOR AT UC BERKELEY LAW**

Ms. RAVEL. Thank you, Chairman Connolly and Ranking Member, for the opportunity to testify today.

In his farewell address, President Obama said something that is pertinent to this hearing. “Our democracy is threatened whenever we take it for granted. All of us, regardless of party, should throw ourselves into the task of rebuilding our democratic institutions. When voting rates are some of the lowest among advanced democracies, we should make it easier, not harder to vote. When trust in our institutions is low, we should reduce the corrosive influence of money in our politics and insist on the principles of transparency and ethics in public service.”

We have, unfortunately, allowed our institutions that are meant to protect our democracy to atrophy, and we’re seeing the results. I observed it as the Chair and Commissioner of the Federal Election Commission, and we can certainly see it in the actions of Mr. DeJoy.

Which is why it’s so important to have this hearing on Mr. DeJoy’s violations of campaign finance laws, his ethical transgressions, and his potential to suppress the vote of Americans through the Postal Service, which, has been noted, is crucial for all citizens to be able to cast their ballots.

The almost \$1 million that was contributed by Mr. DeJoy’s employees to political candidates, at his urging, which was paid back in the form of bonuses, is an illegal straw donor scheme. Contributions through conduits and funds that are diverted from the corporate treasury and laundered to contribute directly to a candidate are prohibited. Even Citizens United held that it’s corrupting for a corporation to contribute directly to candidates, and funneling the money through employees is clearly illegal.

Discussing similar facts in 2017, the United States Department of Justice concluded in their Federal Prosecution of Election Offenses manual that a contribution in the name of another is often used to disguise other campaign finance violations by those who are at their distribution limit, and that a common conduit scheme involves a corporate official who instructs corporation employees to

make contributions to a candidate, and then reimburses them from corporate funds, generally, they said, through fictitious bonuses or pay raises. So, Mr. DeJoy's actions are the poster child for these violations.

Additionally, Mr. DeJoy coerced his employees to contribute. Employees thought their jobs were on the line or they wouldn't be promoted if they didn't contribute. The DOJ manual, again, states that in all employment situations, the potential for coercion, expressed or implied, is inherent in the supervisor-subordinate relationship.

So, contributions solicited from a subordinate aren't voluntary. It's illegal to coerce any individual to make a contribution or engage in fundraising for a candidate. Such coercion is also a threat to democratic processes, because workers' freedom of expression and exercise of their own political views is threatened.

But in nearly every case of major significance over a decade, the FEC has not even investigated serious allegations, such as this, and rarely enforced the law. It's well known that the laws can be ignored.

These ethics laws meant to stop corruption and provide valuable information to voters are essential to the integrity and fairness of the political process and to ensure trust in government. The failure of these protections led to where we are today with Mr. DeJoy, who was skirting campaign finance laws, knowing that with no consequences for violations he could instead be rewarded for his illegal and unethical acts.

Now, we have to be vigilant that our right to vote won't be impacted by a politicized Postal Service. Across the political spectrum, faith in the democratic process disintegrates as Americans might question both the validity of the election and the government's response to the voting challenges that we're facing.

Just one important comment here. To return faith in our democracy and put our protections back, we need to have H.R. 1, the For the People Act, enacted. Thank you so much.

Mr. CONNOLLY. Thank you, Chairwoman Ravel. Right on the nose. Appreciate it.

Chairman David Fineman.

**STATEMENT OF S. DAVID FINEMAN, FORMER CHAIRMAN,  
UNITED STATES POSTAL SERVICE BOARD OF GOVERNORS**

Mr. FINEMAN. Thank you, Mr. Chairman, for inviting me to participate in this hearing. I am the Chairman of Fair Elections Center, a 501(c)(3) nonpartisan group that works diligently to ensure that every American has a right to vote.

I served during both the Clinton and Bush Administrations on the Board of Governors of the United States Postal Service and was Chairman from 2003 to 2005, during the Bush Administration, as its Chairman. I would also indicate to you that never did I hear from the President of the United States or any member in the executive branch regarding postal affairs.

I was offended when the President referred to the Postal Service as a joke. I was even more offended when I realized that there were 600,000 employees who were not a joke, who were risking their lives to deliver the mail every day.

Folks like Al Rosen, who after World War II joined the United States Postal Service in Philadelphia, stayed there for over 30 years, and led a wildcat strike in 1970. You see, Al's son, Joe, is a fraternity brother of mine. Joe, after graduating college and then going to law school, joined the FBI, and he had a distinguished career in the FBI and then became an immigration lawyer in Philadelphia.

There are hundreds and thousands of stories like this of middle-class families being affected by their jobs at the Postal Service, and Al Rosen was not a joke.

In 1968, it became evident to the American public that the post office was failing in its mission to deliver mail on a timely basis. As a result, the Kappel Commission issued a report in June 1968. It begins by describing how mail is piling up and not being delivered in Chicago, and it concludes that the reason for this is because of the intrusion of politics into the United States Postal Service.

As a result of the commission's report and wildcat strikes in most eastern cities, Congress passed the 1970 Reorganization Act to take politics out of the Postal Service. It created the U.S. Postal Service as an independent establishment in the executive branch with a Board of Governors, five of one party, four of another, who would then select the Postmaster General. This process was to lead to an apolitical Postmaster General.

In 2006, the law was amended again to eliminate an antiquated postal rate system and to allow the Postal Service more flexibility. However, it established the law that if the Postal Service was going to change the manner in which it delivered mail on a national basis, it had to go to the Postal Regulatory Commission for a hearing.

This Postmaster General and the Board of Governors decided not to do that. It resulted in 25 lawsuits filed throughout the United States by attorneys general.

The law also requires that the Postal Service pre-fund—and we have heard about this—its pension obligation for 75 years. This Congress passed House bill 2382 with 309 votes in a bipartisan manner. The bill presently sits on Majority Leader McConnell's desk awaiting action by the Senate.

In my law practice, I sometimes act as a mediator. So, having heard the comments of the Republicans and the Democrats, and there has not been one written statement against this legislation, I'm asking that the Democrats and the Republicans on this committee ask Senator McConnell to bring this bill to a vote before the Senate. I also ask Postmaster General DeJoy, Chairman Duncan, who seem to be good friends with Senator McConnell, to ask him to bring that bill to a vote before the U.S. Senate.

Thank you, Mr. Chairman.

Mr. CONNOLLY. Thank you, Mr. Fineman. You're also right on the money.

Ms. GRAVES.

**STATEMENT OF LISA GRAVES, EXECUTIVE DIRECTOR AND  
EDITOR IN CHIEF, TRUE NORTH RESEARCH**

Ms. GRAVES. Good morning, Chairman Connolly, Ranking Member Hice, and distinguished members of the subcommittee.

My name is Lisa Graves, and I am the Executive Director of the watchdog group True North Research. I help lead collaborations like KochDocs, BOLD ReThink, and the Ben Franklin Project. I previously served as Deputy Assistant General and Chief Counsel for Nominations for the U.S. Senate Judiciary Committee, where I vetted judicial nominees.

Thorough vetting is essential to protecting the integrity of our democratic institutions. It helps to ensure appointees to positions of public trust are highly qualified and do not have conflicts or agendas that would put their personal interests ahead of the public interest.

Unfortunately, based on new information about Mr. DeJoy's background and actions, it's clear that a new, inexperienced, partisan-led, and shorthanded Board of Governors appointed by Donald Trump failed to properly vet him to protect the interests of the American people, and it continues to fail to do so.

I am calling on Mr. DeJoy to be fired or to resign.

First, as Ms. Ravel testified, Mr. DeJoy is facing new, credible allegations of violating anticorruption laws for using straw donors. Congressman Cooper asked Mr. DeJoy if he had ever reimbursed employees for political donations, and he denied it.

Based on this newly reported information, however, I respectfully ask the committee to make a formal referral to the U.S. Attorney's Office to investigate whether Louis DeJoy's testimony violated 18 U.S.C. 1001 of the Criminal Code.

Second, Mr. DeJoy has been accused of violating the law before by his own brother. Dominick DeJoy, Jr., swore in a complaint that he was cheated out of the family business by Mr. DeJoy, who secretly created LLCs, private LLCs that were portrayed to him as jointly owned subsidiaries. Mr. DeJoy admitted that they were separate though similarly named firms, but denied that he did anything wrong.

His brother also alleged in the suit—which he denied, and was settled through a secrecy agreement—that Louis DeJoy forged his signature and hid monthly mailed bank statements from two banks and an investment firm for accounts that were secretly opened in Dominick's name.

No Postmaster General in history has ever been subject to such charges before in a civil court or criminal court. If Mr. DeJoy cannot be trusted by his own flesh and blood with not hiding his mail and millions of dollars, how can Americans trust him with millions of our votes? How could the new Postal Board of Governors approve a person with this troubling history to be Postmaster General? Well, the third point is the answer appears to be that Louis DeJoy's enormous political contributions made the difference.

President Trump appointed Mike Duncan to the Board of Governors, and he has helped raise tens of millions of dollars to help keep Senator Mitch McConnell in power and aid GOP elections through donor data bases and more. Mr. Duncan admitted to this committee that DeJoy was not originally on the list of prospective candidates for the job. However, following \$600,000 in contributions to the RNC and President Trump's reelection strategy, Mr. DeJoy suddenly jumped to the top of the list.

It is simply wrong to put such a partisan political insider in charge of the Postal Service, especially in an election year. Mr. DeJoy's close ties to Trump, who has attacked vote by mail, are disqualifying and raise a legitimate question we have never had to ask before: Will Mr. DeJoy use his power as the Postmaster General to deliver our ballots on time, or to deliver the election to the man he has spent hundreds of thousands of dollars on and raised millions to help win, Donald Trump?

Fourth, Mr. DeJoy's financial conflicts are also enormous and unprecedented. Mr. DeJoy has tens of millions of dollars in stock in XPO Logistics, a contractor and competitor of the Postal Service, and he receives millions annually from it through leases and stock transactions. No known Postmaster General in history has ever had such financial conflicts like Mr. DeJoy.

Fifth, his destructive actions. Mr. DeJoy's actions since he took the job in June warrant his dismissal. If he had been a probationary employee, he would have been fired at least a month ago.

In the midst of an unprecedented pandemic, in a Presidential election year dependent on reliable mail, Mr. DeJoy suddenly fired or demoted nearly two dozen Postal Service experts. On his watch the Postal Service restricted the availability of overtime. And hundreds of mail-sorting machines were removed, far more than the usual amount in the past five years. He dictated a disruptive change in nationwide processes by ordering that trucks depart even if the daily mail sorting was not complete. He even micromanaged where mail trucks could park.

These dictates led to chaos and real consequences and hardships, such as for senior citizens and veterans whose lifesaving prescriptions are being delivered late.

Our Postal Service needs a person of the highest integrity, not a leader of the highest partisanship and arrogance, like Mr. DeJoy.

Sixth, unfortunately, his actions have destabilized the Postal Service and may be paving the way to privatizing it. As I have documented, billionaire Charles Koch has staked efforts to privatize the Postal Service since the early 1970's. His postal operation has been running digital ads to pressure U.S. Senators not to give the Postal Service the COVID relief funds that it has previously requested.

A long-time Koch ally worked with Senator Collins in 2006 to weigh the Postal Service down with an unprecedented debt burden for future healthcare benefits, an extraordinary liability no another agency or company has.

But Mr. DeJoy is playing partisan politics with the Postal Service by refusing to seek the COVID relief funding it needs. Instead, it's slash and burn.

So, in conclusion, I urge Congress to protect the Postal Service's mission and the American people and the integrity of our elections by calling for Postmaster General Louis DeJoy to be fired, by fully investigating his activities, and by restoring Congress' constitutional role in approving the Postmaster, restructuring the board, and repealing the 2006 unprecedented debt anchor and other restrictions from that law.

Mr. CONNOLLY. Thank you.

Ms. GRAVES. The Postal Service belongs to us.

Thank you, Mr. Chairman.

Mr. CONNOLLY. Thank you, Ms. Graves.

Mr. Michael Plunkett, you are recognized for five minutes.

**STATEMENT OF MICHAEL PLUNKETT, (MINORITY WITNESS),  
PRESIDENT AND CEO, ASSOCIATION FOR POSTAL COM-  
MERCE (POSTCOM)**

Mr. PLUNKETT. Good afternoon, Chairman Connolly, Ranking Member Hice, and members of the committee. Thank you for the opportunity to speak with you today about the current state of the Postal Service.

I am here on behalf of the Association for Postal Commerce, PostCom. Our members are world-class organizations in financial services, healthcare, telecommunications, logistics, mail production technology, and shipping. They include some of the most recognizable brands in the world, as well as small proprietors offering specialty products and services.

This diverse group is united in its reliance on the Postal Service and is committed to ensuring that reliable, affordable postal services remain available to all U.S. businesses and citizens.

The Postal Service is a beloved public institution and a critical component of the Nation's economic infrastructure. It's also the center of a mailing industry that employs more than 7 million Americans, providing jobs in every state and accounting for more than a trillion dollars in annual revenue.

Like many industries, ours has been hit hard by COVID-19. Along with economic turmoil, the pandemic has brought into sharp focus the importance of the Postal Service to the American public. Postal employees have served the public admirably since the pandemic began and have been a reassuring presence in our communities during a difficult time.

At the same time, the pandemic has brought about sudden and dramatic shifts in consumer behavior that are exposing the underlying fragility of the Nation's postal system.

PostCom's members rely on the Postal Service to deliver bills, statements, magazines, prescription medication, packages, catalogs, and essential business communications. Our members, to a great extent, fund the provision of universal postal service in the United States through the rates that they pay for commercial mail and shipping services.

As Congress considers how best to provide support to the Postal Service, we urge a measured and targeted approach with safeguards that ensure accountability for how any relief funding is utilized. We recognize the Postal Service has incurred unforeseen expenses to acquire personal protective equipment and emergency transportation services as a result of COVID-19.

The understandable desire of legislators to provide relief should not lead to excessive and unnecessary diversion of resources that may be better deployed elsewhere and that will do little to address the challenges facing the Postal Service.

Despite persistent doom-laden stories about imminent collapse, the Postal Service has adequate resources and capacity to successfully navigate the 2020 election cycle. According to its own reporting, at the end of the third quarter the Postal Service had cash

holdings approaching \$13 billion. Since that time, Postal Service revenues have been growing thanks to significant growth in its package business. In the most recent postal quarter, the Postal Service generated almost \$2 billion in cash-flow from its operations.

No one can say whether these shifts from letter mail to packages are permanent, whether package growth will continue to sustain the Postal Service, or that letter mail will rebound when the pandemic recedes and the economy improves. But the CARES Act passed earlier this year provides for an additional \$10 billion in borrowing authority for the Postal Service should unforeseen events create the need.

At a recent hearing, Postmaster General DeJoy confirmed that the Postal Service has sufficient liquidity to fund operations well into 2021. Not only is an arbitrary infusion of funds unnecessary to ensure that election mail is delivered, the sums contemplated by Congress would barely make a dent in the primary obstacle to a financially sound Postal Service, its long-term retirement liabilities. In fact, our members are concerned that any major relief funding might lead Congress to declare victory and continue to postpone much-needed postal reform.

We respectfully urge Congress to return to the task of enacting comprehensive postal reform legislation to secure the future of the Postal Service. In order for mail to fulfill its statutory role as an integral part of the Nation's economy, it's important that it be affordable and reliable as a means for communicating and transacting business. We believe stakeholders can and will support reform legislation, centered on several critical elements.

One, a well-defined universal service obligation based on a thorough assessment of what the U.S. needs from its postal system.

Two, safeguards to ensure that capped users of the Postal Service's monopoly products maintain pricing predictability.

Three, a revised approach to funding the Postal Service's retiree obligations by utilizing funding investment strategies more in line with best practices.

Finally, oversight to ensure that accountability and transparency are maintained, as funds provided by ratepayers or appropriated by Congress may be squandered or otherwise misused.

The Postal Service is not on the verge of imminent collapse. The COVID-19 pandemic, which has tested the agency, has also reminded us that it remains a vital part of our economy and the civic life of Americans. The Postal Service has the employees, resources, and capacity it needs to perform its mission during the current election cycle without a massive infusion of supplemental funding.

However, the systemic challenges that plague the Postal Service remain. Because the postal relief currently under consideration is unnecessary in the short term and inadequate in the long run, we respectfully suggest that Congress instead focus its efforts on much-needed and long-overdue postal reform legislation.

Thank you.

Mr. CONNOLLY. Thank you so much. Right on the money, Mr. Plunkett.

Finally, but not least, Mr. Painter.

**STATEMENT OF RICHARD W. PAINTERS. WALTER RICHEY PROFESSOR OF CORPORATE LAW, UNIVERSITY OF MINNESOTA LAW SCHOOL, FORMER CHIEF WHITE HOUSE ETHICS LAWYER AND ASSOCIATE COUNSEL TO THE PRESIDENT (2005-2007)**

Mr. PAINTER. Thank you very much, Mr. Chairman, Ranking Member, members of the committee. I'm Richard Painter. I'm a law professor at the University of Minnesota. And from 2005 to 2007, I was the chief White House ethics lawyer for President George W. Bush.

In the White House Ethics Office one of our principal obligations was to make sure that senior appointees and nominees to the executive branch were free of financial conflicts of interest. The reason is that financial conflicts of interest in Federal office are a crime.

Eighteen United States Code 208 makes it a crime for a U.S. Government official to participate in a particular matter that has a direct and predictable effect on the financial interests of that government official.

That statute, it's a criminal statute, 18 United States Code 208—please read it, members of the committee and staff—it applies not just to particular party matters, such as contracts and investigations, this criminal statute applies to generally applicable matters that have a direct and predictable effect on an identifiable class of persons or companies if the government official has a financial interest in the company.

This is the reason why in the Bush Administration we never allowed the head of an agency to have any financial interest in a company that had substantial contracts with that agency.

I certainly never allowed it. When I looked at the financial disclosure forms, and we sent those nominations on to the Senate, we would not have tolerated that, for anyone in the executive branch, whether or not nominated by the President, appointed by the President, or anyone else in a senior position. Why? Because there is a grave risk that that person will commit a crime when they're in office.

How can you run the post office and make decisions about scheduling the mail, about the specification for contracts, about when the trucks leave, all of those decisions, if you own millions of dollars of stock in a company that is trucking the mail around? A contractor with a post office. It doesn't make any sense.

So, either Mr. DeJoy, the Postmaster General, has not been doing his job over the past 13 weeks or so, or he has committed a crime that could be a felony. We should not be in that situation.

Another thing we did in the Bush White House is we looked at the background of people who were coming into public service. We did not want to bring in people who had violated the law.

I will not opine as to whether Mr. DeJoy violated campaign finance laws. I will say that if the stories reported in *The Washington Post* and *The New York Times* are true, or any piece of those stories is true, about reimbursement of employees for campaign contributions, that is a straw donor arrangement and that is a felony. People go to jail for that.

So, we have a very real possibility—possibility, I'm not saying for certain, but a possibility—that the Postmaster General of the

United States may have committed felonies before entering office and in office under 18 United States Code 208. In office.

This is a grave situation. It requires investigation by this committee. It is your job to investigate. This is not a kangaroo court. I am offended as an American, and as having been a Republican for 30 years, to hear that language used. It is your job to investigate this.

I have submitted an additional letter with Professor Claire Finkelstein with the University of Pennsylvania outlining additional concerns about the post office, and I will be open to your questions. This is a matter of grave concern for the American people, and I thank you for your time.

Mr. CONNOLLY. Thank you, Mr. Painter, for your testimony. And the chair will recognize himself for five minutes.

Let me begin with you, Mr. Painter. We have heard that having a hearing that includes in large part an examination of the professional practices and potential conflicts of interest and allegations that have been corroborated by other members of the media, besides *The Washington Post* investigative team, with respect to illegal straw donations, do you believe that's a worthy subject of this committee and that it is, in fact, directly related to the operational changes undertaken by that individual?

Mr. PAINTER. It certainly is a legitimate area of inquiry for this committee. The integrity of public officials in this country is critically important. That is why we screened out people with that type of background in the Bush White House. Why? Because we knew that, if we didn't, our officials would be sitting in front of this committee answering questions, because this committee is doing its job. That's what oversight is.

And, yes, if you bring in someone who has committed campaign finance violations, who's willing to do anything, including violate the law, to elect someone who they want to be President or to win other elections, what's going to stop them from doing it when they run the government agency, whether it's the United States Postal Service or any other agency? So, yes, you are doing your job when you conduct these hearings.

Mr. CONNOLLY. Now, remind us again what your position was in the George W. Bush Administration.

Mr. PAINTER. I was the chief White House ethics lawyer and associate counsel to the President.

Mr. CONNOLLY. A Republican President?

Mr. PAINTER. Yes. And that was an appointment by the President. I was a member of the Republican Party. I've identified with the Republican Party for 30 years, up to 2018.

Mr. CONNOLLY. So, what we know just from the public record, if you were in that same position today, would that have raised flags for you? And what would you have done about it, in terms of the idea that this person could be named Postmaster General, or, for that matter, any position?

Mr. PAINTER. Well, because Postmaster General is not actually nominated by the President—it's an appointment made by the board—

Mr. CONNOLLY. Right.

Mr. PAINTER [continuing]. If we had heard about it, though, we would have contacted the board and made it very clear that it is unacceptable to have a Postmaster General who has any record of campaign finance violation.

So, either that story in *The Washington Post* and *The New York Times* is true or it's not true, but we're going to find out before we nominate—before the board nominates someone. And financial conflicts of interest of this sort, absolutely unacceptable. It's a no-go.

Mr. CONNOLLY. Do you believe that the Board of Governors has a fiduciary responsibility to have done due diligence in terms of background checks on the Postmaster General before appointing him?

Mr. PAINTER. Absolutely. I've taught corporate and securities law, and I work with nonprofit organization boards of directors. I'm on the audit committee of a big foundation. Directors have fiduciary obligations, and that includes investigating the background of the people appointed to senior positions and screening for financial conflicts of interest, so people are not violating the law when they're in their positions.

Mr. CONNOLLY. Mr. Fineman, you were chairman of the Postal Service Board of Governors. Is that correct?

Mr. FINEMAN. That's correct.

Mr. CONNOLLY. And based on what we know from the public record and activities by this full committee and subcommittee, do you believe the Board of Governors, in fact, did its due diligence in a thorough background check before appointing Mr. DeJoy as Postmaster General?

Mr. FINEMAN. What I hear—what's coming out in the press clearly were things the Board of Governors should have, and I would've expected they would have, found out had they done a proper investigation.

Mr. CONNOLLY. As former chairman of the Board of Governors, what is your view about the connection of the personal background, professional background of a candidate for Postmaster General and the potential connection with the operations of the Postal Service, which he or she would, in fact, theoretically head? Is there a connection?

Mr. FINEMAN. Mr. Chairman, there certainly is a connection. I think that—I understand Professor Painter's point of view. I would extend it a little bit further. I would think that, if there is an apparent conflict of interest, we should not hire that person as a Postmaster General.

You might ask why? Well, it's because the American public is entitled to have confidence that the mail is going to be delivered and it's not going to be in any way, shape, or form compromised by the actions of the Postmaster General.

Mr. CONNOLLY. Thank you, Mr. Fineman.

My time is up.

The chair now recognizes the distinguished ranking member, Mr. Hice, for his five minutes.

Mr. HICE. Thank you, Mr. Chairman.

I would like to note, just out of curiosity, if any of our witnesses today are currently employed by the USPS. Those online, if you could answer if you are.

Mr. PLUNKETT. Not currently, no.

Mr. HICE. All right.

I would just like for the record to reflect that none of our witnesses today are employed by the Postal Service. Yet our hearing today is supposed to be about a postal update. And here we have no witnesses who are part of the Postal Service.

In fact, we have witnesses who basically can do nothing on the issue of what this hearing really is turning into being—they can do nothing but speculate. We have a law professor, a law school lecturer, who has determined guilt based from a *Washington Post* article.

I counted at least two or three times, Mr. Painter, that you assumed guilt already to Mr. DeJoy. I don't see that as being very professional at all.

This is not oversight. This is, again, an attempt to create political assassination, as I referred to in my opening statements.

When it comes to the question of whether or not Mr. DeJoy broke any campaign finance laws, Mr. Painter, wouldn't you agree that, really, you have no more information than the general public has at this point?

Mr. PAINTER. No, that is a false statement, and—

Mr. HICE. You did two or three times, sir.

Mr. PAINTER. I did not. And I'm going to repeat that I do not know whether the campaign finance laws were violated. It is a false statement that I assumed guilt.

But if those stories are true, what is described in those stories is multiple felonies. It must be investigated.

Mr. HICE. OK.

Mr. PAINTER. It is unacceptable to have someone in a position of trust in our government who is suspected of those types of violations of the law, the same with respect to 18 United States Code 208.

I do not know for certain there has been a violation, a crime—

Mr. HICE. Mr. Painter, you're answering questions I did not ask. I would appreciate your—

Mr. PAINTER. You said that I assumed guilt. I did not. That is not true.

Mr. HICE. You go back and read your statement, sir, because I'm going to go on with my questions here.

Basically what we have, then, is your opinion, which is fine. You're certainly entitled to your opinion. But it's a hypothetical opinion at this point, because it's based on an article. There's not been any investigation that's come down to it.

Can you explain to me what XPO does?

Mr. PAINTER. XPO, to the best of my knowledge, ships mail in trucks and performs other logistical operations for the United States Postal Service.

Once again, I have not assumed that the Postmaster General has necessarily committed a crime, but the fact of the matter is, we have a contractor with large contracts with the Postal Service, and there is a very high degree of likelihood that a Postmaster General who is doing his job would be making decisions that have a direct and predictable effect on a contractor of that size with the Postal Service.

Mr. HICE. So, are you qualified to evaluate whether or not the relationship between XPO and USPS has risen to the point of conflict of interest?

Mr. PAINTER. Yes, I am, because I made that type of decision repeatedly for the Bush Administration. No one goes into a position, a high-ranking position—

Mr. HICE. So, are you a member of the Board of Governors?

Mr. PAINTER. I said I made that determination. You do not get that job if you keep stock at a contractor with your agency. That is a deal-breaker, because you could go into public office and commit a felony.

And that I did repeatedly. I told people, you have to sell the stock. You don't go to the Department of Defense and own stock of defense contractors.

Mr. HICE. I asked if you were qualified to make the assessment, and you're going back to your times in the Bush Administration. My question is on this particular situation. You're not a member of the Board of Governors. You are not part of the vetting. The Board of Governors did do vetting. They did look into these issues.

Are you aware that Mr. DeJoy did divest certain assets that he had?

Mr. PAINTER. Yes, I know he divested some assets, but that's not the point. He owns—

Mr. HICE. Do you know which ones?

Mr. PAINTER [continuing]. Contract stock in a company that has large contracts with the Postal Service. I am qualified to say that is unacceptable. It would've been a deal-breaker in the Bush Administration. We would not have nominated, appointed, or approved in any way of a senior executive branch official having that conflict of interest.

Mr. HICE. You may not have; the Board of Governors did. He has divested other assets. When it came to XPO, the UPS cleared him to hold those assets.

Now, whether it's wise or not I'm not getting into. But he made clear, transparent, he laid out there his assets, and he was cleared. Is that correct?

Mr. PAINTER. Well, the Board of Governors made that decision, but I am here to say it's wrong. I am qualified to say it is wrong and it poses a grave risk that he could commit a crime when he's in office.

Mr. CONNOLLY. The gentleman's time has expired.

Mr. HICE. Sounds like he just confirmed again his belief that a crime is committed.

I yield back.

Mr. PAINTER. I did not say that. I said a grave risk that a crime would be committed.

Mr. CONNOLLY. For the record, the chair heard Mr. Painter frame it in a hypothetical, "if this were true."

The chair now recognizes the distinguished chairwoman, Mrs. Maloney, for her five minutes.

Mrs. MALONEY. Thank you very much.

And I thank all of the panelists for their really important testimony.

Mr. Fineman, you have extensive experience with the high-level inner workings of the Postal Service. You spent 10 years on the Board of Governors. You really are an expert on the Postal Service and the Board of Governors.

I'd like to ask you about the process for selecting the Postmaster General. In your 10 years on the board, you were involved in the hiring of two Postmasters, one in 1998 and the other in 2001. Is that correct?

Mr. FINEMAN. Yes. Yes, it is correct.

Mrs. MALONEY. During those selection processes, was it standard for the board to contract an outside firm to conduct the search?

Mr. FINEMAN. Yes, it was.

Mrs. MALONEY. Well, that makes sense. The board is small and needs to perform an executive search for one of our country's most important independent agencies.

Now, during our hearing on August 24, Chairman Duncan indicated that he put Mr. DeJoy's name into consideration after Russell Reynolds Associates had already provided a list of qualified candidates to the board for consideration. He went into detail: They had many people considered. They narrowed it down to 200, then to 50, then to 12.

In either of your selection processes for Postmaster General that you participated in, did board members add candidates after the search firm had already done its work to narrow down the list of candidates, possible candidates?

Mr. FINEMAN. To the best of my recollection, I do not remember anyone recommending anyone on a personal basis.

And, quite frankly, if they did, it wouldn't come before the board, initially. It would go back to the search firm so that they could do their due diligence about the candidate.

Mrs. MALONEY. Thank you.

The process the board followed in this instance, to me, seems very unusual. In your experience, how is the selection process for the Postmaster General supposed to work?

Mr. FINEMAN. You hire an executive search firm. The executive search firm gives you a multitude of candidates. You narrow down that multitude of candidates. They do some interviewing. Then we come down to about, I don't know, 10 or so candidates that we interview, that the board interviews, and then a select—

Mrs. MALONEY. Well, Mr. Fineman—

Mr. FINEMAN. Then we make a determination as to who we want to hire. And, in that process, we are getting information about the background of all of the individuals.

Mrs. MALONEY. Uh-huh. Thank you.

Now, if you were still on the board, would you have gone out of your way to add Mr. DeJoy to the list of candidates? Would you have chosen him?

Mr. FINEMAN. Let me first say that I would not have gone out of my way. If you're asking me whether I would have chosen him, the answer would be no.

It's apparent that there was a conflict of interest to begin with, that he still had an interest in one of the largest contractors with the United States Postal Service. As I said before, it's not even the

direct conflict; it's the appearance of a conflict which would concern me.

And, second, if I can just say, if we leave aside the conflict issues, when you're looking for a Postmaster General, there's certain things that we look for. We look for communication skills. Am I going to—is the Postmaster General going to be able to communicate with the stakeholders of the Postal Service?

Mrs. MALONEY. Reclaiming my time, Mr. Fineman.

Mr. FINEMAN. That means you and your Republican colleagues.

Mrs. MALONEY. OK.

So, Mr. Fineman, we have requested information about the search from the board, but, to date, they have refused to provide us with any information at all. Do you think it is appropriate for the board to refuse to work with this committee, given the responsibilities that we have for oversight for the Postal Service?

Mr. FINEMAN. Absolutely not. They should be giving you what you have asked for. And, quite frankly, they should be giving you more than you asked for.

Mrs. MALONEY. Thank you. Thank you very much.

And very, very quickly, Mr. Plunkett, the metadata in your testimony says it was written by Jessica Lawrence. Who is Jessica Lawrence?

Mr. PLUNKETT. She is my predecessor at my current position. I used a document template that had her name on it.

Mrs. MALONEY. So, she did not write it.

Mr. PLUNKETT. No, absolutely not.

Mrs. MALONEY. She did not. OK.

Mr. PLUNKETT. Absolutely not.

Mrs. MALONEY. My time has expired, but I really particularly want to thank everyone for being here today, especially Mr. Richard Painter.

The Post Office should be a bipartisan, nonpartisan position that serves the American people, and you made that point very clear. I thank you for your service, for all the participants' service, and for your being here today. Thank you.

I yield back.

Mr. CONNOLLY. I thank the distinguished chairwoman.

The gentleman from Alabama, Mr. Palmer, is recognized for five minutes.

Mr. PALMER. I thank the chairman.

First of all, this is all about politics; it's really not about the post office. And the witnesses reflect that. It's remarkable, some of the claims that have been made by these individuals and Ms. Graves' raising questions in her work about dark money and sources of funds, when her own organization received over \$500,000 from outside sources.

And Mr. Painter apparently thinks he's still campaigning for office. You're very animated in your responses, yet—and you want to tout your Republican credentials, when you ran for the Senate as a Democrat. And, in 2016, you filed a complaint claiming that James Comey violated the Hatch Act when he released information about the newly discovered emails on Hillary Clinton's computers.

This just seems like it's not really about trying to resolve anything related to the post office. If it were, this would have been

done years ago when, during the Obama Administration, they were going to shut down 3,700 post offices.

I know Mr. Connolly cares deeply about this. And I think you and I and other members of this committee really want to see reform for the post office. But they were planning to cut \$14 billion—I'm sorry, to cut \$10 billion—\$20 billion in cuts and close 3,700 post offices and cut 120,000 jobs. This is all documented in *The Washington Post*.

Since we're using *The Washington Post* as a source, I've got multiple articles here from *The Washington Post* talking about the problems with the delay and delivery of mail, the changes that were being made, the closure of sorting facilities—not just taking sorting machines out, but closing facilities.

Mr. CONNOLLY. Would my friend yield for a minute?

Mr. PALMER. I'll be happy to yield.

Mr. CONNOLLY. We'll freeze his time. Please freeze his time.

Just as a matter of record, it was not the Obama Administration; it was the Postal Service. And it was under the previous Postmaster General prior to Ms. Brennan, Mr. Donahue.

I will point out, on a bipartisan basis, there was an uproar in Congress about it. And we got it stopped, because it was being done unilaterally, it was being done capriciously, and there was no consultation with Members or communities affected.

I just wanted to make that point, because there was—Mr. Comer mentioned in our last hearing, where was the Democratic outrage then? Actually, there was a ton of it, and I was here for that, and it was on a bipartisan basis, because that Postmaster General didn't do his consultation with the administration or with Congress.

I thank my friend for yielding, and his time is intact.

Mr. PALMER. I appreciate your comments on that. It was an outrage with Congress.

But the point is that the post office has had major, major problems for years and that we've been trying to sort through this in the most effective way that we can to resolve the problems for the post office. But now it has become political, when I would like to also point out that the changes that the current Postmaster General has been accused of making were implemented before he took office. He's the one that stopped them. So, to make that same point that you were making, I think we're trying to cast aspersions where they're not justified.

As for these other issues, I just think that this has become so highly partisan and just adds to the divisiveness of what's going on in Congress that makes our ability to get anything done almost impossible. And to bring in witnesses who are as partisan as these witnesses are, this is not productive. This doesn't advance the agenda for the post office in any form or fashion.

So, that's my problem with this hearing. I know, Mr. Chairman, where your heart is for reform, but, again, I just take exception at what I'm hearing here today.

With that, I'll yield back.

Mr. CONNOLLY. I thank the gentleman.

The gentlelady from the District of Columbia, Congresswoman Norton, is recognized for her five minutes.

Congresswoman Norton, are you there?

Ms. NORTON. I'm trying to unmute.

Mr. CONNOLLY. We will return to Congresswoman Norton.

Ms. NORTON. Can you hear me now?

Mr. CONNOLLY. OK. Got it.

Ms. NORTON. Sorry about that. Sorry about that.

Mr. CONNOLLY. No problem.

Ms. NORTON. Mr. Chairman, I note that the ranking member wondered why you were having this hearing. And I simply want to commend you for this hearing. The Postal Service may be the most important agency in the United States today, when you consider the pandemic and how people are getting their medicines, not to mention the upcoming election. So, I appreciate this hearing very much.

Let me go on to my first question.

Mr. Chairman—rather, I'm sorry, Mr. Fineman, this question is for you, because, as a former chair of the postal Board of Governors, you will be particularly qualified, it seems to me, to answer this question. It has to do with privatizing the Postal Service.

Now, I note that the reorganization document of the administration made it clear it wanted to privatize the Postal Service. Mr. Fineman, as the former chair of the Board of Governors—

Mr. CONNOLLY. Can I interrupt you, Ms. Norton? Can you turn on your video, please?

Ms. NORTON. Oh, I'm sorry. I thought my—can you see me now?

Mr. CONNOLLY. Not yet.

Ms. NORTON. Wait a minute. "Start video." It says, "start video." And I have been on before. I've been on the whole time of this hearing.

Mr. CONNOLLY. I know. I know. But for some reason we do not see you.

Ms. NORTON. Can you see me now?

Mr. CONNOLLY. Not yet.

Ms. NORTON. I can see me.

Mr. CONNOLLY. And a beautiful image it is, I'm sure, but we have a technical problem here.

Ms. NORTON. I can see me on my screen, and I can hear me.

Mr. CONNOLLY. OK. Well, we're going to have to put up with technical problems. If there's no objection, the gentlelady may proceed. Hopefully her visual will come through shortly.

Ms. NORTON. Well, today, I'm better heard than seen.

Mr. CONNOLLY. Thank you, Ms. Norton.

Ms. NORTON. Mr. Fineman, I would like to know, since the notion of privatizing the Postal Service is on the administration's mind, who would benefit from privatizing the Postal Service, Mr. Fineman? And who, if anybody, would lose?

Mr. FINEMAN. Well, let's start with your first question, who would benefit. More than likely, the private delivery services would benefit. As you raise the prices of the Postal Service and as you diminish its capability, more and more people will go through the private delivery services to get their mail delivered, their packages delivered, et cetera. And that's who would benefit.

So, let's talk about whose services would be diminished. Particularly rural America.

I don't know if Congressman Keller is still there.

Congressman, I know your district, Sullivan County, Pennsylvania, where I've spent a fair amount of time. It's one of the most beautiful places in America. And those people will not get mail on a regular basis if it's privatized. The same goes for people in Potter County.

And, Congresswoman Holmes Norton, let me just say, your constituents will not get mail on a regular basis if it's privatized. People in the inner city, people in north Philadelphia, in west Philadelphia, they're not going to get mail on a regular basis. Why? Because it's not profitable to private delivery companies to deliver mail regularly, universally to the inner city and to rural America.

Quite frankly, one of the largest customers over the years of the United States Postal Service has been private delivery companies. Because when they have packages that they do not want to deliver, you know who they give it to? They give it to the United States Postal Service, because they're going to deliver packages into Montana, packages into Iowa. And the private delivery companies can't make money doing it. They can't fill that truck with enough packages to go into rural America to deliver packages.

Ms. NORTON. You've made a very important point, this kind of last-mile delivery to places in the United States where it is clearly unprofitable, and yet they see their mail every day, the way I do here in a big city. Very important, it seems to me, to note.

Mr. Graves, could you speak to the concerns that the Board of Governors—that a member of the Board of Governors or a Member of Congress or a member of the public would have with a candidate like Mr. DeJoy who invests in companies that benefit from Postal Service contracts or would benefit if the Postal Service moves to privatization?

Ms. GRAVES. Thank you so much, Congresswoman, for your question.

I think that it's important for the American people to understand that it is a tremendous conflict of interest, as the other witnesses have testified to, for a Postmaster General to have millions of dollars in stock in a company that does business with the U.S. Postal Service.

In fact, one of the things that XPO Logistics does with its hundreds of contracts it's had with the Postal Service, including revenue of between \$22 million and \$37 million a year, is that it helps deliver the postal—it helps deliver the mail during peak holiday times and presumably during elections.

Here we are, with a Postmaster General who has been appointed to this position in part—or basically because he's a donor to this President. He was chosen and steered through that process by Mike Duncan, who is the man who helps, to this day, Mitch McConnell stay in power in the U.S. Senate.

So, when Congressman—pardon me—one of the Congressmen mentions the politicization of the Postal Service and says that it comes from this committee, I would say to you that, in fact, it's coming from the Postal Service at its helm, through the selection of Mr. DeJoy by Mr. Duncan, whose term, by the way, has been configured so that he will serve until 2025 unless he's removed.

So, you have a Postmaster General and a chairman of the board who are the most political people to ever hold this position in its history, since the 1970's, since those reforms. And you have this pattern now, this summer, of these precipitous changes and edicts by Mr. DeJoy that have demonstrably affected the American people, have affected senior citizens and veterans in the delivery of vital medicines and more. Yet Mr. DeJoy—

Mr. CONNOLLY. Thank you.

Ms. GRAVES. Oh, sure.

Mr. CONNOLLY. I'm sorry, but the gentlelady's time has expired.

Ms. NORTON. I apologize. I said Mr. Graves; it's Ms. Graves.

Mr. CONNOLLY. Thank you.

The gentleman from Pennsylvania, Mr. Keller, is recognized for his five minutes.

Mr. KELLER. Thank you, Chairman.

I would like just to get at things. I know my district has been brought up or the people that I represent have been brought up, Sullivan County, Potter County, all 15 counties, which I do advocate for the people every day. That is my job, and I will continue to do that.

But I wish that the people on the other side of the aisle would have the same concern to make sure that my constituents get mail, to make sure that we stand up for the hardworking people of the United States post office that process and deliver our mail and do all the good work, and get down to, really, postal reforms, which is what I thought this hearing was about. But somehow it has devolved into political contributions and accusations that were put out in the print of *The New York Times* and *The Washington Post*. So, I'm a little disappointed with where we're headed with this.

But since we're there, Mr. Painter, you brought up accusations in *The Washington Post* and *New York Times*. Are you aware that they ever publish stories that were then found not to be true? It's an easy question, yes or no. Have they—are you—

Mr. PAINTER. I do not know whether this story is true or not.

Mr. KELLER. No, that's not the question. Sir, the question is, yes or no, have you ever been made aware that they may have published something that was later out not to be accurate?

Mr. PAINTER. I think every newspaper in the country—

Mr. KELLER. OK. That's good. I'm done.

Mr. PAINTER [continuing]. Has done that once in a while.

Mr. KELLER. I'm done. OK.

Mr. PAINTER. And I didn't say it's true. I said, if true, it's a crime.

Mr. KELLER. Well, again, I wish we were getting down to the issue of making sure the post office has the tools it needs to perform its job. But since we're on political contributions, I'm going to ask a few questions.

Mr. Fineman, have you ever made political contributions to political campaigns?

Mr. FINEMAN. Absolutely.

Mr. KELLER. OK. What party?

Mr. FINEMAN. Both Democrats and Republicans.

Mr. KELLER. Have you contributed to any Democrats this cycle?

Mr. FINEMAN. Yes.

Mr. KELLER. Quite substantially, actually.

Mr. FINEMAN. I don't think—well, I'm happy to tell you what I've contributed so far, if you'd like.

Mr. KELLER. I have the record right here.

Mr. FINEMAN. I understand, but if you'd like me to tell you, I'm happy to tell you, Mr. Keller.

Mr. KELLER. Ms. Ravel, have you contributed to political campaigns?

Mr. PLUNKETT. I'm sorry, was that question directed to me?

Mr. KELLER. Ann Ravel? Ravel?

Ms. RAVEL. I'm on the phone.

Mr. KELLER. Excuse me? I didn't get the answer.

Mr. CONNOLLY. Ms. Ravel, could you repeat your answer?

Ms. RAVEL. I'm sorry. The question was, have I contributed to campaigns?

Mr. KELLER. Yes.

Ms. RAVEL. I have.

Mr. KELLER. That's the issue we're talking about today.

Ms. RAVEL. Yes, I have.

Mr. KELLER. OK.

Ms. RAVEL. Yes, I have.

Mr. KELLER. Ms. Graves?

Ms. GRAVES. I have not contributed \$600,000 to the election of Donald Trump. Mr. DeJoy has. And, in fact—

Mr. KELLER. Yes or no, campaigns?

Ms. GRAVES [continuing]. I have not made any contributions in this cycle, Mr. Keller. But I would note that you've received \$10,000 from—

Mr. KELLER. Yes or no is the answer—is the question.

Mr. Richard Painter, have you contributed to campaigns?

Mr. PAINTER. Yes.

Mr. KELLER. OK. Thank you.

Mr. PAINTER. Thousands of dollars to Republican campaigns.

Mr. KELLER. Thank you.

Mr. Plunkett, have you contributed to campaigns?

Mr. PLUNKETT. Small amounts, yes.

Mr. KELLER. OK.

Again, I would think that, rather than having people that have contributed to campaigns, we ought to have people in here that understand the Postal Service and understand how we're going to make reforms so that this can be sustained.

I've heard much testimony today tearing down character based upon stories written in newspapers and other items. If anybody has done anything illegal, I'll be the first one to tell you that they should be held accountable to the fullest extent of the law.

But we should also be, and what I thought we were looking at, was making sure that the United States Postal Service provides the good service that they do for a very, very long period, taking care of our constituents that rely on that and also taking care of the good people that do the work every day. But we are not here doing that. We're here doing many other things, and it's, quite frankly, disappointing.

The other thing I would like to say—and I'm very committed to making sure that we had—the issue of prepay of benefits. It's a se-

rious thing, when the fund that pays for post-employment benefits is in danger of running out of money in the upcoming years. And it's not prepayment of benefits. It's, when an employee is hired, you make a contribution now so that, over time, when they retire, there are adequate funds available to pay for that employee's benefits.

Those are the things we should be discussing. We should be discussing how we work together across the aisle to make sure that those things are accomplished, not all the other things that have gone on.

But I guess I've proven my point. And if it's about political campaigns, maybe we ought to adjourn this meeting and go on to a meeting where we can actually get down to the business of solving the issues with the United States Postal Service.

Thank you, and I yield back.

Mr. CONNOLLY. I thank the gentleman.

As the co-author of the major reform bill that was co-sponsored by my friend Mark Meadows, I assure the gentleman from Pennsylvania of the commitment of this subcommittee chair and, I know, of the full committee chair to postal reform.

I would also note for the record, the issue before us that was being discussed was not whether somebody made a political campaign contribution. There's nothing wrong with that. The question alleged in *The Washington Post* and *The New York Times* and other media outlets was whether straw donations occurred—whether, in fact, there was, A, pressure or coercion and, second, a violation of the law by covering those donations through bonuses or a salary. That is illegal. And that was what was being pursued, not whether somebody made a contribution.

Mr. KELLER. And, Mr. Chairman, if I can, though—if I can, though, in the United States of America, under our Constitution, people are presumed innocent until proven guilty. And they are not supposed to be proven guilty or innocent by a newspaper article.

Mr. CONNOLLY. That's right. And, for the record, this committee of jurisdiction has an ethical obligation to examine charges that may be made about somebody who has a responsibility for running one of the largest enterprises in the country, including serving your district as well as mine.

Mr. KELLER. They should. Then let's get down to that, and—

Mr. CONNOLLY. We're doing it.

Mr. KELLER [continuing]. Let's call the people that can testify to that and not an innuendo in a newspaper.

Mr. CONNOLLY. Mr. Keller, that is precisely what we're doing. You're trying to discredit this examination as having nothing to do with the operations of the Postal Service, and with that, respectfully, I disagree.

The chair now recognizes the gentleman from Maryland, Mr. Sarbanes, for five minutes.

Mr. SARBANES. Thanks very much, Mr. Chairman. Can you hear me?

Mr. CONNOLLY. Yes, we can, and we can see you.

Mr. SARBANES. Excellent. Appreciate the hearing.

As you know, Mr. Chairman, on August 24, in front of the full Oversight Committee, Postmaster General DeJoy and the USPS Board of Governors testified. And, at that hearing, Mr. DeJoy stat-

ed, quote, “I have no patterns of misconduct in my background,” end quote.

Well, obviously, based on what we know now, based on some of the testimony we’re getting today, we know that assertion is patently absurd. In fact, amidst the endless parade of conflicts of interest that we have seen from the Trump administration, Mr. DeJoy’s conduct really sinks to new depths.

So, let’s look at some of this. I want to pick up on this straw donor situation that we have been talking about.

Mr. DeJoy was chairman and CEO of New Breed Logistics from 1983 to 2014. As the *Post* has reported, between 2000 and 2017, he may have allegedly operated this kind of straw donor scheme at his company by reimbursing employees in their salaries for contributions they made to Republican candidates.

Ms. Ravel, if the reports from *The Washington Post* about Mr. DeJoy are true, and knowing what you do about campaign finance law, would you say that those actions would qualify as misconduct?

Ms. RAVEL. Yes, Congressman Sarbanes. If they are true, and since they quoted employees who indicated that there is veracity to it, it would certainly qualify as criminal conduct, in addition to civil.

So, there is no question about it, which is why, in my testimony, I quoted the Department of Justice, who, in 2017, indicated that these sorts of schemes are clearly illegal and that they are, in fact—over \$10,000, that person could be convicted and sent to jail for two years, and even more, which is what’s alleged in this case, for five years.

So, I think they’re very serious allegations, and I think that they—

Mr. SARBANES. In fact, the—

Ms. RAVEL [continuing]. Need to be investigated.

Mr. SARBANES. Thank you for that. The *Post* found that, between 2000 and 2014, 124 individuals who worked for the company, together, gave more than \$1 million to Federal and state GOP candidates. And this is worth noting: Many of these individuals had not previously made political donations, and they’ve not made any political donations since leaving the company.

So, something was going on there, and as a former commissioner of the Federal Election Commission, I’d be interested in knowing from you whether, if the allegations are true, exactly how does Mr. DeJoy’s action violate the Federal election laws? What’s the chapter and verse on that, in terms of these straw donor schemes?

We’re not hearing you.

Ms. RAVEL. Oh. So sorry. Although—I’m so sorry for the sound in the background.

It is illegal and a felony to reimburse contributions. There is no question about that. If it is serious and willful, that’s what the law provides.

When a person contributes—wants to contribute to a campaign but doesn’t want to disclose that they’re the donor, either because it’s an illegal contribution from corporations or for some other reason that they don’t want to be identified, the statute is extremely clear that that is, on its face, illegal. And—

Mr. SARBANES. Let me jump in, Ms. Ravel. Let me jump in real quick, because I want to get something on the record from you.

If the FEC should hold Mr. DeJoy accountable, who is culpable in situations like this, where employers are being paid back through the company for political contributions they make? And what would you say to employees who are wrestling with whether to come forward and provide information about this straw donor scheme?

Mr. CONNOLLY. The gentleman's time has expired, but the witness may respond.

Ms. RAVEL. Thank you.

When the CEO is pressuring employees to make these kinds of contributions, it is the CEO who is culpable. That is very clear in the law.

If the recipient committee knows that they received the money through a fraudulent scheme, they should refund the money to the original source or disgorge it. But, again, given the information we know, it would not eliminate the culpability of the person who engaged in the straw donor scheme.

Mr. SARBANES. Thank you.

Mr. CONNOLLY. Thank you.

The gentleman from Wisconsin, Mr. Grothman, is recognized for his five minutes.

Mr. GROTHMAN. Thank you.

I have some questions for Mr. Plunkett, but, first of all, I'd like to thank Mr. Palmer for his questions. It really shouldn't matter, the political background of someone, but I had been left under the impression that Mr. Painter was a Democrat. Unless Mr. Palmer had brought up that he had—was a Republican, unless Mr. Palmer brought up that he had run for U.S. Senate, I never would have dreamed from his testimony.

Mr. PAINTER. Mr. Chairman, I'm not a Democrat. I'm an independent. That's just not true. I ran in an open primary as an independent.

Mr. GROTHMAN. OK. But not a Republican.

Mr. Plunkett, a lot of the attention—

Mr. CONNOLLY. I'm sorry, did you say you were an independent, Mr.—no.

Go ahead, Mr. Grothman. Excuse me.

Mr. GROTHMAN. Are you an independent? Is that what you're saying now?

Mr. PAINTER. I was a Republican for 30 years until 2018. I became an independent in 2018 because of my disgust—

Mr. GROTHMAN. OK.

Mr. PAINTER [continuing]. With what's happening—

Mr. GROTHMAN. OK.

Mr. PAINTER [continuing]. In the Republican Party.

Mr. GROTHMAN. OK. I was under the impression you ran in the Democratic primary.

OK. Mr. Plunkett, a lot of the attention to the post office has come because Postmaster General DeJoy is trying to rein in cost. Do you feel his cost-control measures benefit mailers and anyone using the postal system?

Mr. PLUNKETT. Well, certainly, any efforts that make the Postal Service more efficient redound to the benefit of all users of the system.

Last week, the Postal Service's Office of the Inspector General issued a report showing that, from 2014 to 2019, overtime usage had increased at the Postal Service by 30 percent despite the fact that mail volume declined in every one of those years.

So, we care very much that efforts are maintained to keep the Postal Service efficient and to remove unnecessary costs.

Mr. GROTHMAN. So, you don't feel there's been any sabotaging of the post office or the mail? You feel that the things that have been done so far are moving things in the right direction?

Mr. PLUNKETT. I would say the things we've observed so far are very consistent with similar efforts in the past under different Postmasters General and were not all that surprising, to be honest.

Mr. GROTHMAN. OK. How long have you been involved in postal policy?

Mr. PLUNKETT. I've been in my current position—this is my fifth year, and I worked for the Postal Service for approximately 28 years.

Mr. GROTHMAN. So, I guess if anybody should know about the Postal Service, it should be you.

How long has the Postal Service lost money?

Mr. PLUNKETT. Oh, I think every year going back to at least 2008.

Mr. GROTHMAN. OK. Could you give me some suggestions, how you feel that they can get a handle on costs?

Mr. PLUNKETT. Well, I certainly think efforts to increase productivity would be beneficial and are much-needed. I would encourage the Postal Service to concentrate its efforts on making its last-mile delivery network as efficient as possible.

As I said in my testimony, I think there are things that Congress could do that could relieve some of the unnecessary and burdensome retirement funding that would benefit the system.

I also think we really need to take a look at the Postal Service's universal service obligation and determine exactly what the American public needs in the 21st century. It really—it goes back to 1970, and it needs some reexamination.

Mr. GROTHMAN. OK.

It looks as though the Postal Service determined that \$25 billion in a five-year period was paid for overtime and that the amount of employees who earned more overtime than straight pay increased by 430 percent during that time.

How can we get those costs under control? Do you have any specific ideas on the overtime?

Mr. PLUNKETT. Well, you know, the report was maybe not as detailed in providing complete answers as to how that should take. I think, you know, for example, some of the things that we know the Postal Service is attempting to do—taking out excess equipment, eliminating unnecessary transportation trips—all of those things can help, and all need to be done to ensure that the costs of the Postal Service remain under control.

Mr. GROTHMAN. OK. I've always had a good experience with the post office. I know some of the postal workers in my district tell

me that they're getting more overtime than they want. Of course, some people always love the overtime. But, overall, I think in my life I've had one letter not delivered to me on time.

Do you feel, overall, the post office is doing a good job delivering the mail?

Mr. PLUNKETT. In general, yes, the Postal Service delivers mail very well, especially first-class mail. I think they've been tested because the increase in packages that they're seeing as a result of the pandemic is not really what their network was designed for. But, overall, the Postal Service does an excellent job delivering mail.

Mr. GROTHMAN. And just to emphasize, I go back to a vote we took a couple weeks ago. Is it really true the Postal Service—I know people are trying to get them billions of dollars more money. But is it really true that their sales have gone up the last—since the pandemic?

Mr. PLUNKETT. Actually, yes. In the last few months, Postal Service revenues are above plan and above last year. So, they're exceeding revenue expectations.

Mr. GROTHMAN. Thank you very much.

And thank you for the time, Mr. Chairman.

Mr. CONNOLLY. Thank you, Mr. Grothman.

I will enter into the record what has already been entered into the full committee record, the service performance measurement, a briefing of the Postmaster General by the Postal Service, which shows, contrary to what Mr. Plunkett asserted, quote, "a sharp decline in service since week 41," which happens to be the same week in which Mr. DeJoy took over the Postal Service. And it consistently shows a fairly substantial, 7-to-8 percent, decline in service below the baseline. So, it's not a normal fluctuation, according to the Postal Service's own documentation.

I enter that into the record.

Mr. CONNOLLY. I now call—well, Ms. Speier, you're next, but I understand you have yielded to Mrs. Lawrence. Thank you so much for your courtesy, and you will be right after Mrs. Lawrence.

Mrs. Lawrence, welcome.

Mrs. LAWRENCE. Thank you so much.

I just want to say, as we're having this dialog, let's not forget that this is an election year. We're being confronted with voting by mail. And Mr. DeJoy—just like we mentioned, there should be a comprehensive plan. We all are in support of postal reform. I've sat in those committees with Congressman Meadows, at that time, and with the leadership of Congressman Connolly, and that we are committed to that. Why didn't DeJoy do his job and present to us his plan for a comprehensive reform of the Postal Service? I would be glad to have that conversation.

But, today, we're here in the midst of a President of the United States continuously attacking the Postal Service and its long-standing ability to service the people.

So, we are doing our job. If the President is saying that the Postal Service is not operating, if we have a Postmaster General who is not doing his job and has admitted that he doesn't understand the Post Office, and we're sitting here today saying we need postal reform, then that's what we're supposed to be doing. I join my col-

leagues in saying we will have that conversation any day of the week.

So, with that being said, recently, millions of Americans received a mailer from the United States Postal Service urging people to vote by mail. Not surprisingly, Mr. DeJoy does what he has done in other situations: He did not consult with the key stakeholders. So, he actually mailed a mailer that tells the American people across the country, even though we have different—every state has established their own plan—that says request your mail-in ballot or your absentee ballot at least 15 days before election day, where we have states like Colorado who mails everyone an absentee ballot application. We did it here in Michigan. So, are you saying you have—an absentee ballot is being mailed to you; now go call your state and request the ballot? It is confusing.

I'm going to ask Ms. Ravel: Given the circumstances surrounding Mr. DeJoy's actions and just the conflict that we are seeing, the Voter Integrity Commission, what should we be doing as Members of Congress to ensure that these actions that we continue to see will not continue to be a form of oppression, as some are calling it? Others are seeing it as a way to interfere in the voting process. Can you give me your educated opinion on what's happening?

Ms. RAVEL. Yes. Thank you. I was the recipient of one of those, and I know a lot about voting, and yet I was confused as to why they were telling me this. Because I live in California, where everyone gets a ballot.

So, I absolutely think that it is so important that, if Mr. DeJoy is not held accountable, either by this public discussion of his behavior, alleged unethical behavior—but I believe there is sufficient evidence to see that—is that Mr. DeJoy, rather than acting independently, because of his campaign finance conflicts, will do whatever it takes to appease the person who got him where he is, the President, in particular with regard to the opposition to mailed ballots and his attempts to undermine the trust and confidence that people have in our electoral system.

We know that, when people believe that there is going to be an issue with the electoral process, often, it is essentially voter suppression. It leads them not to vote because of fear of voting, or, in the case of the mail, that they're concerned that they will need to expose themselves to COVID-19 instead of mailing in order to cast a vote.

So, it is really important—

Mr. CONNOLLY. Thank you. The gentlelady's time has expired.

Mrs. LAWRENCE. Thank you.

Mr. CONNOLLY. Thank you, Mrs. Lawrence.

Mrs. LAWRENCE. Thank you, Mr. Chairman.

Mr. CONNOLLY. The chair recognizes the distinguished ranking member for a unanimous consent request.

Mr. HICE. Thank you, Mr. Chairman.

Just to bring clarification to the point that Mr. Grothman brought up, I'd like to ask unanimous consent for two articles: the first from *The Washington Post*, entitled, "Meet Richard Painter, the Anti-Trump Former Republican Who Is Running for Senate As a Democrat"; the other from *The Washington Post*, which is the

Minnesota primary election results, which itself has Mr. Painter registered as a Democrat.

I thank the chairman.

Mr. CONNOLLY. The chair would——

Mr. PAINTER. Excuse me. That's not true. I did not register as a Democrat.

Mr. Chairman, may I respond? Because he is challenging the credibility of my testimony.

Mr. CONNOLLY. As a matter of factual record, Mr. Painter, do you wish to correct the record?

Mr. PAINTER. Yes, I do.

And the chairman of the Minnesota Democratic Party, Ken Martin, publicly chastised me for refusing to say I was a Democrat and used that against me to beat me in that primary against Senator Tina Smith. I refused to say I was a Democrat.

In Minnesota, we have open primaries. I have the right as an independent to run in a Republican primary or a Democrat. And I will choose to do so in the future if I want to. That is my right in the state of Minnesota.

Mr. CONNOLLY. I thank the gentleman.

Mr. HICE. Mr. Chairman, I respect that right. I was just clarifying Mr. Grothman's point with these two unanimous consent articles, and I would ask them to be——

Mr. CONNOLLY. Without objection.

Mr. HICE. Thank you, sir.

Mr. CONNOLLY. And the chair will add to that unanimous consent request a series of articles: one from CNN on "Financial disclosures reveal Postmaster General's business entanglements and likely conflicts of interest."

The second is the article by Heidi Przybyla on "Postal contracts awarded to DeJoy-run company were questioned in 2001 Postal Service audit."

Then there is, from The Guardian, "Trump's postal chief ousted brother to win control of family firm, court files allege."

Then, finally, *The Washington Post* article that has been referred to on multiple occasions on Mr. DeJoy's "rise as GOP fundraiser was powered by contributions from company workers who were later reimbursed, former employees say."

Without objection, all of those articles will be entered into the record of this hearing.

Mr. CONNOLLY. The chair now recognizes the gentlelady from California, Ms. Speier, for her five minutes.

And thank you for your patience.

Ms. SPEIER. Thank you, Mr. Chairman.

Thank you all for being here today.

I, too, have a number of entries that I would like to make into the record. One is the "Tips for Treasurers" from the FEC, "Contributions in the name of another is strictly prohibited"; also, the FEC complaint filed by CREW against Mr. DeJoy; and, also, a letter from the Project for Government Oversight.

Mr. CONNOLLY. Without objection, those documents shall be entered into the record.

Ms. SPEIER. Thank you, Mr. Chairman.

Let me also enter into the record the actual postal customer postcard that I received that has been the topic of conversation here this morning.

It appears the Colorado Secretary of state attempted to get the Postmaster to correct the postcard for Colorado voters, and it was ignored, and the USPS mailer was being presented “only as a recommendation,” whatever that means.

So, I would like to—

Mr. CONNOLLY. Without objection.

Mr. CONNOLLY. And let the record show the chairman also received that postcard in Virginia.

Ms. SPEIER. All right. Let me go to Ms. Ravel.

As a former FEC Director, you know the law very well. You indicated that, if, in fact, employees were coerced—and you included in “coercion” the word “implied”—if they had a fear of being fired or if they would not be promoted.

We do know that there is a human resources director of Mr. DeJoy’s former company that has made these statements.

Would you agree or maybe firm up what you mean by “implied”? So, the fact that you don’t complain about it but are fearful that you may lose your job or not be promoted would be implied coercion? Is that correct?

Ms. RAVEL. Well, let me say that the Department of Justice’s discussion of this issue made it very clear that, just asking, it’s implied. And because of the unequal relationship between a boss, an employee, that in itself is coercion.

Ms. SPEIER. So, just asking is coercion.

Thank you very much.

Ms. RAVEL. Yes.

Ms. SPEIER. And then the other thing that’s very interesting, if, in fact, you then either provide them a bonus at the end of the year, you get a business tax deduction as the employer. Is that not correct? So, they’re lots of violations going on here, it would appear.

Let me move on then to Mr. Painter.

You were a former White House ethics lawyer, associate counsel to George W. Bush. You were a Republican for 30 years. You are now an independent, let’s make that clear to everybody.

Let me ask you this. Mr. DeJoy has retained his interest of anywhere between \$30 million and \$75 million in the company XPO Logistics. We also know that the Postal Service has paid XPO \$33 million to \$45 million annually since 2014, including for highway route contracts.

So, records show a surge in revenue for XPO for the Postal Service since Mr. DeJoy took over on June 15. The Service paid XPO Logistics and its subsidiaries about \$14 million over the past 10 weeks. If you go back to the same period of time last year, it was only \$3.4 million.

Mr. Painter, does that create a conflict of interest?

Mr. PAINTER. Well, it sounds like somebody is making a lot of money. The conflict of interest is created by the fact that the Postmaster General has a financial interest in a company that’s contracting with the Postal Service. And, obviously, if he is making any decisions that have a direct and predictable impact on that company, he violates the criminal conflict of interest statute.

Now, whether the violations occurred or not, I cannot opine for certain, and I cannot opine for certain that those violations have added to the profitability of the company. I could just say that somebody is doing very well.

But it's illegal for any U.S. Government official to participate in a particular matter that has an effect on their financial interest. And I'm afraid there's a grave risk that the Postmaster General could be doing just that.

Ms. SPEIER. Thank you. My time has expired. I yield back.

Mrs. MALONEY.

[Presiding.] Ms. Plaskett, you are now recognized. Congresswoman Plaskett? I believe we'll come back to her.

Congressman KHANNA. Ro Khanna? We will come back to him.

Congressman RASKIN. Representative Raskin, are you with us?

Mr. RASKIN. Yes, indeed, Madam Chair. Thank you very much.

Mrs. MALONEY. You are now recognized.

Mr. RASKIN. I appreciate it. Thank you for calling this astounding hearing.

Postmaster General Louis DeJoy has between \$30 and \$75 million invested in his former company XPO Logistics, which is a major private contractor of the U.S. Postal Service. Last year, he made somewhere between a million and a half and \$11 million from XPO in dividends and gains.

Mr. Painter, you were George W. Bush's chief White House ethics counsel, his ethics adviser. Would you have signed off on Louis DeJoy's appointment as Postmaster General if you had been advising the Board of Governors, or even if you had been in the administration, without his commitment to divest the \$30 to \$75 million that he owns, in stock, in this private contractor that gets contracts from the post office?

Mr. PAINTER. Absolutely not.

Mr. RASKIN. Well, how could—could you tell us how—

Mr. PAINTER. And indeed the Governors might have contacted the White House to ask about this type of situation, and we would have told them no way.

If someone has stock in a contractor, they must divest if they want a job with the agency. That was a position of the Bush Administration. That is a rule I never, I did not see violated once.

Mr. RASKIN. Well, could a Secretary of Defense have taken office, while you worked for President Bush, while he was invested or she was invested in millions of dollars in defense contractors working with the Department of Defense?

Mr. PAINTER. The position of the Bush White House is no go, we're not going to nominate that person, unless they agreed to sell the stock, all of it, every last penny. They get a tax benefit, by the way, too, for selling it. So, there's no excuse not for selling the stock. No, they would not have gotten the job in the Bush Administration.

Mr. RASKIN. Mr. Painter, how did this happen?

Mr. PAINTER. This happened because the Board of Governors chose to appoint Mr. DeJoy, and this was not a Presidential appointment, so it didn't go through the Office of Government Ethics. The Office of Government Ethics never had a chance to review this.

I don't think there's any way the Office of Government Ethics would have signed off on an agency head who has large amounts of stock in a company that's contracting with the agency. It's a non-starter. But they bypassed that, the Office of Government Ethics, because the Board of Governors made the decision on their own, with their own lawyers looking at it, and they, quite frankly, came up with a wrong conclusion.

Mr. RASKIN. Some of our colleagues seem very angry at you that you are a—you were a high-ranking Republican official in a Republican administration, you were a Republican for 30 years, now you're an independent. But they seem to think that we should set ethics aside and just stand by our political party.

Tell me why you think it's important, as someone who has devoted his life to ethics, that we place ethical conduct in public office ahead of our partisan allegiance.

Mr. PAINTER. The criminal conflict of interest statute is not about partisan politics. It's about the integrity that the American people expect in government. And we have the right to have a government with agencies run by officials who are free of conflicts of interest.

We also have the right to a post office that is not politicized. And I've documented in detail with a letter with Professor Claire Finkelstein that is attached to my testimony the concerns we have about the politicization of the post office.

And I have to say that when we have to worry about whether we're Democrats or Republicans when it comes to delivery of the United States mail, this country is in serious trouble.

Mr. RASKIN. Well, why has the U.S. Postal Service not released Mr. DeJoy's ethics documents, even in redacted form? Should they do that?

Mr. PAINTER. The United States Postal Service should release all of the ethics documents, all of the communications about the clearance of Mr. DeJoy immediately to this committee so this committee can conduct a proper investigation, which is what you are paid to do on this committee, as our Representatives, to investigate allegations of corruption and violations of ethics rules in the government. All of those documents should be produced to this committee immediately.

Mr. RASKIN. Ms. Graves, the Office of Government Ethics has yet to certify Mr. DeJoy's financial statements. Is that a problem? Is that something that should happen?

Ms. GRAVES. Yes, that's definitely a problem, Congressman, and for us to be at this point in his tenure as Postmaster with these questions unanswered for you and for the American people is simply unacceptable.

Mr. RASKIN. Would you think that this is—

Mr. CONNOLLY.

[Presiding.] The gentleman's time has expired.

Mr. RASKIN. I yield back then, Mr. Chairman. Thank you.

Mr. CONNOLLY. Thank you, Mr. Raskin.

The gentleman from Tennessee, Mr. Cooper, is recognized for his five minutes.

Mr. COOPER. Thank you, Mr. Chairman. I almost thought my day was never going to come here.

I appreciate this excellent hearing, and I would like to urge the chair both of the subcommittee and of the full committee to consider calling as witnesses the 124 employees who worked for New Breed or XPO who were encouraged/coerced into contributing, and according apparently to the former H.R. manager of that firm, were reimbursed, not only in whole, but even the taxes were paid on their extra compensation, which is a little bit like committing a crime and then tying a bow on top of it to present.

It's an extraordinary thing. So, I think this committee has a special opportunity here to find out the truth in this matter. And perhaps Mr. DeJoy will be completely exonerated. But to have 124 employees put in this situation, in aggregate about a million dollars of contributions, this is a substantial sum of money.

But in an effort to be constructive, I think the single point of bipartisan consensus here is that this House passed H.R. 2382 this winter with 309 votes of substantial bipartisanship, and that would relieve the post office of this annual \$5 billion straitjacket that it's required to wear and has been wearing since 2006. This is a requirement, as the chair well knows, that no other Federal agency, no private firm has to wear a straitjacket of this type.

So, business always talks about level playing field and no unfair advantages. This is a crippling blow to our post office.

One of the witnesses testified earlier that the post office has basically, since 2008, been losing money. One of the primary reasons is this annual \$5 billion charge that is completely unfair to require of the post office if no other Federal agency and no private firm is required to pay this money.

Mr. CONNOLLY. Would my friend yield?

Mr. COOPER. I'd be delighted.

Mr. CONNOLLY. I couldn't agree with him more. And I would just point out, because my friend Mr. Hice has talked about comprehensive reform, one of the sticklers that's preventing comprehensive reform from coming to the floor is this very issue, because it involves Medicare, it involves a cost by CBO, even though it shouldn't, and it ultimately would involve the signing off by the Ways and Means Committee, which has been very difficult to achieve.

So, I completely agree with my friend. Thank you for bringing it up.

Mr. COOPER. To put a finer point on it, never has the post office been led by more partisan people, or people closer to the current Senate Majority Leader, Mr. McConnell. And yet he is the one who is refusing to even consider this legislation, which if it passed the House so overwhelmingly, and in a bipartisan fashion, presumably would have substantial support in the Senate.

So, it's a particular irony that Mr. Duncan, who is from Kentucky and one of Mr. McConnell's closest friends, and Mr. DeJoy, who is at least a solid member of that team, are unable to persuade the Senate Majority Leader to move that crucial piece of legislation which could do more to restore the competitiveness of the post office than any other single factor.

Another point I think that's come up in this hearing so far is that, not only as Ms. Speier pointed out, is XPO possibly overcharging the post office today. It was revealed this morning by

NBC News, as I think Mrs. Lawrence pointed out, that 20 years ago New Breed, Mr. DeJoy's prior company, was overcharging the post office because somehow he got a no-bid contract, and the IG, under the Bush Administration, where Mr. Painter worked as well, thought or concluded that the post office was probably being overcharged \$53 million, and that was 20 years ago.

So, this is an extraordinary thing, to have someone who's probably overcharged the post office, according to the post office IG, \$20 million—or \$53 million 20 years ago—suddenly gets promoted to be Postmaster General? This is a history of wrongdoing even if you disregard the straw man contributions.

So, this is an extraordinary situation, to have the post office led by someone, as I think Mr. Painter succinctly summarized, who has committed probably felonies before and during his tenure as Postmaster General. Never has the post office been so poorly led.

So, I think the committee has a lot of work to do. There are ways that we can combine with our Republican friends to solve problems, like by relieving the post office of this \$5 billion annual obligation, but first we've got to make sure that the post office is not being led by criminals. This is a real problem.

So, I thank the chair.

Mr. CONNOLLY. I thank the gentleman from Tennessee. Was that a question you were putting to Mr. Painter?

Mr. COOPER. Well, he would be welcome to opine.

Mr. CONNOLLY. Mr. Painter, you may respond, even though the gentleman's time has expired.

Mr. PAINTER. I am very concerned that there is a grave risk that there are ongoing violations of 18 United States Code 208. I have not opined as to whether for certain that certainty occurred. And I am very concerned of the reports of conduct which, if true in connection with contributions, would be illegal straw donations in violation of Federal election laws, also a felony.

I am going to ask the chairman to introduce into the record to clarify my testimony and the truth of my testimony, which has been challenged before this committee, an article in the *Minneapolis Star Tribune*, August 1, 2018, "DFL in Bitter Clash with Senate Candidate Richard Painter," saying, quote, "Party Chair Ken Martin, called Painter, quote, 'a wolf in sheep's clothing,' end quote, who refuses to say he is a Democrat."

That's where we are in this country, partisan politics out of control. I'm attacked by the party chair in Minnesota for running in an open party, for refusing to say I'm a Democrat. And then I have to come before this committee, and have my testimony and the validity of my testimony challenged by Republican members of this committee who don't bother to do their research.

I am an independent and I am an American. And I am disgusted with what's happening in the post office and in other parts of this administration.

Mr. CONNOLLY. Without objection, the article to which you refer will be entered into the record.

Mr. CONNOLLY. I must observe, ironically, I hope we don't get back to the point where we start asking witnesses, "Are you now or have you ever been a member of a particular party?" But that's a different subject for a different time.

For the record, Mr. Painter insists he is not a Democrat and has entered into the record the conflict with the DFL chairman in Minnesota as evidence thereof, and we accept that.

Thank you, Mr. Painter.

The Chair now recognizes the gentlewoman from Florida, Ms. Wasserman Schultz, five minutes.

Ms. WASSERMAN SCHULTZ. Thank you, Mr. Chairman.

Mr. CONNOLLY. If we could begin Ms. Wasserman Schultz's time over again. Start—there we go. Thank you.

Ms. WASSERMAN SCHULTZ. Out of practice.

Mr. CONNOLLY. Wait a minute, did you say you were on your phone?

Ms. WASSERMAN SCHULTZ. No, I wanted to make sure it was not going to ring.

Mr. CONNOLLY. Oh, oh, oh, I can't believe that.

Ms. WASSERMAN SCHULTZ. You don't want to hear this phone ring in the middle of this hearing, trust me.

Well, good afternoon. Thank you, Mr. Chairman, and I appreciate the indulgence in allowing me to waive onto the subcommittee for purposes of asking a question. Because there really cannot be a more critical time for the Postmaster General to cooperate with this committee in order to ensure that the American people are able to have confidence in the United States Postal Service, that it is functioning properly and prepared to meet the demands of the moment.

However, instead of taking reasonable steps, like soliciting an advisory opinion before implementing operational changes, complying voluntarily with document requests, or listening to the needs of local plant managers, Mr. DeJoy's alarming lack of transparency and accountability has created more doubt about his motivations every step of the way.

I got a personal taste of this stonewalling earlier this month, when I was denied entry to two south Florida United States Postal Service facilities when I arrived to observe the morning shift. There was absolutely no justification for turning me away. My office provided advance notice, well in advance notice to the USPS management. I had USPS employees with me who were able to escort me throughout the facility. I posed no risk to anyone's health or safety. I have toured USPS facilities in the past without being informed of any notice requirements.

The key difference from past visits is that we now have a Postmaster General who prefers to hide the damage he has caused and continue to carry out the implicit orders of our lawless President.

Mr. Fineman, as a former Chairman of the Postal Service Board of Governors, I want to ask you about the value of transparency in postal operations. Does the USPS have the duty to be transparent when it makes operational changes that affect mail service?

Mr. FINEMAN. Absolutely. First of all, it has an obligation as a matter of law to be transparent. And, second, it just seems to me that I cannot understand why you would not be transparent with this committee and with other committees, just to tell people what's going on.

And right now, we're in the middle of an election season. The American public deserves to know that it is going to be able to

have a fair and equitable election. And in order to have that happen, we need a Postmaster General who is going to communicate with all the stakeholders that are interested in making sure that happens, and that includes you, Madam Congresswoman.

Ms. WASSERMAN SCHULTZ. Thank you, Mr. Fineman.

And beyond any statutory obligations to obtain public comment, what are the financial or reputational benefits of the USPS being transparent with this committee and the American public, would you say?

Mr. FINEMAN. You know, it's a question of, who are your customers? The Postal Service has thousands of stakeholders, Parcel Shippers Association, the First Class mailers, the unions, and others, and it is important that those people understand what is going on with the Postal Service and understand it in a regular and—a regular basis.

But now it's even more important. There shouldn't be a woman who comes up to me and says, you know, I'm going to push my 80-year-old mother to vote, and we're going to stand in line, and I don't care how long it takes, because I'm scared that the Postal Service is not going to deliver my ballot on election day. That's scary. I say to her, you can't risk that. Get your ballot in early, et cetera. But people are scared.

Ms. WASSERMAN SCHULTZ. Mr. Fineman, as we move closer to the Presidential election and continue to deal with the COVID-19 pandemic, how concerned are you about the continued report that sorting machines are not being utilized to their maximum extent, even in the face of admitted delays by Mr. DeJoy and slowdowns of the mail delivery?

Mr. FINEMAN. I listened to the last hearing, and I remember you saying that you went into a facility and they were just unplugged.

Ms. WASSERMAN SCHULTZ. I had photos of that.

Mr. FINEMAN. It just seemed to me, why can't you plug them back in and bring a technician in? It would take such a short period of time, and the American public would feel confident and feel more confident that their right to vote was not being obstructed.

Ms. WASSERMAN SCHULTZ. And the mail would be less likely to be delayed. Yet, Postmaster General DeJoy said that he would not allow local managers to plug those sorting machines back in. Very transparent what's going on here.

Thank you so much for your previous service and for your answers to my questions.

I yield back the balance of my time.

Mr. CONNOLLY. I thank the gentlelady. And the gentlelady is correct that as a matter of record, in response to Mr. Lynch's question, the Postmaster General flat out refused, on the record, under oath, before this committee, full committee, to reconnect those sorting machines that had been disconnected.

Ms. Scanlon, the gentlelady from Pennsylvania, I believe I saw you. Are you there?

Ms. SCANLON. Yes. Thank you. I think I have to read a motion in Rules. And I am virtually in two different hearings. Hold on one second.

Mr. CONNOLLY. Ms. Scanlon. Ms. Scanlon, you're muted. Can you unmute? Ms. Scanlon, we cannot hear you.

Ms. SCANLON. I'm sorry.

Mr. CONNOLLY. There you go.

Ms. SCANLON. I have to appear in Rules right now. I'm so sorry.

Mr. CONNOLLY. Well, while Ms. Scanlon is clarifying that, I'd like to insert into the record at this time statements in support of the hearing from Citizens for Responsibility and Ethics in Washington, Candlelight (phonetic) Marketing Economics, and two recently released reports by Lisa Graves. Without objection, so ordered.

Mr. CONNOLLY. Is Ms. Scanlon prepared to join us? She is not. OK.

Let me just add, if I may, for the record, Mr. Plunkett, you indicated, I think, that the Postal Service did not necessarily need or didn't need the revenue stabilization of \$25 billion that's in the Heroes Fund.

For the record, that \$25 billion was the recommendation of, of all people, the Postal Board of Governors. It was not a Democratic idea. It was actually by the Republican majority unanimously, by the way, of this Board of Governors. It recommended \$25 billion revenue stabilization, which is included in the Heroes Act. It recommended \$25 billion for infrastructure, which is in the Infrastructure Act. And it recommended an unfettered access to the \$10 billion line of credit that Mr. Hice mentioned—unfettered. And we tried to act on those two and put the infrastructure piece in the infrastructure bill.

Mr. HICE. Would the gentleman yield really quickly?

Mr. CONNOLLY. Yes. Of course.

Mr. HICE. Just for clarification, that request was before the effects of COVID were realized. So, the context of the request, I think, is important to understand.

Mr. CONNOLLY. Well, I am so glad the gentleman brought that up again. Because, again, Mr. Plunkett mentioned the \$13 billion cash on hand as if somehow that solves our problems.

I would point out, for the record, that the payroll of the Postal Service, every two weeks, is \$2 billion-plus. So, \$13 billion is six payrolls. It's hardly a panacea. And, again, they've benefited, as my friend knows, from a surge in package demand.

Now, just as that appeared, unpredictably, it could disappear, unpredictably. Especially, as we all hope, when the pandemic ends, what happens to that package demand? We don't know. But it's an uncertain thing to rely on and it's not a long-term stable solution for the Postal Service, which I know my friend from Georgia wants to address as well.

So, I just want to put that on the record in terms of context of facts.

Mr. PLUNKETT. If I may clarify?

Mr. CONNOLLY. What's that?

Mr. PLUNKETT. If I may clarify, Congressman?

Mr. CONNOLLY. Of course, yes.

Mr. PLUNKETT. My testimony agrees that we support targeted relief for the Postal Service to the extent required by the additional costs they have incurred as a result of the pandemic.

I should point out, we do not always agree with the Postal Service or its Board of Governors. And yes, the 13 billion only covers a short amount of time in terms of postal spending. But they are

taking in revenue far in excess of expectation over the last few months, and the most recent evidence is that package deliveries continue to run about 40 percent over normal levels.

So, while I agree there is a need to address the long-term challenges faced by the Postal Service, we need to be careful how we do so.

Mr. CONNOLLY. Yes. Was there somebody else there?

I would just, to underscore the uncertain nature, though, of relying on packages in the pandemic, you know, the President of the United States had said many things about the Postal Service, one of which was that their problems would all go away if we simply tripled or quadrupled the cost of package delivery.

And as I know Mr. Plunkett knows, if we, in fact, acted on that recommendation, we'd talk ourselves right out of package delivery for the Postal Service. We'd hand over all package delivery to private sector competition because we'd price it so far above the market.

And as I know Mr. Plunkett knows, pricing by the Postal Service is determined by the Postal Regulatory Commission by law, not by the White House, not by Jeff Bezos, there aren't sweetheart deals, despite what the President of the United States has insisted.

So, getting the price right and hoping that this market surge represents a new plateau is an uncertain thing to base the entire future on. And that's why we believe that we need to stabilize the Postal Service for a much longer period of time to make sure we get through the pandemic, to make sure that we clarify that all of the resources are there for the Postal Service to guarantee reliability during the election, and that we can buy some time to develop a new business model for the 21st century.

With that, everybody has five legislative days with which to submit additional written questions.

And, Mr. Plunkett, there may be some for you from my friend, Congressman Steve Lynch of Massachusetts, who could not be here, just to alert you that might happen.

Those questions will be forwarded to the witnesses through the chair. I would ask all witnesses who get such questions to try to be as speedy as they can in providing responses.

With that, this hearing is adjourned.

[Whereupon, at 2:36 p.m., the subcommittee was adjourned.]

