

## The Latest Government Scam to Rob You Blind

By John W. Whitehead, September 13, 2016

“The fact is that the government, like a highwayman, says to a man: Your money, or your life. And many, if not most, taxes are paid under the compulsion of that threat. The government does not, indeed, waylay a man in a lonely place, spring upon him from the road side, and, holding a pistol to his head, proceed to rifle his pockets. But the robbery is none the less a robbery on that account; and it is far more dastardly and shameful.”—Lysander Spooner, American abolitionist and legal theorist

If a cop wrongfully attacks you, you cannot fight back.

If a SWAT team wrongfully raids your home, you cannot defend yourself.

If a highway patrol officer wrongfully takes your money or your valuable possessions, you cannot get them back without a lengthy, costly legal battle.

It used to be that the Constitution served as a bulwark against government abuses, excesses and wrongdoing.

That is no longer the case.

Having been reduced to little more than a historic document, the Constitution now provides scant protection against government abuses, misconduct and corruption.

Not only are “we the people” painfully vulnerable to the whims of any militarized cop on the beat, but we are also sitting targets for every government huckster out to fleece the taxpayer of their hard-earned dollars.

We get taxed on how much we earn, taxed on what we eat, taxed on what we buy, taxed on where we go, taxed on what we drive, and taxed on how much is left of our assets when we die.

Because the government’s voracious appetite for money, power and control has grown out of control, its agents have devised other means of funding its excesses and adding to its largesse through taxes disguised as fines, taxes disguised as fees, and taxes disguised as tolls, tickets and penalties. For example, red light cameras, which were sold to the public as safety measures, have in practice become backdoor taxes aimed at swelling government bank accounts.

The government’s schemes to swindle, cheat, scam, and generally defraud Americans have run the gamut from wasteful pork barrel legislation, cronyism and graft to asset forfeiture schemes, the modern-day equivalent of highway robbery, astronomical health care “reform,” and costly stimulus packages.

Americans have also been made to pay through the nose for the government’s endless wars, subsidization of foreign nations, military empire, welfare state, roads to nowhere, bloated workforce, secret agencies, fusion centers, private prisons, biometric databases, invasive technologies, arsenal of weapons, and every other budgetary line item that is contributing to the fast-growing wealth of the corporate elite at the expense of those who are barely making ends meet—that is, we the taxpayers.

Those football stadiums that charge exorbitant sums for nosebleed seats? Our taxpayer dollars subsidize them. Those blockbuster war films? Yep, we were the silent investors on those, too.

Same goes for the military equipment being peddled to local police agencies and the surveillance cameras being “donated” to local governments.

Now the government and its corporate partners in crime have come up with a new scheme to not only scam taxpayers out of what’s left of their paychecks but also make us foot the bill, and it’s coming at us in the form of a war on cash.

What is this war on cash?

It’s a concerted campaign to do away with large bills such as \$20s, \$50s, \$100s and shift consumers towards a digital mode of commerce that can easily be monitored, tracked, tabulated, mined for data, hacked, hijacked and confiscated when convenient.

According to economist Steve Forbes, “The real reason for this war on cash—start with the big bills and then work your way down—is an ugly power grab by Big Government. People will have less privacy: Electronic commerce makes it easier for Big Brother to see what we’re doing, thereby making it simpler to bar activities it doesn’t like, such as purchasing salt, sugar, big bottles of soda and Big Macs.”

Much like the war on drugs and the war on terror, this so-called “war on cash” is being sold to the public as a means of fighting terrorists, drug dealers and tax evaders. Just the mere possession of cash is enough to implicate you in suspicious activity and have you investigated. In other words, cash has become another way for the government to profile Americans and render them criminals.

The rationale is that cash is the currency for illegal transactions given that it’s harder to track, can be used to pay illegal immigrants, and denies the government its share of the “take,” so doing away with paper money will help law enforcement fight crime and help the government realize more revenue.

Despite what we know about the government and its history of corruption, bumbling, fumbling and data breaches, not to mention how easily technology can be used against us, the campaign to do away with cash is really not a hard sell.

It’s not a hard sell, that is, if you know the right buttons to push, and the government has become a grand master in the art of getting the citizenry to do exactly what it wants. Remember, this is the same government that plans to use behavioral science tactics to “nudge” citizens to comply with the government’s public policy and program initiatives.

It’s also not a hard sell if you belong to the Digital Generation, that segment of the population for whom technology is second nature and “the first generation born into a world that has never not known digital life.”

And if you belong to the growing class of Americans—46% of consumers, approximately 114 million adults and rising—who use your cell phone to pay bills, purchase goods, and transfer funds, then the government is just preaching to the choir when it comes to persuading you of the convenience of digital cash.

In much the same way that Americans have opted into government surveillance through the convenience of GPS devices and cell phones, digital cash—the means of paying with one’s debit card, credit card or cell phone—is becoming the de facto commerce of the American police state.

It is estimated that smart phones will replace cash and credit cards altogether by 2020. Already, a growing number of businesses are adopting no-cash policies, including certain airlines, hotels, rental car companies, restaurants and retail stores. In Sweden, even the homeless and churches accept digital cash.

Making the case for “never, ever carrying cash” in lieu of a digital wallet, journalist Lisa Rabasca Roepe argues that cash is inconvenient, ATM access is costly, and it’s now possible to reimburse people using digital apps such as Venmo. Thus, there’s no longer a need for cash. “More and more retailers and grocery stores are embracing Apple Pay, Google Wallet, Samsung Pay, and Android Pay,” notes Roepe. “PayPal’s app is now accepted at many chain stores including Barnes & Noble, Foot Locker, Home Depot, and Office Depot. Walmart and CVS have both developed their own payment apps while their competitors Target and RiteAid are working on their own apps.”

It’s not just cash that is going digital, either.

A growing number of states—including Delaware and California—are looking to adopt digital driver’s licenses that would reside on your mobile phone. These licenses would include all of the information contained on your printed license, along with a few “extras” such as real-time data downloaded directly from your state’s Department of Motor Vehicles.

Of course, reading between the lines, having a digital driver’s license will open you up to much the same jeopardy as digital cash: it will make it possible for the government to better track your movements, monitor your activities and communications and ultimately shut you down.

So what’s the deal here?

Despite all of the advantages that go along with living in a digital age—namely, convenience—it’s hard to imagine how a cashless world navigated by way of a digital wallet doesn’t signal the beginning of the end for what little privacy we have left and leave us vulnerable to the likes of government thieves and data hackers.

First, when I say privacy, I’m not just referring to the things that you don’t want people to know about, those little things you do behind closed doors that are neither illegal nor harmful but embarrassing or intimate. I am also referring to the things that are deeply personal and which no one need know about, certainly not the government and its constabulary of busybodies, nannies, Peeping Toms, jail wardens and petty bureaucrats.

Second, we’re already witnessing how easy it will be for government agents to manipulate digital wallets for their own gain. For example, civil asset forfeiture schemes are becoming even more profitable for police agencies thanks to ERAD (Electronic Recovery and Access to Data) devices supplied by the Department of Homeland Security that allow police to not only determine the balance of *any* magnetic-stripe card (i.e., debit, credit and gift cards) but also freeze and seize any funds on pre-paid money cards. The Eighth Circuit Court of Appeals ruled in June 2016 that it does not violate the Fourth Amendment for police to scan or swipe your credit card.

Third, as the ever insightful Paul Craig Roberts observes, while Americans have been distracted by the government’s costly war on terror, “the financial system, working hand-in-hand with policymakers, has done more damage to Americans than terrorists could possibly inflict.” Ultimately, as Roberts—who served as Assistant Secretary of the Treasury for Economic Policy under Ronald Reagan—makes clear, the war on cash is about giving the government the ultimate control of the economy and complete access to the citizenry’s pocketbook.

Fourth, if there’s a will, there’s a way. So far, every technological convenience that has made our lives easier has also become our Achilles’ heel, opening us up to greater vulnerabilities from hackers and government agents alike. In recent years, the U.S. government has been repeatedly hacked. In 2015, the Office of Personnel Management had more than 20 million personnel files stolen, everything from Social Security numbers to birth dates and fingerprint

records. In 2014, it was the White House, the State Department, the Post Office and other government agencies, along with a host of financial institutions, retailers and entertainment giants that had their files breached. And these are the people in charge of protecting *our* sensitive information?

Fifth, if there's one entity that will *not* stop using cash for its own nefarious purposes, it's the U.S. government. Cash is the currency used by the government to pay off its foreign "associates." For instance, the Obama administration flew more than \$400 million in cash to Iran in January 2016, reportedly as part of a financial settlement with the country. Critics claim the money was ransom paid for the return of American hostages. And then there was the \$12 billion in shrink-wrapped \$100 bills that the U.S. flew to Iraq only to claim it had no record of what happened to the money. It just disappeared. So when government economists tell you that two-thirds of all \$100 bills in circulation are overseas—more than half a trillion dollars' worth—it's a pretty good bet that the government played a significant part in their export.

Sixth, this drive to do away with cash is part of a larger global trend driven by international financial institutions and the United Nations that is transforming nations of all sizes, from the smallest nation to the biggest, most advanced economies.

Finally, short of returning to a pre-technological, Luddite age, there's really no way to pull this horse back now that it's left the gate. While doing so is near impossible, it would also mean doing without the many conveniences and advantages that are the better angels, if you will, of technology's totalitarian tendencies: the internet, medical advances, etc.

To our detriment, we really have little control over who accesses our private information, how it is stored, or how it is used. Whether we ever had much control remains up for debate. However, in terms of our bargaining power over digital privacy rights, we have been reduced to a pitiful, unenviable position in which we can only hope and trust that those in power will treat our information with respect.

America's founders, however, did not believe in trusting government officials or giving them too much power. In fact, they believed those entrusted with power will eventually pervert it into tyranny. As Thomas Jefferson observed, "Let no more be heard of confidence in man, but bind him down from mischief by the chains of the Constitution."

Unfortunately, that Constitution has since been shredded.

Our republic has been transformed into an oligarchy.

We have come full circle, back to a pre-revolutionary era of taxation without any real representation.

Lysander Spooner, a 19<sup>th</sup> century American abolitionist and legal theorist, was right when he concluded that the government is far more disingenuous and dangerous to the rights, property and lives of the citizenry than the common criminal or highwayman. As Spooner points out: [Unlike the government,] the highwayman ... does not pretend that he has any rightful claim to your money, or that he intends to use it for your own benefit... He has not acquired impudence enough to profess to be merely a "protector"... He does not persist in following you on the road, against your will; assuming to be your rightful "sovereign," on account of the "protection" he affords you. He does not keep "protecting" you, by commanding you to bow down and serve him; by requiring you to do this, and forbidding you to do that; by robbing you of more money as often as he finds it for his interest or pleasure to do so; and by branding you as a rebel, a traitor, and an enemy to your country, and shooting you down without mercy, if you dispute his authority, or resist his demands... In short, he does not, in addition to robbing you, attempt to make you either his dupe or his slave.

How tragically apropos the analogy remains today.

We the people, once free citizens of a free nation, are now at the mercy of cutthroats and villains masquerading as government agents and elected officials.

We continue to be robbed at gunpoint, treated like cattle, tracked incessantly and forced to serve and obey.

We continue to be branded rebels and traitors and enemy combatants, shot without hesitation for daring to resist an official order or challenge injustice, and duped into believing all this was done for our “good.”

In the end, as I make clear in my book *Battlefield America: The War on the American People*, we are no better than when we first started out more than 200 years ago as indentured slaves to a government elite intent on using us for their own profit and gain.