

PUBLIC  
CONDITIONS →

## TAKE THE CARD



## TAKE THE CASH



## TAKE THE COMPS

That's all it takes to earn one matching comp point for each cash point in the new Twice the Rewards program. The card reader

box at the slot machine keeps a running tally of your points—so you'll always know just what kind of comp you're entitled to!

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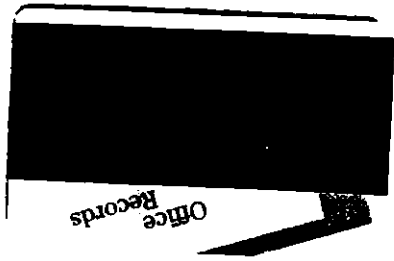
ALSO A DATA  
BASE IS CREATED  
THAT CAN KEEP  
TRAIL OF  
YOUR  
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*The Best Experience Keeps Getting Better!*

# CAESARS

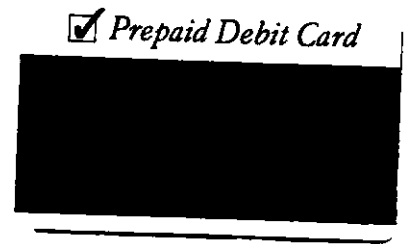
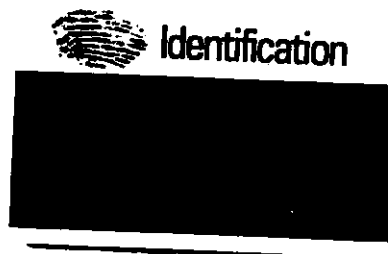
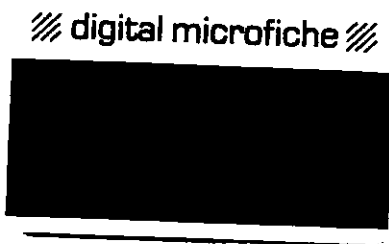
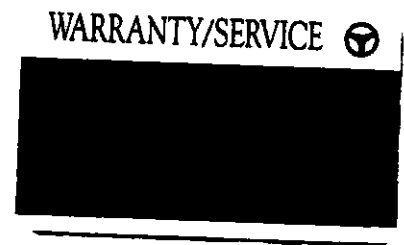
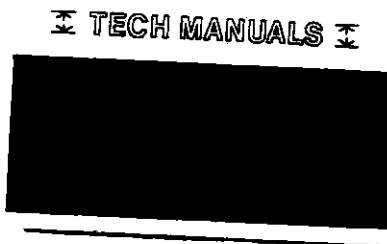
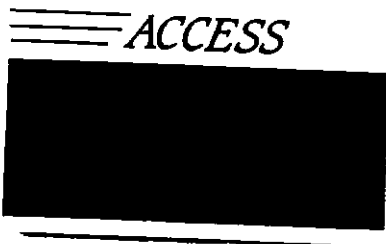
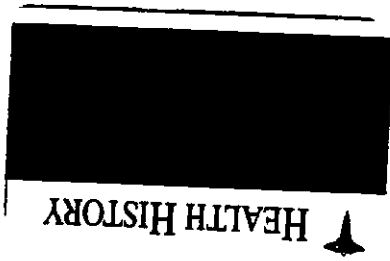
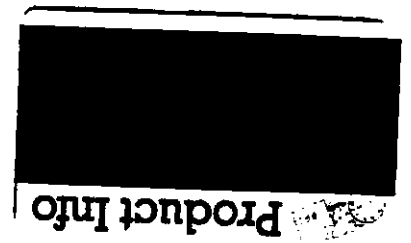
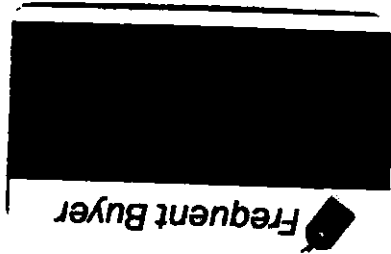
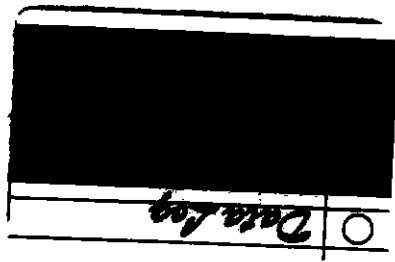
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You must earn at least 20 comp points in one 24-hour period (between 6am one day and 6am the next) for them to be credited to your account.



OPTICAL  
MEMORY  
CARD

**LaserCard**  
DREXLER



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**LaserCard Systems Corporation** 2644 Bayshore Parkway, Mountain View, California 94043 ☎ 415 969 4428 FAX 415 967 6524  
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**Japan:** c/o RIVACO, 12-2 Akasaka 4-chome, Minato-ku, Tokyo 107, Japan ☎ 3 3583 1655 FAX 3 3505 1238

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**T**HIS IS A SAMPLE LASERCARD® optical memory card. It is an updatable, credit-card size, multi-megabyte, data-storage card for storing and carrying up to 1,600 pages of information. It is based on optical recording technology--the process of writing and reading with light.

The LaserCard contains a wide, reflective optical recording stripe (called Drexon®) encapsulated between transparent, protective layers. Information is stored digitally on the card in a binary code of "1" or "0" bits that are represented by either the presence or absence of physical "spots" on the recording stripe. These spots are microscopic in size--as small as 2.25 microns. (The smallest size spot the human eye can see is about 20 microns.)

The card user inserts the LaserCard into an optical card reader/writer attached to a personal computer, where light from a tiny laser (about the size of a thumbtack) records the data by creating dark spots on the card's shiny surface. Using a keyboard or other means, the card user writes, reads, and deletes

data as if the LaserCard were a floppy disk. Yet, deleted data remains permanently stored on the card as an audit trail of all changes.

Although it is only the size of a consumer credit card, the LaserCard has a digital data storage capacity of book-size proportion: up to 1,600 pages of text or about 200 pages of document image files. The card's total data capacity is 4.11 megabytes, with a user data capacity of 2.86 megabytes. The full 4.11 megabytes can be used when error correction is not required--for example, storing medical X-rays, CT scans, or document images).

This unique card also offers high security. A nonerasable, nonvolatile, and environmentally tolerant memory, the card is impervious to magnetic or electrostatic fields, tolerates a high degree of flexure without damage, and can be manufactured to withstand temperatures of up to 200°F. The card has ample memory to store personal identification numbers (PINs), digital photos, signatures, voice prints,

fingerprints, hand geometry, or extensive biographic data. This makes it possible to verify that the person using the card is the authorized cardholder. Data encryption and sophisticated password programs also can be used to protect the data from unauthorized access if the card is lost or stolen.

The LaserCard® optical memory card can be used to store text, graphics, voice, pictures, software--virtually any form of information that can be digitized. The system can be both on-line (linked via telecommunications) and off line (stand alone). The LaserCard is an ideal storage medium for health card systems, publishing, consumer transaction systems, document storage, identification card systems, and many other business, consumer, and government applications.

The optical memory card was invented and developed at Drexler Technology Corporation, which holds numerous U.S. and foreign patents. Drexler Technology Corporation is a publicly held company (NASDAQ:DRXR) based in Mountain View,

California. The Company's optical card manufacturing plant in Mountain View has a production capacity of 25 million to 40 million optical cards per year, depending upon card type. Drexler's wholly owned subsidiary, LaserCard Systems Corporation, markets optical card data systems and develops optical card software.

**I.D. CARDS:** Critics say national identity cards under consideration could mean Big Brother is watching; the card plan is intended to curb illegal immigration. 5A

**I M M I G R A T I O N**

# 'Big Brother' warning sounds again

## Critics fear 'evil' in national ID cards

By Maria Puentes  
USA TODAY

Identity cards are under consideration again as an answer to illegal immigration problems, but critics say they would be an Orwellian nightmare.

The Commission on Immigration Reform, a bipartisan group created by Congress, is expected to propose that every citizen and legal immigrant get a Social Security-type identity card so that employers can verify work eligibility through a national database.

"The implications of this are staggering," says Marc Rotenberg, director of the Electronic Privacy Information Center. "It becomes a way to monitor people, like an internal passport."

"It's the consensus view at this point," says Dan Stein, head of the Federation for Immigration Reform, which favors reducing immigration.

"Down the line it could turn out to be benign or it could be Orwellian, but we just can't tell and no one is monitoring implications," says Lance Hoffman, a George Washington University professor who studies privacy and security issues.

The concept has been around for years, but more in Congress are embracing it in the face of public resentment of illegal immigrants and the failure of laws against hiring illegal workers.

Last year a national poll showed that 53% of the public opposes ID cards for immigration, while 39% support them.

Still, California Gov. Pete Wilson, a

## California governor hopes to close the door to illegals

There are about 3.38 million illegal immigrants in the USA. Most are from Mexico, followed by El Salvador, Guatemala, Canada, Poland and the Philippines. Most illegal immigrants settle in one of seven states, with more than 40% living in California. States with the most illegal immigrants:

State	Number
California	1,441,000
New York	449,000
Texas	367,000
Florida	322,000
Illinois	176,000
New Jersey	116,000
Arizona	87,000
Other states	461,000

Source: Immigration and Naturalization Service estimates of 1992 data, the most recent available.



**ID ADVOCATE:** California Gov. Pete Wilson is a national ID card supporter: "If (illegal immigrants) have to produce proof of their legal presence and cannot do so, they will be denied employment, and if they know that they won't come (here)."   
 By Grace Saez, El Paso Times via AP

Republican who's made immigration an issue in his re-election bid, wants his state to be the testing ground.

"If (illegal immigrants) have to produce proof of their legal presence and cannot do so, they will be denied employment, and if they know that, they won't come (here)," Wilson says.

Critics include immigrant, civil-rights and privacy advocates, plus liberals, conservatives and libertarians worried about government knowing too much.

"People aren't thinking about the potential for evil," says Steve Moore, econ-

omist at the libertarian Cato Institute think tank. "This is a fundamental invasion of privacy rights."

"It won't work, it will cost billions, it won't solve the problems, and it will cause new forms of discrimination," says Lucas Gutentag of the American Civil Liberties Union.

Wilson says he's not worried:

"We have already given up a certain amount of privacy, but I don't see this as a further intrusion."

The National Conference of the American Hispanic civil rights group, fears that

people who look or sound foreign will be forced to carry the cards at all times.

"The Social Security and immigration databases are notoriously flawed and filled with inaccuracies," says Celia Muñoz, a La Raza analyst.

A similar outcry greeted Social Security cards in the 1930s, though the numbers weren't to be used for other purposes. Today, SSNs are used on drivers licenses and employee IDs.

"Look at history and see the abuses — they used SSNs to round up the Japanese during World War II," Moore says.

# No-cash tollways closer to reality

By BARBARA ROSS  
Daily News Staff Writer

Motorists soon may be able to drive from Buffalo to Philadelphia or New York to Pittsburgh without paying tolls in cash.

Seven highway and bridge agencies in New York, New Jersey and Pennsylvania are considering a toll plaza plan for scanners that would use radio beams to identify cars by their dashboard tags, then notify a computer to deduct the cost of the tolls from the motorists' accounts.

That plan came a step closer to realization yesterday when top officials from the seven agencies declared that electronic toll collection equipment marketed by a Canadian firm is best for the region.

The staff recommendation came two years after the Interagency Group, the consortium of public agencies, started testing equipment made by Amtech Corp. of Texas and Mark IV Industries, the winning firm, founded by Vapor Industries of Canada.

The tests sparked controversy because the staff decided to evaluate equipment from only two manufacturers, and when the products initially failed to perform well, the firms got a second chance with a new round of testing.

Carlos Nicot, a spokesman for the consortium, said both products were "technologically acceptable" in the latest tests, but Mark IV was superior in some ways, including "overall price."

It was unclear yesterday what will happen if the boards of all seven agencies don't accept the staff recommendation.

One industry source said Pennsylvania broke a tie in the consortium, in which Amtech got the votes of three New York agencies and Mark IV got three votes from New Jersey.

One of the New York agencies, the Thruway Authority, decided to test the Amtech equipment at several toll plazas without waiting for the group's decision, by which it has promised to abide.

It spent \$2.3 million to lease equipment that will be incompatible if the Mark IV recommendation is adopted, but Thruway spokesmen said the cost will be recouped before the equipment is removed.

The agencies involved, in addition to the Thruway Authority, were the Port Authority, Triborough Bridge and Tunnel Authority, New Jersey Turnpike Authority, Pennsylvania Turnpike Commission, the Garden State Parkway and the Atlantic City Expressway.

MARCH 23 1994  
NORTH JERSEY HERALD NEWS

The North Jersey

## Cashless society coming Visa forms group to develop payment card

**Associated Press**  
NEW YORK — In a move toward a cashless society, the credit card company Visa said yesterday it is joining with several companies to develop a do-it-all card that could be used to pay highway tolls, make phone calls or get a chocolate bar from a vending machine.

Specifically, the international group of nine financial companies will develop common technological specifications for the card industry. The goal is to have a common standard, so that cards issued by different firms around the world in the future could all be used anywhere.

In other words, a consumer from Miami could use her card — which Visa has dubbed the "Electronic Purse" — to buy gasoline in New York or make a telephone call in Paris.

"The goal of our combined efforts is to lead the market into the next frontier of payment processing — the automation of cash and coins," Ed Jensen, president and chief executive officer of Visa International, said in a written statement.

The companies participating in the consortium expect to have specifications completed in time for tests of the card to begin in late 1995. However, credit-card analysts cautioned the cards might not be popular for years.

The Electronic Purse would be a plastic card like a credit card, but would bear a microchip, a sort of tiny computer. It would be used for small-ticket items, from telephone calls to paying for fast-food burgers and fries. A consumer would "load" a certain amount of money onto the card before using it,

probably through a bank automatic teller machine. The card could be loaded repeatedly.

Similar cards, often dubbed "smart cards" or "chip cards," have been used in a few tests in the U.S. and more widely in Europe.

But high costs, technological flubs and limited uses have kept the cards from broad usage, credit-card analysts said.

Spencer Nilson, publisher of the Nilson Report, a credit-card trade publication in Santa Monica, Calif., called Visa's announcement "a lot of baloney."

"Smart cards are not efficient, they're too costly, there are a lot of flaws in them still," he said.

Robert McKinley, president of RAM Research Corp. of Frederick, Md., was more optimistic. But he noted that cards with microchips could easily be damaged.

"It can be a reality, just like that information superhighway thing," he said, using the term for advanced electronic networks and systems designed to link phones, computers and televisions.

"But there is a lot of work involved in getting these systems in place."

The analysts said cards with microchips cost \$3 to \$8 each. That's far more than prepaid cards with magnetic strips, which are used today for payment in some subway systems, grocery stores and photocopy shops.

Peter Hill, Visa's senior vice president for payment technologies, said in an interview he expected the new cards' cost would drop to about \$1, "given the volume of cardholders we'd attract" and improvements in technology.



By Chris Matthews

# Danger in the Mail

Don't look now, but Uncle Sam has some shiny new shackles with your name on them. Locked secure in the U.S. Postal Service recently revealed that they're all set to deliver your very own personalized federal bail and chain directly to your mailbox.

And you read it here first. If your slave-bracelet comes, don't expect a hefty steel ball and chunky, clanking chains. Those days are gone. We're closing in on the 21st Century—high-tech restraints are the order of the day.

So instead of a postman straining under the weight of a neighborhood-worth of iron, you'll see nothing more ominous than a mailbox full of official-

looking personalized envelopes. There will be one for every member of your family. You will find a strawless-looking Smart Card contained in each envelope.

The Smart Card could well be called the "U.S. Card." And if it performs as announced by the Postal Service, it will restrain you as surely as a pair of handcuffs and disposes of you as certainly as a phalanx of marauders with padlocks.

Without the card, you won't be able to own property, receive government benefits, get medical attention, conduct bank or credit-card transactions, ... you name it, and you can't do it. Your life will be

completely controlled by the device, if the Clinton administration adopts the Postal Service's proposal.

And, as I wrote two weeks ago, Executive Orders are reported to be drafted to adopt the cards. Without congressional approval.

**MEDIA COLLABORATION**  
Have you heard about the U.S. Card on the TV networks? Or in your local newspaper? I bet you haven't.

It's not exactly a secret, although the national security powers try to obscure its origins by moving the ghastly project around between different government agencies to make it "plausibly deniable."

The computer press has reported on it. The respected industry journal PC Week covered the story on its front page—and even tracked down the leads about Clinton's drafted Executive Orders to force the cards on Americans. The White House says PC Week's report "no comment."

And somehow PC Week missed one of the most revealing comments made by the U.S. Card's boosters at the Postal Service: They told several people that they were prepared to mail 100 million of the cards in a matter of months.

As alarming and sickening as this prospect seems, you have to marvel at the irony of it all. The Clinton administration, which says it's determined to "break the cycle of dependency among welfare recipients, is preparing to reduce every American to total dependency—and near-total surveillance—through these infamous cards."

**THE U.S. CARD**  
The U.S. Card, described here two weeks ago, is raising eyebrows throughout the computer community. Frankly, among computer-literate citizens, the U.S. Card is raising more than eyebrows. It's sparking people's hair to stand on end.

It is a super Smart Card—a Tesseracard, prototyped by the Defense Department and perfected by the distributed-systems experts of the Postal Service, the Treasury Department, the IRS and quite possibly the National Security Agency.

The word *tesserac* is Latin. It means "a piece of a mosaic." It is the name given by ancient Roman conquerors to identity chips they issued to conquered peoples and slaves. It was adopted as the code-name for the Smart Card development project by—apparently—the Defense Messaging Agency. The Tesserac cards developed in that program years ago were clearly the precursors of the all-encompassing, mandatory device proposed by the Postal Service and other federal agencies now.

**FRONT END OF TYRANNY**  
In computer parlance, the U.S. Card functions as a "front-end." The "back end" of the tyranny will be every bit of personal information about you, wherever in the world the data may be.

This is called "client/server" computer technology, and it has been perfected over many years by both businesses and governments. For all intents and purposes, it works flawlessly. Nearly a million bank cash machines use client/server technology—when was the last time your local bank cash machine made a mistake?

(And was the mistake in your favor? Or the bank's?)

The U.S. Card was proposed as a national identity card and "signature verification" device by the U.S. Postal Service at the "CardTech/SecureTech" conference held in Crystal City, Virginia. The Postal Service's proposal (which was echoed by the IRS—what a coincidence!) calls for the card to "mediate" the information about you in every government database. It will be like a magic key, which opens every government database with information about you.

Of course, without your magic key, you're out in the cold. You won't be able to file tax returns, collect your pensions or social security, conduct bank or credit card transactions or interact with the government in any way.

**WASCORV**  
And here's another troubling fact. If federal computer systems are already integrated to this extent—where one card can "unlock" every piece of information about you—then what makes you think you have the only key?

Of course you won't have the only key. And potentially everything you own and all your assets, benefits and entitlements can be "withheld" from you with the push of a few buttons at the Treasury Department, IRS, or who-knows-where.

The Postal Service spokesman who eagerly described the U.S. Card to a "cleared" audience at the CardTech conference said that the databases are ready to be integrated under the card.

To me, that means the databases are integrated now. It can take well over a year to integrate a couple of big databases. If the Postal Service is ready to start mailing 100 million of these cards within months, then the databases are integrated now. They work together—for Big Brother—now. They are being used now.

**OWNSHIP WITH MASCORVMS**  
The Postal Service took special care to choose a friendly forum to introduce its proposed U.S. Card and the computer systems that make it work. It's no accident they chose the CardTech conference. The CardTech/SecureTech confab is hardly an assembly of civil libertarians.

On the contrary—if the globe is becoming a plantation, then most of the CardTech folks want to be the overseers.

The conference is for government and corporate specialists in computer security, personal tracking and surveillance. If Americans are going to be branded or tattooed or implanted with transmitters or otherwise permanently marked and monitored by the government—like slaves in days of old—the folks who attend the CardTech conference generally want to be the ones pulling the branding irons.

Even so, people at the conference expressed reservations about the U.S. Card. Not technical reservations, mind you. They know the U.S. Card will work as advertised.

They expressed political reservations.

Those people buy and sell folks' privacy for a living. I guess it's one thing to sell branding irons, but quite another thing to accept a brand yourself. It's up to you. ●



# NOW THAT I HAVE FREE ACCESS

# TO YOUR BANK RECORDS...

# YOUR HOUSE IS NEXT!

NIBBLING AWAY YOUR FREEDOM BIT BY BIT



MARTIN ANDERSON

## High-tech national tattoo

**T**he high-tech national identity card that President Clinton has proposed as part of his radical health care legislation is an ingenious device for keeping track of the personal lives of Americans.

This identity card is designed to keep permanent, accessible records of all aspects of your health care, including the details of every doctor visit, every drugstore prescription and every hospital treatment.

The card could be used to crack down on welfare fraud, trace dead-beat dads who refuse to pay child support, supplant our Social Security cards, our draft cards and our passports, maybe even to register voters and control voting fraud.

The uses will be limited, not by technology, but only by the imagination of government officials and their respect for our privacy.

Cost is not a serious problem. A state-of-the-art identity card can be manufactured, in quantity, for a dollar or two each.

To make this tracking system work, every one of us must have a number that can be fed into the national computer banks. That is why the National Health Board, which would be set up by Mr. Clinton's program, would "enforce unique identification numbers for consumers."

President Clinton and his aides are aware of how sensitive this issue is and they are attempting to disarm the public by promising "national privacy safeguards ... with the same level of protection for all illnesses and diseases."

The federal government plans to establish a national Data Protection and Security Panel. This Orwellian sounding group would govern the disclosure of information to "authorized persons, for authorized purposes, at authorized times."

Feel better now?



"Don't leave home without it!"

The national identity card will become so ubiquitous, so necessary in order to comply with government regulations, that we will be obliged to carry it with us at all times. That leads to a serious problem.

What if we lose it? Can anyone who finds the card or who steals it get access to the information?

Well, we could wear the card on a chain around our necks, the way security passes are safeguarded in military installations and inside the White House. But that is a bit tacky and, in the eyes of some, demeaning.

There is another solution, although I hesitate to mention the idea because one of Mr. Clinton's White House aides may take it seriously.

You see, there is an identification system made by the Hughes Aircraft Company that you can't lose. It's the syringe implantable transponder. According to promotional literature it is an "ingenious, safe, inexpensive, foolproof and permanent method of ... identification using radio waves. A tiny microchip, the size of a grain of rice, is simply placed under the skin. It is so designed as to be injected simultaneously with a vaccination or alone."

How does it work? Well, the "chip contains a 10 character alphanumeric identification code that is never duplicated. When a scanner is passed over the chip, the scanner emits a 'beep' and your ... number flashes in the scanner's digital display."

Sort of like a technological tattoo, and far more efficacious than the numbers that the Nazis marked indelibly on the inner forearms of concentration camp prisoners.

True, an implanted transponder can't yet hold anywhere near as much material as a smart card. But if the desire is there, larger size implants and tiny microchips could soon increase its data storage capacity.

Of course, most Americans will find a surgically implanted government microchip repugnant. At least for the foreseeable future, the use of this ingenious device will be confined to its current use: the tracking of dogs, cats, horses and cattle.

But there is no difference in principle between being forced to carry a microchip in a plastic card in your wallet or in a little pellet in your arm. The principle that Big Brother has the right to track you is inherent in both. The only thing that differentiates the two techniques is a layer of skin.

Once you denigrate the idea of privacy, all kinds of innovative government controls are possible, things that didn't even occur to Aldous Huxley when he wrote his chilling novel "Brave New World."

Martin Anderson, a senior fellow at the Hoover Institution, is a nationally syndicated columnist.

MARTIN ANDERSON

## Risks that come with the health card

**P**resident Clinton's health care plan is beguiling, but buried in the 215-page preliminary draft of the radical changes he has proposed are numerous nuggets of danger — dangers to our pocketbooks, dangers to our health and dangers to our privacy.

Not surprisingly, the president has not mentioned those dangers. Instead, as is his wont, he has sketched a fantasy — health insurance for everyone, higher quality health care and more of it, and a \$91 billion reduction in federal spending.

The real costs of the plan to American workers and the damage it would do to the quality and quantity of our health care will rightfully be the subject of one of the toughest policy debates ever to hit this country.

But there is something in the plan that may be far worse than the new taxes that will be heaped upon us, or the increased physical pain and suffering we will endure as the result of endless waiting lines for health care. That something is a device that will invade our personal privacy as it has never been invaded before.

President Clinton held it in his hand when he addressed the nation, proudly waving it like a small American flag. Only it wasn't a flag; it was the "health security card" — his slick name for a national identity card. Under his plan a new National Health Board would establish "national, unique identifier numbers" for every single one of us.

Every time we visit a doctor or get a prescription or go to the hospital the records would be "captured, retained and transmitted" via the identity card. Those records would feed into "electronic networks," and the federal government would set up

"national standards for electronic data transmission."

That's right folks. A national computer data bank, holding all our most personal medical records, would be open to the curious, prying eyes of government bureaucrats, other "authorized" people and, of course, any unauthorized snoopers who figure out how to crack the system.

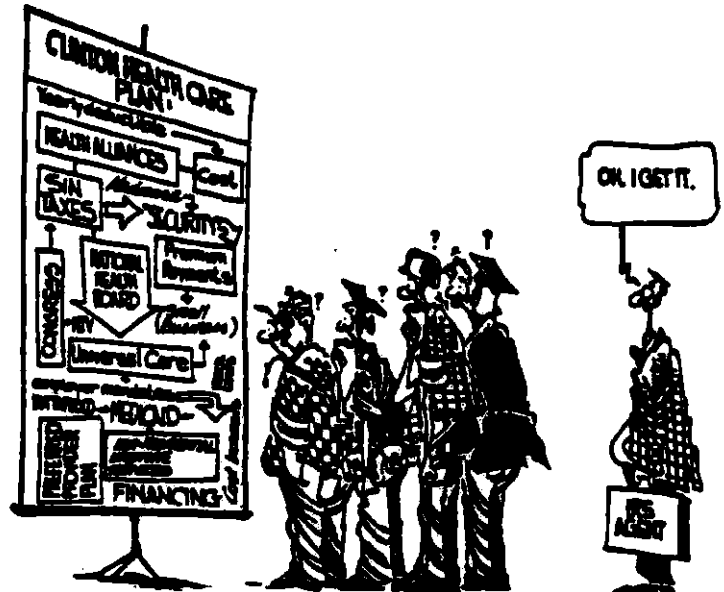
So if you should ever have an abortion, or test positive for HIV or

*A national computer data bank, holding all of our most personal medical records, would be open to the curious, prying eyes of government bureaucrats and other "authorized" people.*

the use of drugs, or contract a venereal disease, or get hemorrhoids or have any other medical problem that you would rather keep private, you can forget it. Those records will be mated with your "identifier number" in the computer bank and be forever accessible.

What makes this privacy nightmare possible are striking advances in technology. That pretty red, white and blue card the president was waving around is called a "smart card." Some cards contain computer chips, some have optical storage devices. That kind of card is now, today, capable of holding thousands of pages of personal data, computerized fingerprints, a mug shot and even your voice.

Once in place, the card will be



impossible to get rid of. The pressures to expand the uses of such a technological tattoo will be strong and inexorable. If everyone must have one, why not add our Social Security numbers to it, enabling government officials to correlate our health records with other personal records?

The government could require all who apply for welfare to produce the card to prevent fraud. We could catch illegal aliens with a "no card, no work" law. The police could use it to maintain a permanent record of all our parking tickets and speeding violations, checking the entire record every time a motorist is stopped. We could require all gun buyers to record the registration number of the gun on the card. And think of all

the fun academicians could have analyzing the data, all on an "authorized" basis of course.

It's just what we need. Another plastic card to carry in our overstuffed wallets and purses. And make no mistake about this one. You will carry it. For the possession of that identity card will be necessary for you to receive medical care of any kind. Once this insidious system is in place only the foolhardy or forgetful will not carry the card.

If President Clinton's so-called health security card becomes a reality, we can kiss goodbye to privacy as we now know it. Of course, on the bright side, one can think of the card as an intimate, constant reminder of President Bill and Hillary, and all they are doing for us.

Martin Anderson, a senior fellow at the Hoover Institution, is a nationally syndicated columnist.

# Electronic Transfer Plan for Benefits Unveiled

■ **Government:** Administration says debit card would deter fraud, reduce costs. Fee may be charged.

By JEFF LEEDS  
TIMES STAFF WRITER

WASHINGTON—In a step that eventually would eliminate paper welfare checks and food stamps, Vice President Al Gore unveiled a program Tuesday that would allow electronic access to government benefits.

Using a plastic card, similar to an automated teller machine card, welfare recipients and recipients of

Social Security disability benefits without bank accounts would be able to walk up to any ATM terminal and withdraw their share of the \$500 billion in benefit payments that the federal government doles out annually.

The electronic delivery system, designed as part of the Clinton Administration's "reinventing government" initiative, is projected to go on-line nationally in 1999. Government officials from nine states—Florida, Alabama, Georgia, North Carolina, South Carolina, Tennessee, Kentucky, Arkansas and Missouri—will start phasing in the electronic transfer plan this year. The system is expected to be operating in those states in 1996.

"This card makes it much easier to deliver the right benefits to the right people with much less paperwork," Gore said at a ceremony here Tuesday. Appearing with him were Health and Human Services Secretary Donna Shalala, Agriculture Secretary Mike Espy and Texas Comptroller John Sharp, who is overseeing what will be the largest state electronic benefits transfer project when it is fully phased in next year.

Electronic delivery, once fully installed, is expected to reduce the fraud and abuse that plague current assistance programs and simplify labyrinthian federal and state benefits systems, saving taxpayers \$195 million annually, Gore said.

With the electronic system, "there's considerably less paper. The flip side is that we'll have an electronic audit trail for every transaction, making fraud much easier to detect and prosecute."

Please see **BENEFITS, A13**

LOS ANGELES TIMES

## BENEFITS: Electronic Plan Unveiled

Continued from A1  
Shalala said.

For benefits recipients with bank accounts, having their payments deposited directly is still the most cost-effective means of delivery. But for the estimated 31 million people without bank accounts who are entitled to food stamps, unemployment payments, Social Security payments, Aid to Families With Dependent Children or other benefits, the electronic system will bring convenience and relief from the "stigma" associated with receiving government aid, according to Espy.

Federal and state governments pay \$111 billion in military and federal pensions, veterans' compensation, student loans and general assistance to recipients without bank accounts each year.

In comparison, the annual fund flow for Visa, the nation's most widely used credit card, approaches \$180 billion, the Gore task force said.

Food stamp recipients would swipe the magnetically encoded benefits card through a debit card machine in a grocery store instead of paying for their purchases with paper vouchers. The card would block recipients from buying prohibited products and allow government fraud investigators to track transactions more closely than

does the current system. Each card user would have a personal identification number to prevent thieves from using stolen cards.

Printing food stamps—vouchers that grocery shoppers use instead of cash—is wasteful because each voucher can only be used once, Espy said. In some urban areas, food stamp transactions can comprise as much as 40% of a grocery store's retail food sales, according to the task force. Once the food stamps are collected by grocery stores and shipped back to the Agriculture Department, they are burned.

"The food stamps program we've been operating in this country for the last 30 years belongs in the same place the dinosaurs are," Sharp said. Texas state officials began developing their electronic system to pay veterans' and other benefits in 1991, he said.

But benefits recipients could be liable for a large chunk of the cost of goods purchased with pilfered cards and could be forced to pay ATM-user fees. Under a current federal law known as Regulation E, a consumer is entitled to reimbursement from his credit card company for all but the first \$50 that is fraudulently charged on a stolen card if the theft is reported within two days. Earlier this year, however, the Federal Reserve Board exempted the electronic

benefits system from the rule for three years.

Critics fear that the potential fraud losses may bar expansion of the system. Gore's report says the federal government will work with states and the banking industry to develop strategies to limit exposure to fraudulent claims and distribute the liability among all who have a stake in the new system.

Gore's plan permits commercial banks to charge welfare recipient fees for each transaction, and represents "a kick in the teeth" to poor people, said Michelle Meier, counsel for government affairs for the Consumers Union, which publishes Consumer Report magazine.

"We are very disappointed that the Administration appears to be laying the groundwork to cut the safety net on poor people," Meier said.

San Diego County and San Bernardino County officials have submitted a joint plan to adopt an electronic food stamps system but officials in both counties said Regulation E could hamper efforts to establish the system in California.

Still, Southern California grocers, most of whom are equipped with card-swipe machines, have embraced the idea of an electronic benefits system.

"It's the wave of the future," said Lynn Titillii, a social services administrator in San Diego.

# Pressing Toward The "MARC" of the Beast

BY TERRY L. COOK

The U.S. Department of Defense is now issuing an entirely new type of identification card to all U.S. military personnel GLOBALLY.

The new card has been named the "MARC" CARD! According to Pentagon documentation, "MARC" stands for "Multi-technology Automated Reader Card." As its name implies, the "MARC" CARD is no ordinary ID system, and it has not been designed solely for military use! Rather, it is a sophisticated "smart card" PROTOTYPE for a new NATIONAL CIVILIAN ID CARD! An all-in-one card, if you will, for the coming cashless New World Order. But before we get into the civilian ramifications of this new smart card, let's first spend some time studying the new MARC card's capabilities based upon information obtained directly from the Pentagon.

An internal briefing flier from the Pentagon indicates that the "MARC" card is "an individually carried SMART CARD that utilizes the technology of several media as follows:

A standard "3 of 9" bar code, magnetic strip, embossed data, printed information, an electronic (digitized) photograph, and an Integrated Circuit (IC) computer chip "

On this flier the Department Of Defense boasts that the combination of several media on one credit-card-sized device gives the new MARC card its versatility. They say it can interface with a variety of existing rudimentary imprinting machines as well as more advanced computer systems that use IC chips as data carriers.

This document indicates that "the MARC project's purpose is to provide a multifunctional cross-service utility card that satisfies D.O.D. functional requirements for both a portable updatable medium and a static medium that can be used as a KEY TO A DATA BASE." In fact, they say, "the MARC card will serve as A KEY TO A FAMILY OF DATA BASES related to personnel CONTROL."

The flier further reveals that the MARC card is being utilized as a prototype program to evaluate its usefulness in several functional areas related to PERSONNEL CONTROL such as: field medical documentation; identification; mobility processing; travel manifesting; real time accountability; food service head count (AKA: chow card); military health care system patient reception; payroll; straggler control; women; infants; military benefits programs, etc.

The MARC card is obviously a very sophisticated device designed to consolidate all the activities of one's daily life into a single card system and computer data base. There can be no doubt that it is actually a DISGUISED PROTOTYPE for a national citizen ID card! Let's now refer to another Pentagon publication that reveals the MARC's true agenda!

The following article was published in the January, 1994 edition of a Pentagon newsletter titled *Current MARC News*: "The use of the MARC card as the DOD's "SMART CARD" for patient care and tracking follows closely with the National efforts to define UNIVERSAL HEALTH CARE BENEFITS

and access [or denial] to such benefits using smart card technologies. The National Smart Card Forum, which met on January 14, 1994, was attended by several DOD representatives. A significant interaction relative to minimum requirements, access and privacy issues, and universal acceptance created an extremely worthwhile alliance between commercial and government interests. For example, the ACLU has recently cited that the effort to establish a NATIONAL HEALTH CARE ACCESS CARD is

with these DOD efforts, will continue to foster UNIVERSAL LESSONS LEARNED "

As indicated previously, the above cited information was obtained directly from the Pentagon's *CURRENT (MARC) NEWS, ANALYSIS & RESEARCH SERVICE* office in Washington D.C. Although not secret, the information is little known and very difficult to locate and obtain. If we read between the lines of this documentation we can logically deduce what the real purpose is behind the MARC card. Obviously, the "MARC" ID CARD program is the final technological test needed before a NATIONAL ID CARD!

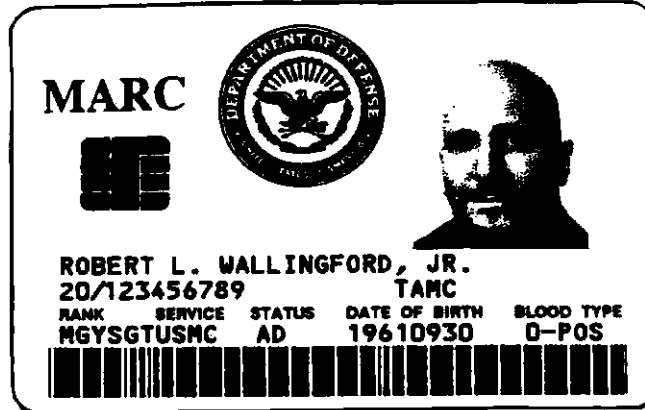
In reality then, the government's highly touted Health Care Card, Electronic Benefits Card (EBT), Social Security Card, Immigration Card, Postal "U.S Card" and "MARC" Card are nothing less than disguised NATIONAL ID CARDS for all Americans. These cards will allow Big Brother and Big Sister (uncle Bill and aunt Hillary Clinton, or any other New World Order representative) to maintain a national data base of consolidated, computerized, electronically digitized, permanent and accessible records on every man, woman and child in America! The bottom line is

enslavement and control of all of us via electronic shackles. Recent newspaper articles concur with this thought perfectly as follows:

On July 13, 1994, - USA Today newspaper published a very interesting front-page article about just such a proposed NATIONAL ID CARD. The article was titled, NATIONAL CITIZEN ID PROPOSED. Briefly, the article said that "All citizens and legal immigrants would get the equivalent of a national ID card under an expected proposal to congress by the Commission on Immigration Reform. The new social security type cards, including photograph and finger print, would allow employers to verify work eligibility through a NATIONAL DATA BASE. The Commission's report on this is due in September, 1994" [Would this prevent employment if a person did not want to participate?]

A similar article appeared in the Orange County Register newspaper (in Southern California) on the same day titled, "U.S. MAY ISSUE ID CARDS TO CITIZENS." Briefly, it said that "The federal government may soon ask EVERY AMERICAN TO CARRY A NATIONAL IDENTITY CARD. The card would include a photo, a magnetic strip, a verifier SOCIAL SECURITY NUMBER and possibly fingerprints. CBS television said today." It said "The White House endorses the idea."

The article continued by citing some very interesting comments from Enriqueta Ramos, a local Orange County Community College official who is: member of the Board of Trustees of Rancho Santiago Community College "A national identity card could lead California down a dangerous path... It will create a NEO-NAZI STATE in the United States where we will be required to tell on each other... Next thing you know, we'll have TATTOOS ON OUR BODIES! The article concluded by saying "some lawmaker expressed concern that the card would be an incursio



## MARC CARD

On the left side is a computer chip that holds 16k. Across the bottom is a barcode. The picture is not a photograph, it is a digital picture. Digital pictures are saved on computer for future reference and recall globally. On the back is a magnetic stripe like a normal dumb card.

tantamount to a universal ID card. People will fear "Big Brother in your wallet" and a potential two-class society where non-carrying people will be singled out from benefits" [REV 13.17 And that no man might buy or sell, save he that had the mark, or the name of the beast, or the number of his name.]

The article continues, "The DOD's test of MARC ID technologies and acceptance among a large beneficiary population (all U.S. military personnel globally) will provide a great deal of information to the National Health Care Reform team. Likewise, issues of privacy and access to medical information being debated in the private sector, will bear great benefits to DOD MARC efforts. Most significantly, a global look at "SMART CARDS" reveals nearly UNIVERSAL ACCEPTANCE among countries in Europe with 100% social coverage programs. This lends a great deal to the debate over protection of patient rights and durability of the card. Simply, offering a card with benefits to the holder weds the holder TO ENSURING THE CARD IS KEPT SAFE. Incentivizing the card by adding benefits to the holder such as discounts on products or 'frequent-flier' miles credit toward travel benefits rather than just outside users." The article concluded by saying, "The Smart Card Forum alliance, along

into personal privacy... We could be giving up some severe privacy rights..."

Accordingly, it appears that many intelligent people are drawing similar conclusions regarding the concept of forced national identity cards for Americans. They fear that an Orwellian nightmare is imminent! But as bad as the cards seem, could they really be precursors of an even more sinister agenda yet to come? Are they simply "marketing" or "conditioning" devices setting the stage for an eventual syringe injectable microchip ID implant under our skin? Also, could it be purely coincidental that the Pentagon named their new ID card the "MARC" when students of Bible prophecy are fully aware that Scripture forewarns us of an End-Times global dictator (the Antichrist) who will impose an economic "666 MARK" on people's right hands or foreheads?

Let's see what Mr. Martin Anderson has to say about such things. Martin Anderson is a Senior Fellow at the Hoover Institution at Stanford University, Palo Alto, California. He is a nationally syndicated columnist who writes for a number of respected, secular publications. In an article published in the Washington D.C. Times dated October 11, 1993, he made the following observations about the government's proposed national identity card: "The high-tech NATIONAL IDENTITY CARD the Clinton Administration has proposed is an ingenious device for keeping track of the personal lives of Americans. It will become so ubiquitous, so necessary in order to comply with government regulations that we will be obliged to carry it with us at all times. That leads to a serious problem. What if we lose it?"

Anderson continues, "There is a solution. You see, there is an identification system you can't lose. It's the SYRINGE IMPLANTABLE TRANSPONDER: A PERMANENT METHOD OF IDENTIFICATION using radio waves. A tiny microchip, the size of a grain of rice, is simply injected under the skin. Sort of like a TECHNOLOGICAL TATTOO and far more effective than the numbers the NAZIS marked indelibly on the forearms of CONCENTRATION CAMP VICTIMS! Of course, most Americans will find a surgically implanted government transponder repugnant. So for the time being, the technology will be confined to its current use: the tracking and controlling of animals."

Anderson concludes his article with the following statement, "But there is no difference in principle between being forced to carry a microchip in a plastic card in your wallet OR IN A LITTLE TRANSPONDER PELLET IN YOUR ARM. The principle that Big Brother has the right to track you is inherent in both. The ONLY THING THAT DIFFERENTIATES THE TWO TECHNIQUES IS A LAYER OF YOUR SKIN! Thereafter, all kinds of government controls are possible leading to a BRAVE NEW WORLD!"

Isn't it interesting that many secular columnists such as Martin Anderson are now saying the same thing that John the Revelator said nineteen hundred years ago in the book of Revelation. Chapter 13, verses 16 through 18 says that near the end of time the Antichrist would cause all to receive the devil's "Mark of the Beast" in their RIGHT HANDS OR FOREHEADS or they will not be allowed to BUY OR SELL ANYTHING!

Could our generation be the one about which John wrote? The one that will witness the rise of the global New World Order Antichrist and the imposition of

the satanic 666 Mark of the Beast microchip transponder ID implant in humans? Could the military's new MARC card be the final sales gimmick needed to condition society to readily accept the evil "MARC" OF THE BEAST when it finally arrives? I believe so! What do you think?

Accordingly, if you have not already made a personal decision for Jesus Christ, please do so immediately! Time is indeed short! Worship Jesus Christ not the Antichrist today! Even so, come quickly Lord Jesus! God bless you.

## GOODBYE FREE SPEECH

By Aaron Epstein Knight-Ridder, Tribune News Wire

WASHINGTON-In a 6-3 decision likely to fan the bitter national conflict over free speech and abortion rights, the Supreme Court on Thursday upheld a state judge's order barring antiabortion demonstrators from getting within 36 feet of an abortion clinic in Melbourne, Fla. At the same time, the court struck down other parts of the 1993 order -such as a ban on approaching patients within 300 feet of the clinic without their consent -on grounds that they went too far in seeking to curb intimidation and ensure access to the clinic. "Women and doctors can claim victory," said Sally Goldfarb, senior staff lawyer for the National Organization for Women Legal Defense Fund. "Taken together with the newly passed Freedom of Access to Clinic Entrances (FACE) Act, the court's Order requires protesters to stay 36 feet from an abortion clinic. [EDITORS NOTE: Now they can tell us where we can and can not go. Next it will be like Nazi Germany, requiring papers to move about.]

First Amendment free-speech protection to the abortion protesters is a decision that provoked sharp criticism from the dissenters. [EDITORS NOTE: Where will Christians be when the world government can restrict our speech, restrict where we walk or pray and can monitor all people on the globe via world IDENTIFICATION? We will not be in "a peck of trouble," or even "a bushel" of trouble, we will be in "Great Tribulation"! The restrictions imposed by the Florida judge, Robert B. McGregor, were not directed at the content of the protesters' antiabortion messages, the chief justice concluded. Therefore, Rehnquist said, the judge's injunction would violate First Amendment free-speech guarantees only if it stifled more speech. This decision provides a powerful one-two punch that (antiabortion) extremists will have a hard time recovering from," Goldfarb said. The Rev. Patrick Mahoney, director of the Christian Defense Coalition and a leader of the antiabortion militants [This is another example of unbiased reporting, NOT! They refuse to call those opposing murder "Pro-Life" yet they refer to themselves as "Pro-Choice" a dangerous play on words.] of Operation Rescue, called it "a dark day for all Americans who cherish free speech and, in particular, those people of goodwill who peacefully intervene to save children." Justice Antonin Scalia exclaimed from the bench as he read parts of his 34-page dissent in impassioned tones "The court has left a powerful loaded weapon lying about today "

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The Prophecy Club P.O. Box 758234, Topeka, KS 66675 19131-478-1112

[Meaning they could use this precedent to begin the tyrannous road of limiting free speech.] He accused the court of expanding the power of trial-court judges to issue injunctions against labor picketing, civil-rights demonstrators and other protesters based on minimal evidence...

## COSTS OF SPY SATELLITE HEADQUARTERS 'SHOCKS' SENATE PANEL

The New York Times 8-9-94

WASHINGTON - Senior members of the Senate Intelligence committee said Monday that they were shocked to find that a huge new spy satellite headquarters under construction outside Washington would cost \$350 million. They said that the Pentagon and Central Intelligence Agency had concealed the full expense of the project from them.

"You've got to see it to believe it," said Sen. John Warner, of Virginia, the ranking Republican on the committee. "I was absolutely astonished at the magnitude and the proportions of this structure." [ED NOTE: I thought we were in an era of peace and safety. Remember Glosnost, and Perestroika? Why would the government be building a giant new satellite monitoring headquarters? Could it be another sign that we are heading a time when the New World Order will monitor all people on the globe, so the "Mark of the Beast" system could be set in place. The system that would allow them to cause all people to receive their "Mark" of acceptance in order to participate in the global money system. A system to which you must belong to buy or sell? The project in question is a 1 million-square-foot complex near Chantilly, VA., close to Dulles International Airport, being built to house about 3,000 contractors and government workers employed by the National Reconnaissance Office, the nation's most secret intelligence agency. Its cost, by comparison, exceeds the "rebuilding" of New York City's Pennsylvania Station; its size is about one-fifth of the Pentagon's.

"Has this process created a Taj Mahal?" Warner asked rhetorically. "We don't know."

The existence of the National Reconnaissance Office was a state secret until late 1992, and almost nothing is known about the office, other than its mission of building the nation's spy satellites. Its annual budget, secretly appropriated, buried within the Pentagon's accounts in the "black budget" and never disclosed publicly, has been estimated at \$6 billion, or about three times the budget of the entire State Department.

## BILL PROVIDES TELECOMMUNICATIONS WIRETAPS

Measure sought by FBI would repay firms cost of installing software

By Sabra Chartrand of The New York Times 8-9-94  
WASHINGTON-Telephone and cable television companies would have to modify their networks to make it easier for law-enforcement agencies to conduct wiretaps and trace messages, under

Continued on page 4

legislation expected to be introduced in the House and Senate today. [Why would the government want to make it easy to wiretap phones? Why do they need to spy on people easier? Are they planning for a time when there will be CHAOS? -a time when people are not voluntarily obeying the laws? Does Bible Prophecy speak of a time when the World Government will rule with totalitarian control? YES! Daniel says when the transgressors time has come, when the world is full of transgression, the Antichrist will come. The Anti-christ will be mighty in power, but not by his own power. Could this be referring to total control? The total control that would come by regulating what a person can speak, where they can go, whether they can buy or sell? Could part of this control come from wiretaps on phones? Good possibility! Could it be the marketing of such oppression comes in the name of "Peace?" Yet Daniel says by PEACE he shall destroy many.

DAN 8:23 And in the latter time of their kingdom, when the transgressors are come to the full, a king of fierce countenance, and understanding dark sentences, shall stand up.

24 And his power shall be mighty, but not by his own power: and he shall destroy wonderfully, and shall prosper, and practise, and shall destroy the mighty and the holy people.

25 And through his policy also he shall cause craft to prosper in his hand; and he shall magnify himself in his heart, and by peace shall destroy many: he shall also stand up against the Prince of princes; but he shall be broken without hand.

Today we see the words "Peacekeeping force" we hear the only way to "Keep Peace" is a World Government. The only way to maintain a World Tyrannical Government is total control. Are we heading toward a World Government? One large sign post indicating that we are is the controls that are being laid in place!]

The bill, long sought by the FBI and backed by the Clinton administration, promises \$500 million in federal money to help communications companies pay for the development and installation of the necessary software. It would also reimburse the companies for future costs related to retaining law officers' ability to conduct court-authorized wiretaps and trace calls- [The phone company in our area is now offering "Caller ID." With the proper equipment, you can tell what number a caller is calling from before you pick up the receiver! How does it do that? A better question is "Why is the option being offered? Could it be that the New World Order wants to know who is calling who, and precisely what is being said? That's "OK" with me, I have nothing to hide," you say? I feel the same way. I have nothing to hide, as a matter of fact that is why we have a radio program to tell the world! The problem is "TOTAL CONTROL." What if the government does something the people don't like. Once every phone call is not only monitored for content but they know who is talking to who, they have more control!] tasks that require new, modern methods as more and more communications are transmitted in the digital pulses of computer code...

[An avalanche of information is pointing to the fact that we are moving toward a New World Order based on the rule of Lucifer. Total control, reduced freedoms, less love of our fellow man. The list can go on for a long time. The student of Bible prophecy can use this information to wake people up and win them to salvation.]

The following "Fraud Alert" was sent to one of our Prophecy students. In it you will be able to see how they plan to "sell" us on the need to change the currency and the changes they want to make.

As you read remember the difference between an error and "Satan speak" an error is incorrect information. Satan speak is the EXACT OPPOSITE

Federal Deposit Insurance Corporation

## FRAUD ALERT

### New Currency Designs Meant to Block Counterfeiters [DON'T BELIEVE IT]

The Treasury Department plans to redesign United States currency to thwart high-tech counterfeiters, while assuring the public that the money they now have will not be devalued. [ED. NOTE. If you wanted to flush out all the "mattress money" from people how would you do it? Change the currency! The next question comes to mind. Why would you want to flush out the "mattress money?" According to Rev 13.15-18 we know there will be a world currency and most likely, a cashless society. If people have a means of exchange other than the world currency it could cause big problems in going cashless. One way or another, we are heading toward the Mark of the Beast system of total control!]

The twin goals of this undertaking will take a few years. The first of the new \$100 bills, the most counterfeited denomination, won't be in circulation until 1996. The lower denomination bills will follow every six months to a year until the year 2000 when all the new bills should be in circulation.

At the same time, U.S. currency has become such a world standard that the Treasury will conduct a massive education program [propaganda?] to assure the public worldwide that the money it now holds won't lose value and the newly designed notes will be of equal value. [NOTE: Recall the words of President Bush, "NAFTA will not erode our national sovereignty." Yet, many experts say that is exactly what it will do. In the opinion of this writer the major objective of NAFTA is to bring us one step closer to one world government, one world commerce, and one world religion.

Look at the opposite of these words we can see what they plan to do "Won't lose value."

The upcoming change will be the first major overhaul of paper money in 65 years, but with the advances in reprographics, experts say to expect currency to continue to change with technology.

The final design for the new \$100 note won't be complete until next year, but Treasury officials want to show the public what to expect. The most obvious change will be a 50 percent larger historical portrait that is off center. [NOTE: Almost all of the currency of the world has been reprinted in the last few years. Almost all of the notes have a "blank spot." We are told the blank spot is a watermark. As discussed in earlier newsletters we believe a better scenario for the blank spot is for the "Mark of the Beast."

According to Grant Jeffrey, our November speaker

there is a picture of a woman riding a two-horned beast on the European currency. The best guess is when the time is right they will use this "blank spot to "reprint" some mark of the New World Order on the bill. Perhaps a woman on a beast!]

But overall the currency will continue its traditional appearance.

"The new currency will maintain its current size and colors, with portraits of the same historical figures on the faces and the same buildings or monuments on the backs," Mary Ellen Withrow, Treasurer of the United States, told the House Banking committee.

But under development and testing for consideration in the new design are these features:

- Iridescent "planchettes" of tissue paper a few millimeters in diameter incorporated directly into the bills. The reflective quality of these planchettes makes the bills impossible to photocopy.

- Up to five security threads imbedded into the notes. The combinations would differ with each denomination, except the one dollar bill would have none. The threads would have the denomination of the note imprinted on them and would be machine readable. [First American Monetary Associates of Ft. Collins, CO did some investigation on these threads. Based on various comments made by treasury officials they talked with made them suspect the thread is detectable by advanced electronic instruments as you drive or walk by.]

- A watermark of the figure pictured on the bill visible off to the side of the portrait when held up to the light. Like the imbedded thread, it will not reproduce on color photocopiers.

[NOTE: I am still suspicious of another hidden motive in all this information. I still suspect they may not change to the new currency at all. This may be a "sales talk" to move from currency to cashless. The "problem" they are "creating" is still the need to change the currency. A viable scenario would be a the last moment they decide to skip the move to new currency and go to a smart card or biochip implant. It will be interesting to watch their maneuvering toward the mark of the beast.]

- Inks that change color when viewed from a different angle. For example, the ink may appear to be green when viewed directly, but when the bill is turned at an angle it changes to gold.

- Line structures incorporated into the design of the bill that would create a moire pattern, or wavy effect, when copied. This can be compared with the way a striped shirt appears on television.

- Intaglio microprinting in other parts of the bills. The \$20 and \$100 notes now have "The United States of America" printed repeatedly in the border surrounding the portrait, which can only be seen with a magnifier and is too small to be copied.

- Distinctive machine detectable fibers may be added. In addition, "covert features, which can be identified by machines, will enhance the balancing system's ability to detect counterfeiters," the Treasurer said in a news release without elaborating.

The greatest number of security features will be incorporated in the highest denomination bills, with fewer features built into the lower denomination bills that are less-likely to be counterfeited.

"No single feature alone is sufficient and no single currency design can be absolutely counterfeit-proof over time. [Wow! Did you catch that! They know this is not absolutely counterfeit-proof I wonder

# Computerized ID card helps track students

By JEFF DONN  
Associated Press

**SPRINGFIELD, Mass.** — Reminder to students: Bring your pencils, pads, books and computerized ID card this fall.

This city's public schools began introducing the security cards last year to avoid stolen meal tickets and bus passes, while keeping better track of meals and students. Administrators hope later to employ the cards to bar suspended students and other intruders from school.

"I'm sure some people would see it as being overbearing or too militaristic... but I think we've got to keep control of our schools," said Jack Maloney, a superintendent's assistant who is supervising the \$200,000 program.

The cards carry a student's school identification number in barcode format, and are read by a laser scanner like the ones at supermarket checkout counters.

Clement Richardson, a 17-year-old student at Springfield's Putnam Vocational High School, said the cards make him feel safer. "It keeps out the troublemakers," he said.

Already widely used by businesses, the cards are used by other school districts mainly to monitor student meals and books borrowed from school libraries.

Some administrators also view the cards as a less-cotty, more palatable alternative to guards in buses, hallways or classrooms.

Chicago's Foreman High School started using bar codes on student ID cards last year. A scanner prints out tardy slips for students who are late to class, giving students a record of their previous tardy slips and a reminder of the penalties. Administrators gain a computer record of who was late and when.

"Before... it took too long when people were filling out little slips. The kids were missing too much class time," said John Garvey, the

principal.

But Kris James, who runs a computerized card program in four Philadelphia public schools, said such initiatives can fall apart, despite all the technology, without strict enforcement by administrators.

"Do the students maintain the cards? Do the cafeterias maintain the cards?" she asked.

Springfield schools gave cards to 18,000 students last year and intend to include all 24,000 in the district this fall.

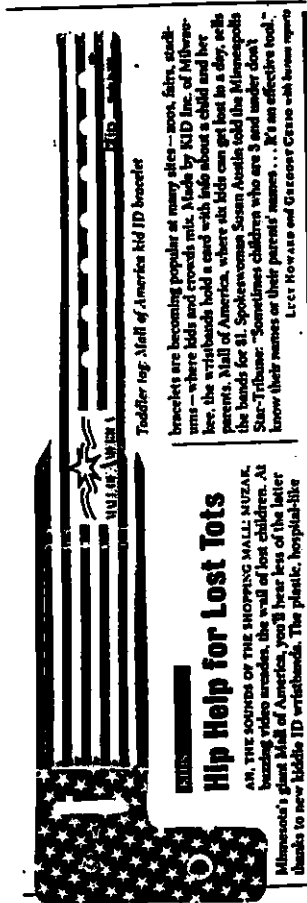
The cards were used initially in the lunchroom, and administrators say they eliminate the stigma of handing in a reduced-cost meal ticket in front of other students. They also eliminate stolen tickets and tickets sold for drugs or money.

The district has also begun using the cards to make sure that students are riding their assigned school bus, rather than going to the mall or a friend's home.

Scanners are being installed on public transit buses used by students, to eliminate stolen bus passes. They allow the district to pay the transit authority only for actual rides, and not for absentee days. Maloney says administrators expect to save about \$100,000 on ridership within 18 months, even with the cost of card readers more than \$5,000 each.

He said the district hopes to expand the program into a universal card that will allow students to enter their schools, be counted in attendance rolls, borrow books from the school library, and maybe even obtain discounts at businesses.

William Newman, regional head of the Massachusetts Civil Liberties Union, said schools exercise "legitimate security interest" in keeping intruders from buildings and buses. But he added, "There's going to have to be serious thought given to who has access to the information and under what circumstances."



Toddler (top) Mall of America Kid ID bracelet

bracelets are becoming popular at many sites — zoos, fairs, stadiums — where kids and parents mix. Made by KID Inc. of Milwaukee, the wristbands hold a card with info about a child and her parents. Mall of America, where the kids can get lost in a day, sells the bands for \$1. Spokeswoman Susan Austin told the Minneapolis Star-Tribune: "Sometimes children who are 3 and under don't know their names or their parents' names... It's an effective tool."

Let's Now and Garvey's Office will have reports

TOP TO BOTTOM: CHILDREN'S IDENTIFICATION CARD; MALL OF AMERICA; KID INC.

## Hip Help for Lost Tots

AN, THE SOUNDS OF THE SHOPPING MALL: MUZAR, a beeping video monitor, the wall of lost children. At Minnesota's giant Mall of America, you'll hear less of the latter thanks to new kid-ID wristbands. The plastic, hospital-like

8 NEWSEEEK AUGUST 15, 1994



# Credit's invisible journey

Revelation 13:17

## Cashless society's forerunner

By ROE WELLS  
Associated Press

ILLUMINATI RUN

MCLEAN, Va. — You've handed the credit card to the store clerk, who slides it through an electronic device and awaits the signal that authorizes your purchase. In the 20-odd seconds that pass while you're staring at the ceiling, an incredible information journey takes place.

It's a journey that few consumers comprehend, but it's a forerunner of the cashless society, the utopian vision where the jingles of nickels and dimes are replaced by electronic blips of the digital age.

For the 300 million Visa credit cards, the journey probably includes a momentary stop-over in this Washington suburb, home to a nondescript building casually called the Fort Knox of the credit card industry.

Although Visa's competitors MasterCard International and American Express Co. also boast advanced technology, Visa is the leader in the plastic card world. In the U.S. alone, Visa has about half the market share, vs. 27 percent held by MasterCard and 20 percent by American Express.

The Visa International Operations Center East is one of two hubs for the credit card association's vast information network, a system it expects will play a much greater role in the daily lives of households worldwide.

Visa, owned by its member banks, operates a computer system known as VisaNet that functions as a middleman between merchants, the merchant's bank and the bank that issues a customer's credit card.

The network encompasses 9 million miles of fiber optic cables that link about 20,000 banks and other financial institutions and 10 million merchants in 247 countries and territories worldwide.

Most of the 11,000 transactions per minute that traverse McLean or its sister "super center" in the British city of Basingstoke are credit card transactions. The system also handles a range of consumer payments, from cash withdrawals from automatic teller machines to direct deposit of payroll checks.

Visa anticipates such electronic banking networks will play an even more important role in consumers' lives as interactive television and other advances in technology gain wider acceptance.

"Somebody has to build the tracks that go from the home to the bank and then from one bank to another bank to handle these transactions," said Charles T. Russell, Visa's outgoing president and chief executive officer. "We have those tracks today."

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Many of those tracks already have been laid at the checkout counters of major stores throughout the country.

Here's what happens after you hand your card over to the sales clerk:

It's swiped through a device called a point of sale terminal that reads your account number and expiration date from the card's magnetic stripe on the back.

The terminal automatically connects by phone with one of 1,400 small Visa computers, which funnel the account information and purchase amount into the Visa network and asks the bank that issued your card to authorize the sale.

If the store lacks a card reader, the sales clerk telephones the information to a bank operator, who in turn will query the Visa system.

Once the account information makes it to your bank, the computers ask several questions:

■ Is your card stolen? Your bank checks a special encrypted code and a central electronic file of stolen credit cards.

■ Does the purchase exceed your credit limit?

■ Is the purchase unusual and way outside your normal buying habits?

The computers answer this question by instantly examining whether your purchase fits within your established record of buying behavior. Although some consumers might regard that as an invasion of privacy, it is considered a useful way to help prevent unauthorized use of your card.

Once these questions are satisfactorily answered, your bank will issue a green light back through the system and authorize the

sale. This entire process typically takes between 6 and 20 seconds.

What if your bank's computers are too busy or incapacitated? Then Visa's computers can step in and authorize the sale if the purchase doesn't exceed a predetermined amount. This speeds the process and prevents bottlenecks.

After you've walked off with the purchase, the second half of the transaction takes place in which the store, the store's bank and your bank have to settle the tab, or clear the transaction. This also is done through VisaNet but typically takes about 3½ days.

This system continues to grow rapidly, up about 14 percent in 1992. Visa expects the annual dollar volume of transactions on its network to double to \$1 trillion by 1996.

Despite this growth, Visa executives admit their goal of replacing cash is a long way off: Credit cards were used in only 15 percent of all retail sales last year, Russell said.

Getting people to accept the idea that plastic can replace cash as currency is the most formidable barrier to Visa's cashless society vision, said Roger L. Peirce, executive vice president of Visa International.

Despite Peirce's pride in the Visa technology — he boasted the system didn't have a single minute of downtime as of early December — further improvements are critical.

"If we get to a point where society actually expects to get access to their money anytime, and anywhere, this system has got to work," said Peirce. He concluded with the mantra of the credit card world: "We've got to be better than cash and checks."

WHETTING YOUR APPETITE FOR APPETIZERS - FOOD SECTION

The San Diego

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PREPPING FOR MARK



# Union-Tribune

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## Business

### ATM customers on pins and needles

Thieves banking on high tech hit San Diego County — See C-1

THE SAN DIEGO UNION-TRIBUNE • THURSDAY, AUGUST 18, 1994

FRONT PAGE

## ARCO debit card target of scam here

### Thousands looted from bank accounts

By DONALD C. BAUDER  
Financial Editor

A sophisticated high-tech debit card scam at ARCO AM/PM Mini Mart has hit San Diego County.

Victims learn to their horror that their bank accounts have been looted — although if they can prove fraud, they can recover most of the money.

"They wiped me out — took \$1,200 out of my checking account," said San Diegoan Rudy Novotny, a paralegal with the Resolution Trust Corp., who had purchased gasoline with his debit card at the ARCO AM/PM Mini Mart in Carmel Valley. Tuesday evening, he went back

to the store. A woman heard him complaining to the clerk. "She shook her head and said, 'They got me, too,'" recalled Novotny.

Yesterday, Novotny was complaining to an ARCO executive. "He said that four of their own corporate executives had been hit," Novotny said.

Novotny filled out a form with his bank, Great Western, and as required by law, it will reimburse him for any loss over \$50, "if he can show that he was defrauded," said spokesperson Steve Hawkins.

Annie Reutlinger, ARCO spokesperson, confirmed that the thief started in Orange County, moved to Riverside and Moreno Valley, and Valley said Rancho Bernardo. ARCO has informed the Secret Service and local police. One arrest

has been made in Costa Mesa, but the police there did not respond to queries yesterday.

ARCO has warned its AM/PM employees, made changes in its debit card machines and posted signs to warn customers, said Reutlinger.

The company and the Herndon, Va.-based Electronic Funds Transfer Association have petitioned the Federal Reserve to make changes that would make the fraud more difficult to pull off.

Interviews with victims, law enforcement officials, ARCO and investigators in the industry reveal that the scam is an intricate variation on the theme of "shoulder surfing," or trying to detect the pin number of a person using debit or credit cards in an automatic teller or point-of-purchase machine.

The scam artists that have been targeting ARCO stations position themselves with binoculars and sometimes high-powered video cameras with zoom lenses several hundred yards away from the gas-line pump — say, at a nearby motel or parking lot. When a person punches in a pin number, the scamsters take it down.

If the purchaser punches a button indicating that he or she does not want a receipt, the scam artists go into the store and get the receipt. It is automatically printed inside the store, even though the purchaser doesn't want it.

If the purchaser throws the receipt away, the scamsters will scoop it up.

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able to present the company and chief executive

ter earnings in 1993's by analysts, heads for

for "security of mark, over card."