

A Brief History of IPSA (Independent Postal System of America)

By Art Hanfelder



This is a short story of the Independent Postal System of America. A short story should be like a dress – short enough to be interesting yet long enough to cover the subject. Tom Murray, founder of IPSA, was born in Sligo, Ireland, on January 17, 1927, one of 13 children. He was 26 years of age when he came to the United States, settling in Detroit, Michigan, where he became a bellhop. Six months later he purchased the hotel. It wasn't long before he owned five hotels. As a side job, he sold shoes.

In the early part of 1968 a group of people had their morning coffee together in Oklahoma City. Among them were Mr. Darrel Hinshaw and Mr. Tom Murray. Darrel Hinshaw was in the business of delivering and distributing advertising material (handbill distributing) door-to-door. One morning Darrel said to Tom Murray, "Wouldn't it be great if somebody started a sophisticated door-to-door delivery of advertising material that could eventually do a better job than the United States Postal Service for less money, therefore competing with the USPS in the third class mail business?" After Tom checked it out and realized it was definitely legal and that there certainly was a great need for a service of this type – with nobody in this business except Uncle Sam by way of third class mail – Tom decided to do it. He formed a corporation, Independent Postal System of America (IPSA), therefore (IPSA) doing to 3rd class mail what United Postal Service (UPS) and (FedEx) and many others are doing with 4th class mail. Both of these – 3rd and 4th class mail, as well as 2nd class mail – are legally available for private enterprise to compete, since the United States post office has a monopoly of only the 1st class mail, which is defined as a letter. (How long has it been since you wrote a letter to someone?) 2nd class mail is mainly newspapers, catalogs and magazines. 3rd class mail is mainly advertising material, etc. 4th class mail are packages, etc.

Of course (USPS) laws would not permit us (IPSA) to use your mailboxes, so we used plastic bags to put the mail in and hung it on your doorknob. (Who bought your mailbox and who put it up?) We later sold advertising on the plastic bags – therefore converting a cost to a profit.

It immediately proved to be very newsworthy – a national news magazine asked for the first news article and paid Tom \$1,500.00 to write the story and covered the first and opening day of business. The first day of business was a disaster. From that point on it was a matter of learning from mistakes and changing to improve. There was no place to go for help or advice – except USPS, and Tom knew that USPS did not know how to do it since they referred to it as junk mail and

treated it as such, and lost money doing it. Trial and error proved to eventually generate a formula as to how to do the job and make a profit.

I became involved in mid-summer 1968, a few months after the inception, via purchasing a franchise for St. Louis and a portion of Illinois with two other men. By working closely as we went along – Tom in Oklahoma City and I in St. Louis – we realized that we were a great team. I left the St. Louis franchise with my brother Chuck Hanfelder and became Tom's right-hand man. We started expansion – Tom went to Chicago and I went to Indianapolis – from there we kept growing until we were represented in 33 states and Vancouver, Canada. Approximately 18,000 people delivered mail for IPSA. Along with this expansion crusade, Tom and I sold \$6.5 million in franchises in a time frame of 1-1/2 years. At this point in time we were growing like a grass afire and our operating formula was supplying ample financing.

While we were enjoying our success the postal authorities were running a federal grand jury investigation against us, which interrupted and interfered with our ability to do what we needed to do, causing us great financial problems since the government dragged out the federal grand jury investigation for one year and three months. They indicted us on over 200 counts to be settled in federal court. During and throughout this time we came out with three IPSA stamp issues – with many articles in philatelic magazines, including Linn's. We had to pay our lawyers – taxpayers paid theirs. Of course they broke us – that was the purpose of their mission.

This all happened in a time period of the better part of 8 years. Mr. Orville DeClaire and Mr. Eugene Feronti manned the home office in Oklahoma City, and Tom and I were the only two people out in the territory that "sold the franchises," "started the new areas and rode herd on them," etc., etc. From time to time we would pat each other on the back and enjoy reminiscing by having a few martinis, which had become our "symbol" from beginning to end. We still communicated – until he became ill in 2002 and passed away on Christmas Eve day of 2003. I am fortunate to still enjoy good health and feel responsible to let people know about him.

I am in the process of writing a book. This book will be in detail and I hope will create an interest in somebody to take it from where we left off – especially since it has now been through the federal court and proven to be 100% legal. I still have all the manuals for operation in all phases. I am now 81 years old – my mind is good – I hope to get the book done – the race is on – the whole story would make one hell of a movie. There was not a magazine or newspaper or TV station that was anything at all that didn't have an article about IPSA or several articles.

I have stamps to offer to collectors in a specially prepared packet including court documents.

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