Liberty Dollar Raid Update

By, Steve
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To begin, feds have also raided facilities in Idaho. Details here (http://www.spokesmanreview.com/breaking/story.asp?ID=12398).

Yesterday, when I reported that the feds had raided Liberty Dollar/NORFED, both LewRockwell.com and Reason’s Hit&Run linked over here. Now they’ve both got updates on the situation, so its time to reciprocate. From LRC:

“My name is Phil Schmitt and I am the organizer of the Ron Paul Meetup in Evansville, IN; home of the Liberty Dollar. A dedicated fellow member of the group, Brad Linzy, posted these two local newscast covering the Liberty Dollar Raid. He is also the man on the scene that they interviewed…The Fox affiliate actually did a pretty good job and are to be commended.”

FOX coverage

NBC coverage

Update:

Writes Mark Bednarczyk: “You may want to state in your post that there is some big misinformation in the Fox coverage piece. The class action lawsuit is WITH Liberty Dollar, not against it, and is actually against the government for seizing the assets. That is a great distortion of reality.”

From Reason:

According to an affidavit (PDF) filed by FBI agent Andrew Romagnuolo in support of a federal seizure warrant obtained from a U.S. Magistrate last week, the feds have been investigating Liberty Dollar not just for violating federal bans on circulating alternative currency, but also for mail fraud, wire fraud, and money laundering.

As for the mysterious connection to the Western District of North Carolina, the document names William Innes of Asheville as a Regional Currency Officer for Liberty Dollar and an executive committee member of the company. Undercover government agents made Asheville a focus of their investigation as a result, attending area meetings of Liberty Dollar prospective buyers and sellers.

The affidavit further details Liberty Dollar’s structure and terms it a “multi-level marketing scheme.” The FBI claims the company realizes a profit by selling the
Liberty Dollars into circulation. The feds also went back to October 2002 for bank records of Liberty Dollar principals and cite large sums of cash moving between accounts said to be controlled by those individuals.

The document also mentions that the company continued to circulate Liberty Dollars after it had been warned by the US Mint not to do so. Part of the evidence cited for this is an FBI agent purchasing a “The US Mint Can Bite Me” t-shirt at a Liberty Dollar University event in October 2006.

The affidavit concludes that because the Liberty Dollar operation uses Federal Reserve Notes to conduct its business, it is fraudulent. “This reliance upon FRN’s by a group opposed to FRN’s demonstrates that the American Liberty Dollar Monetary system is simply a drain on the United State Government’s monetary system for financial profit via fraudulent means,” the feds claim. The document further claims there is probable cause that violations of federal law took place as a result of these activities.

I'm certainly no fan of Liberty Dollars, Ron Paul Dollars, etc. However, I’ve been around many Liberty Dollar supporters for years and certainly know many Ron Paul supporters enthused about Liberty Dollar, as well. I’ve never even heard one complaint that any Liberty Dollar owner felt like he/she had been swindled, defrauded, or ripped off in any manner. As a matter of fact, in the one negative instance I vaguely recall hearing about the company, the customer said the issue (I think it had to do with a typo in a mailing or shipping address) was resolved quickly and professionally.

To the best of my knowledge, the entire Liberty Dollar operation has been totally voluntary and apparently with no victims. Now there are two classes of victims. Obviously the company and it’s now unemployed workers are victims. When the Feds are seized company assets and records the folks at Liberty Dollar, they created another class of victim, as well: the customers who had redeemable certificates or open orders with the company.

In other words, this federal action has taken a situation with absolutely no victims and created one with two classes of victims. This is simply unjust.