

# *Your Liberty Dollar Raid Update*

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<http://www.reason.com/blog/show/123553.html>

Updating from the previous post on the topic, the FBI did indeed raid the Liberty Dollar office in Indiana on Wednesday. Documents filed in U.S. District Court in North Carolina indicate that the raid was the culmination of a two-year undercover investigation of Liberty Dollar and its officers.

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.

At no point in the affidavit are Ron Paul Dollars mentioned, although many other coins are mentioned including a Hawaii dala offering. As such, accounts of the raid focused on the Ron Paul angle seem off-base, at least given the available facts.