

"Liberty" dollars confusing to some, valuable to others

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See Video at <http://www.katu.com/news/team2/7413126.html?video=YHI&t=a>



PORTLAND, Ore. - They are called "Liberty Dollars."

They are nearly pure silver coins - as well as paper notes - that look similar to U.S. currency in size and looks, bearing mottos like "Trust in God" instead of "In God We Trust."

Though this non-government currency has value - its exact worth can be confusing. And federal officials say spending the coins as if they are U.S. currency is illegal.

Critics claims the money is being used at stores around Portland without explanation, and they are calling it a scam.

Supporters say the coins and bills, which are distributed nationally by an Indiana-based company, are "a friendly and neighborly way" to strengthen the local economy through barter transactions while reducing Americans' dependence on debt.



The U.S. Secret Service in Portland told KATU News they consider the Liberty Dollars a collectors item. But if someone tries to pass them off as U.S. currency then they cross the line.

Some store owners don't mind accepting Liberty Dollars locally.

Timma Cruz runs a shop filled with knickknacks and collectibles in southeast Portland and accepts silver as cash.

"Well, it's beautiful," she said of the coins. "Very eye-catching."

Her shop is one of six local stores and countless others across the country that gladly accept the alternative silver currency. For Cruz, it's a way to stock precious metal as insurance in case the American dollar collapses.

The problem for some is the difference between the face value of the coin and its actual value.

Coin expert Bob White of Bradley's Coins said the Liberty coins are only worth their weight in silver. So a coin with a \$20 face value is only worth around \$14.

"It's not worth \$20 to me," White said.

But when KATU News producer Nathan Baker went undercover to meet with a Portland representative for Liberty Coins, Tony Fettig, Baker was told he could spend a Liberty coin "as though" they were \$20 in U.S. currency. Fettig said it costs about \$18 for the coin itself, though he pays a little bit less than that.

Later, when a KATU News reporter arranged to meet with Fettig for an interview, he said he is doing a service to boost the economy - despite a markup of roughly 40 percent over market value.

"But I can go into a coin store, get the exact same weight, the exact same silver for \$14," KATU reporter Dan Tilkin said.

"Correct," Fettig replied.

"Why are you trying to pass it off as \$20?" Tilkin asked.

"Because that's the trading value that it's set at," Fettig said.

"Because it says so?" Tilkin asked.

"Correct," Fettig said.

"Because you say so?" Tilkin asked.

"Because that's what is openly agreed to and voluntarily agreed to," Fettig said.

That isn't always the case, however.

In detailed instructions on the Liberty Dollar Web site on how to use their money, a technique called "Doing the drop" is explained:

"The best way to introduce the Liberty Dollar is to drop the Silver Liberty in someone's hand. Do not hand it to the cashier, Drop it! Hold a one-ounce Silver Liberty a couple inches above the outreached palm and drop it so it lands flat in the person's palm.

Now the hardest part - don't say anything! Just wait. Let the person marvel at its beauty, weight, and discover it says TWENTY DOLLARS. When asked "Is it real?" Answer: "Yes, one ounce of silver PRIVATE currency valued at 20 dollars." Do not rush. Just stand there and wait, patiently. No need to smile. Just wait.

After 30 seconds, say, "I have US government legal tender money too [show the cashier FRN cash], but would prefer to pay with silver." If the cashier hands it back immediately, you may ask her to show the currency to the manager, or just pay some other way."

Fettig told KATU News this is not aimed at deceiving anyone because "it's dropping some silver in their hand, something of value so a lot of people like it."

The Web site does warn the coins are not "legal tender," and users should be prepared to offer regular money.

These kinds of transactions are occurring in Portland.

Dion Bradley spoke to KATU News on the condition that we not name the national chain who employs him as a store manager.

He said several of his cashiers were "tricked" by someone passing the Liberty Dollar.

"The first time it happened, I was like 'OK, they got us,' " he said. "Then it kept happening. It was a different person sometimes. Sometimes they were with a family."

Bradley said "the drop" technique was used.

"And the employee said 'Is this real?' and they said 'Absolutely, it's 100 percent silver," he said.

When asked about this Fettig said he would never present the Liberty dollar that way and agreed that it is not right that someone is passing the coins without warning shopkeepers.

He said he will buy back any Liberty coins that people don't want.