

U.S. Group Minting Their Own Currency

Sam Shane

CBS13 SACRAMENTO

May 17th, 2007

View Video at http://cbs13.com/topstories/local_story_138005618.html

[Editor: Please note that Dan Priest did not call the Liberty Dollar a "coin" as this transcript indicates. Please watch the video and you will see this is just another lie by CBS Lies.]

Here in Sacramento a group of people is using silver coins to buy everything from tires to tacos. But it's not money made by the U.S. mint it's their own money -- money they're making themselves called Liberty Dollars. They say it's legal. They may be in for a surprise.

They love their money.

"People love these coins," said Dan Priest, Liberty Dollar representative.

And when we say "their money," we mean their money.

The Liberty Dollar is produced by a private organization. Their coins, which they call "medallions" contain silver and gold.



"Liberty dollar comes in a variety of denominations, this is a full ounce of silver, half ounce, and the quarter is five dollars face value, one ounce is worth a \$1,000 dollars face value," said Priest.

These are not just collectable coins or keepsakes. Today Liberty Dollar medallions are being used as currency.

People who have them are using them to buy all kinds of things.

"Spend them at hotel rooms, motel 6," said Dan Doering, Liberty Dollar representative. "I bought gas with them."

"I bought a set of tires from Costco with it," said Vern Hettinger, Liberty Dollar representative.

The problem is that spending them is illegal. It's a violation of the U.S.

constitution.

"This is a felony up to five years in a federal penitentiary," said Larry Brown, Asst. U.S. Attorney.

Article 1, section 8, of the U.S. constitution says the congress has the power to coin money and regulate its value and make the laws executing that. And federal statute law, federal code title 18, section 486 makes it illegal to mint your own money.

The people using these coins and bills don't see it that way. They claim they're bartering. After all, they say, their money is backed by silver and gold just like U.S. currency used to be. But in 1933 the government got rid of the gold standard and in 1968 they got rid of the silver standard.

And so, supporters of the Liberty Dollar say, the U.S. dollar is not worth the paper it's printed on.

Why is it being devalued by the government?

"Because they print more of them and put more of them into circulation," said Doering.

Liberty Dollars are produced privately at a mint in Coeur D'Alene Idaho by a group called NORFED, which stands for The National Organization for the Repeal of the Federal Reserve Act and Internal Revenue Code. In short, their supporters do not trust the U.S. government and the people who run it.

"It's the government, the politicians I don't trust," said Priest.

In 1998 they began Minting Liberty dollars. Today, nine years later, they say that more than \$20 million worth of Liberty Currency is in circulation. They say that nearly 5,000 merchants in the U.S. and nearly 500 in California now accept Liberty Dollars. Some even have signs hanging in their businesses saying so.

"I like it. I really like it. It's good," said Jorge Duenas, owner, Taquerie Rodeo.

Duenas has run a Mexican restaurant in Galt for nearly 13 years. Not only does he accept the liberty dollar and like it, he's encouraging his customers to use it.

"Yeah, that's one of my ideas, one of my goals," said Duenas.

Asst. U.S. attorney Larry Brown says collecting and owning Liberty Dollars is perfectly legal. Using them to buy stuff is another thing.

"It's not a big deal to own one of the coins, lots of coin collectors have lots of different coins," said Brown. "Where they cross the line, where it becomes a concern for federal authorities, is when you're trying to create a system of commerce using those coins."

And here's what the U.S. mint says. Twice, on their website about Liberty Dollar medallions produced by NORFED, "They are not legal tender."

Could people who use liberty dollars go to prison?

"I don't think so, hasn't happened yet," said Priest.

"I have no fear there at all," said Hettinger.

They believe it's their right to use the medallions in what they call a barter system. The way they see it they're exchanging one thing of value for another thing of value. And they told us they'll continue to use the Liberty Dollar as money whenever and wherever they can.

When asked if they are concerned that they're going to be the focus of an investigation, that the federal government may come after them, Priest replied, "No again the tenth amendment says I have the right to voluntarily barter."

That's not how the justice department sees it.

"What they're doing, both the manufacturing as well as using those coins in commerce is a violation of federal law," said Brown.

The Liberty Dollar representatives tell me that you aren't simply limited to using their coins, they have a service center where you can trade them for regular federal reserve notes. The debate over their cash has gotten so heated that NORFED, the group making them, has even filed a lawsuit trying to stop the fed from saying their money is illegal.