

Liberty Dollar suit gets more time

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A magistrate has given the federal government more time to respond to a lawsuit from an Evansville organization promoting a privately minted currency.

In March, Bernard von Nothaus, the "monetary architect" of the Liberty Dollar, sued three top-ranking government officials in U.S. District Court in Evansville after the U.S. Mint warned consumers that using the Liberty Dollar could be considered a criminal offense.

Officials with the Mint, who have declined to comment on the lawsuit, said Liberty Dollar users were attempting to confuse merchants by using the medallions, which are stamped with words such as "dollar," "Trust in God," and images of torches and liberty heads.

Nothaus argues use of the medallions — produced at a private mint in Idaho — is completely voluntary on the part of merchants and consumers and does not violate any law. He is seeking a court order forcing the Mint to rescind its warning.

On Tuesday, Assistant U.S. Attorney Debra Richards, who is handling the case on behalf of the government, requested another month to file a response to the lawsuit.

Richards cited several other cases she is involved in as reasons for the delay, and wrote that she has not been able to discuss the case fully with the three defendants — Attorney General Alberto Gonzales, Treasury Secretary Henry Paulson and U.S. Mint Director Edmond Moy.

Judge Magistrate William Hussman on Wednesday gave Richards until July 19 to file a response and scheduled a status conference for July 25.

Since filing the lawsuit, Nothaus has also claimed federal agents harassed merchants who accept the Liberty Dollar in exchange for goods.

He said two men driving a government-licensed vehicle last month went to a jewelry and crafts store in Lexington, Ky., and "browbeat" the store's owner for accepting Liberty Dollars.

Nothaus said the currency's backers should not refer to the Liberty Dollar as a "coin," "legal tender" or "current money." He is also seeking donations for a \$100,000 legal fund to pay for the lawsuit.

Liberty Dollar backers claim that because the medallions' silver and gold have inherent value, they are immune to inflation. A company named Liberty Services now distributes the currency from an Evansville office after an organization named NORFED, which stood for National Organization for the Repeal of the Federal Reserve Act, dissolved last year.

Watchdog groups had said NORFED was a far-right, anti-government group.

Supporters say more than \$20 million has been exchanged for the Liberty Dollar.