Federal agents raided the headquarters of a group that produces illegal currency and puts it in circulation, seizing gold, silver and two tons of copper coins featuring Republican presidential candidate Ron Paul.

Agents also took records, computers and froze the bank accounts at the "Liberty Dollar" headquarters during the Thursday raid, Bernard von NotHaus, founder of the National Organization for the Repeal of the Federal Reserve Act & Internal Revenue Code, said in an interview.

The organization, which is critical of the Federal Reserve, has repeatedly clashed with the federal government, which contends that the gold, silver and copper coins it produces are illegal. NОРFED claims its Liberty Dollars are inflation free and can restore stability to financial markets by allowing commerce based on a currency that does not fluctuate in value like the U.S. dollar.

"They're running scared right now and they had to do something," von NotHaus told The Associated Press Friday. "I'm volunteering to meet the agents and get arrested so we can thrash this out in court."

According to the company, NОРFED has produced an estimated $20 million of its own paper currency in the past two decades, claiming its $1, $5 and $10 denominations were backed by silver stored in Coeur d'Alene, Idaho.

Federal agents also raided the group's storage facilities in Idaho, von NotHaus said.
Wendy Osborne, a spokeswoman for the FBI's Indianapolis office, declined to comment and referred all questions to the U.S. attorney's office for the Western District of North Carolina. Suellen Pierce, a spokeswoman for that office, also declined to comment.

In a federal seizure warrant given to the AP by von NotHaus, federal agents allege the money and other properties seized in the raid were linked to money laundering, mail fraud and wire fraud.

The raid comes eight months after von NotHaus filed a lawsuit in federal court in Evansville seeking a permanent injunction to stop the federal government from labeling the Liberty Dollar an illegal currency.

The U.S. Mint issued a warning this year that the Liberty Dollar violated the Constitution and warned consumers against using them unsuspectingly.

Paul's campaign said it had not authorized production of the Ron Paul dollars.

"We have no connection with that," said Jesse Benton, a campaign spokesman for Paul. "He was using Ron as a marketing technique. We didn't have anything to do with that or sanction it or give permission in any way."