

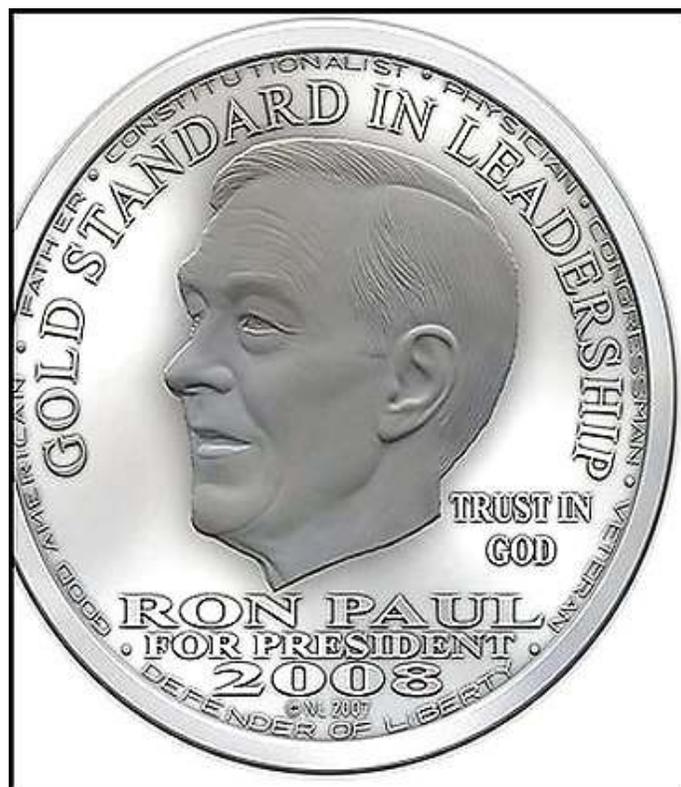
In Paul They Trust (The Feds May Differ)

By Alec MacGillis
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RAN ON FRONT PAGE!!!

The ardent supporters of [Rep. Ron Paul](#), the iconoclastic [Texas](#) libertarian whose campaign for the presidency is threatening to upend the battle for the Republican nomination, got word yesterday of a new source of outrage and motivation: reports of a federal raid on a company that was selling thousands of coins marked with the craggy visage of their hero.

Federal agents on Thursday raided the [Evansville, Ind.](#), headquarters of the National Organization for the Repeal of the [Federal Reserve](#) Act and Internal Revenue Code (Norfed), an organization of "sound money" advocates that for the past decade has been selling a private currency it calls "Liberty Dollars." The company says it has put into circulation more than \$20 million in Liberty Dollars, coins and paper certificates it contends are backed by silver and gold stored in [Idaho](#), are far more reliable than a U.S. dollar and are accepted for use by a nationwide underground economy.



An Indiana group was sending out its "Ron Paul Dollars" when federal agents stepped in.

Norfed officials said yesterday that the six-hour raid occurred just as its six employees were mailing out the first batch of 60,000 "Ron Paul Dollars," copper coins sold for \$1 to honor the

candidate, who is a longtime advocate of abolishing the Federal Reserve. The group says it has shipped out about 10,000 silver Ron Paul Dollars that sold for \$20 and about 3,500 of the copper \$1 coins. But it said the agents seized more than 50,000 of the copper coins -- more than two tons' worth -- plus smaller amounts of the silver coins and gold and platinum Ron Paul Dollars, which sell for \$1,000 and \$2,000.

"They took everything, all of the computers, everything but the desks and chairs," the company's founder and head, Bernard von NotHaus, said in a telephone interview from his home in [Miami](#). "The federal government really is afraid." Von NotHaus changed the name of Norfed to Liberty Services earlier this year, but affidavits for government search warrants served yesterday continued to use the older name.

News of the raid lit up Ron Paul online forums yesterday, the latest unlikely episode in a campaign that began as an idiosyncratic bid by the veteran congressman but has grown into a cause with the potential to influence the [GOP](#) contest. Paul, 72, has attracted droves of disaffected Republicans and independents to his platform, which includes ending the war in [Iraq](#), abolishing the [Internal Revenue Service](#) and adhering to a strict libertarian interpretation of the Constitution.

He raised a record-breaking \$4 million in a single day this month and nears double digits in some [New Hampshire](#) polls.

A Paul campaign spokeswoman said yesterday that the campaign has "no affiliation" with the Ron Paul Dollars. But Paul's supporters said the seizure of the coins is sure to further stoke support for the campaign.

"People are pretty upset about this," said Jim Forsythe, head of the Paul Meetup group in New Hampshire, who said he recently ordered 150 of the copper coins. "The dollar is going down the tubes, and this is something that can protect the value of their money, and the Federal Reserve is threatened by that. It'll definitely fire people up."

Von NotHaus said agents also raided Sunshine Minting in [Coeur D'Alene](#), Idaho, a company that makes the organization's coins. He said agents seized huge pallets of silver and gold, worth more than \$1 million, that the organization says back the Liberty Dollars. Sunshine Minting did not return calls seeking comment.

The [Indianapolis](#) bureau of the [FBI](#) referred calls to the U.S. Attorney's Office for the Western District of [North Carolina](#) in [Charlotte](#). That office's spokeswoman, Suellen Pierce, declined to comment. But bloggers at the libertarian Reason Foundation posted online a 35-page copy of the affidavit for a search warrant filed last week in [Asheville](#), N.C., laying out the government's case against Norfed. Pierce said the search warrant had been accidentally made public and has since been sealed.

In the affidavit, an FBI special agent states that he is investigating Norfed for federal violations including "uttering coins of gold, silver, or other metal," "making or possessing likeness of coins," mail fraud, wire fraud, money laundering and conspiracy. "The goal of Norfed is to undermine the United States government's financial systems by the issuance of a non-governmental competing currency for the purpose of repealing the Federal Reserve and Internal Revenue Code," he states.

The agent states that the investigation started two years ago. A year ago, the [U.S. Mint](#) issued a warning against using the Liberty Dollar, prompting a lawsuit by Norfed. But that has not kept Liberty Dollar fans from speculating online that the raid was prompted by Paul's strong campaign or by the precipitous recent decline in the value of the dollar.

Von NotHaus said that he has known Paul for years because they "move in the same circles" but that he had expressly not talked with Paul about his plans for the special coins so as not to violate federal election laws. He posted a message on the organization's Web site urging Liberty Dollar supporters to respond to the raid by donating to Paul, saying that "in light of this assault on our financial freedom, it is clear that we need Ron Paul to lead this country more than ever."

Should he be charged, he said, "I'll turn it into my golden opportunity to validate the Liberty Dollar as a legal, lawful currency and save the country from a monetary collapse."

The seizure of the coins held an upside for those who have received their orders. On [eBay](#), silver Ron Paul Dollars that were bought for \$20 were selling for more than \$300 last night.