

Change He Can Believe In

A self-styled 'money architect' contends his Liberty Dollars are legal; federal officials beg to differ

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EVANSVILLE, Ind.—Bernard von NotHaus' self-created, "inflation-proof" Liberty Dollar may cost him a lot more than he bargained for—his liberty.

Calling himself a "money architect," von NotHaus created the precious metal-backed Liberty Dollar as a private currency for people to use as a form of barter, instead of spending U.S. dollars. On his Web site, libertydollar.org, he compares his product to the competition that the U.S. Postal Service faced when FedEx started.

But, after a two-year investigation of his company, the federal government didn't buy von NotHaus' argument. Authorities said von NotHaus' operation is illegal and a threat to consumers. The FBI on Nov. 14 raided six of his business operations in four states, including the national headquarters in Evansville.

But von NotHaus hasn't been charged. So he's issuing new 2008 Liberty Dollars.

"I know I'm probably going to be arrested soon, but I'm not going to sit around and wait—how boring," von NotHaus said in a recent phone conversation from his home in Florida. "I need to start marketing the 2008 Liberty Dollars before I am arrested." He maintains he's not breaking the law.

The FBI agents seized a half-ton of silver, gold and platinum in Evansville. Two tons of copper-minted Ron Paul Dollars were also taken. The Ron Paul Dollars also are made from gold, silver and platinum.

Von NotHaus says he is a friend of Paul's (R- Texas), the GOP presidential hopeful. Von NotHaus already donated the maximum \$2,300 to Paul's campaign, but he said he saw the Ron Paul Dollar as another way to generate support for the campaign.

Von NotHaus started issuing private currency in 1998 under the auspices of the National Organization for the Repeal of the Federal Reserve and Internal Revenue Codes or NORFED. After the U.S. Mint in September 2006 warned that usage of the Liberty Dollar violated federal law, the company renamed itself Liberty Services Inc., according to FBI documents.

Von NotHaus said he created the Liberty Dollar because he contends the U.S. dollar isn't backed by anything—though the greenback is issued by the U.S. government. The Liberty Dollar, he said, is supported by gold and silver at Sunshine Minting in Coeur D'Alene, Idaho. The product comes in the form of silver coins as well as a variety of multicolored paper notes.

Von NotHaus, who also said the Liberty Dollar is "inflation-proof," says the increasing price for goods and services can be attributed to the decreasing value of the U.S. dollar. "That just shows that real money like gold and silver holds its value," he says on his Web site.

More than 350 people (including Von Nothaus himself) have signed a petition on his Web site to support the Liberty Dollar, but he claims more than 100,000 people are using the currency.

A copy of the 35-page FBI affidavit for the search warrant was accidentally released on the Internet (it is now sealed) and can be found on libertydollar.org. The affidavit was filed in Asheville, N.C.; the U.S. Attorney's Office for that region would not comment on the case.

According to the affidavit, the FBI is investigating violations of "uttering coins of gold, silver or other metal," "making or possessing likeness of coins," "mail fraud, wire fraud, money laundering and conspiracy." The FBI agent investigating the case states that the goal of von NotHaus' organization 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 the Internal Revenue Code."

Von NotHaus has a "feeling" that he'll be acquitted.

Von NotHaus can't afford to pay a defense attorney in U.S. dollars or Liberty Dollars. To raise money for his defense, his supporters have donated money and bought specially marked "Arrest Dollars" to mark the Nov. 14 raid.

"I don't think I'm going to be able to pay for my defense," von NotHaus admitted. "I'm hoping to be put in the good graces of the court and have a public defender."