

# Federal Raid on Liberty Dollar Seizes Illegal Ron Paul Currency

Wake up America  
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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.

[...]

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. (Source)

As Death by 1000 Papercuts made clear in his earlier postings on this subject, this legal issue has been going on for longer than Paul's campaign for presidency, although his supporters are trying to claim that is the reason.

The trouble between Liberty and the U.S. Government's been brewing for awhile (NORFED started in 1998), but it really got warmer last year. An article from USA Today entitled "Feds Lower the Boom on Alternative Money":

The government Thursday warned consumers and businesses that it is illegal to use alternative money known as "Liberty Dollar" coins, which organizers promote as a competitor to the almighty dollar.

"We don't want consumers to be fooled," U.S. Mint spokeswoman Becky Bailey says, noting U.S. Attorneys offices across the USA have noticed a marked increase in inquiries about the coins.

The Mint notes the coins share some resemblances to real money, such as the term "Trust in God" instead of "In God We Trust" and use of a torch in the design. Such similarities may confuse people into thinking the money is real, the Mint says.

Which brings me to an obvious conclusion that Liberty Dollar is working under the philosophy that counterfeiting money, as they have been doing, should be legal.

What is counterfeiting?

Counterfeiting is the act of manufacturing fake or altering genuine currency. The practice dates back to the Civil War, when a third of all U.S. currency was believed to be counterfeit. Counterfeit currency was especially difficult to catch during the 19th century, when more than 1,600 banks were permitted to manufacture their collective 7,000 kinds of coins.

Although instances of counterfeiting decreased dramatically after currency was nationalized in 1863, ever-advancing technology—such as high-resolution printers and copiers—has made it easy for even unskilled counterfeiters to forge counterfeit currency.

How are counterfeiters punished?

The manufacture of counterfeit bills or coins or alteration of genuine currency, the possession of forged monies with intent to distribute, and the possession of printed reproductions (even photographs) of federal currency, postage stamps or U.S. securities are punishable by fine and/or up to 15 years in prison. The forgery, trafficking, or alteration of U.S. bonds or checks is punishable by fine and/or up to 10 years in prison.

Liberty Dollar denies that their coins are meant to deliberately fool people into thinking and using them as real money, yet a case in Buffalo, a man and his son have already tried to use it and have had legal action taken against them.

For the record, Ron Paul denies any association with Liberty Dollar but admits that he knew they were using his likeness.

"We were aware they existed, but we didn't have any affiliation with them," said Jesse Benton, a spokesman for Ron Paul's campaign. "He didn't ask our permission to make them."

Here is where this gets sticky for the owner of Liberty Dollar:

In a 1999 interview with The Spokesman-Review, von NotHaus claimed his money was not only legal, but much-needed competition for the government

Now lets go back to that affidavit that was published before it was sealed:

uttering coins of gold, silver, or other metal," "making or possessing likeness of coins," mail fraud, wire fraud, money laundering and conspiracy.

US CODE: Title 18486. Uttering coins of gold, silver or other metal

Whoever, except as authorized by law, makes or utters or passes, or attempts to utter or pass, any coins of gold or silver or other metal, or alloys of metals, intended for use as current money, whether in the resemblance of coins of the United States or of foreign countries, or of original design, shall be fined under this title [1] or imprisoned not more than five years, or both.

489. Making or possessing likeness of coins

Whoever, within the United States, makes or brings therein from any foreign country, or possesses with intent to sell, give away, or in any other manner uses the same, except under authority of the Secretary of the Treasury or other proper officer of the United States, any token, disk, or device in the likeness or similitude as to design, color, or the inscription thereon of any of the coins of the United States or of any foreign country issued as money, either under the authority of the United States or under the authority of any foreign government shall be fined under this title.

Mail Fraud:

Whoever, having devised or intending to devise any scheme or artifice to defraud, or for obtaining money or property by means of false or fraudulent pretenses, representations, or promises, or to sell, dispose of, loan, exchange, alter, give away, distribute, supply, or furnish or procure for unlawful use any counterfeit or spurious coin, obligation, security, or other article, or anything represented to be or intimated or held out to be such counterfeit or spurious article, for the purpose of executing such scheme or artifice or attempting so to do, places in any post office or authorized depository for mail matter, any matter or thing whatever to be sent or delivered by the Postal Service, or deposits or causes to be deposited any matter or thing whatever to be sent or delivered by

any private or commercial interstate carrier, or takes or receives therefrom, any such matter or thing, or knowingly causes to be delivered by mail or such carrier according to the direction thereon, or at the place at which it is directed to be delivered by the person to whom it is addressed, any such matter or thing, shall be fined under this title or imprisoned not more than 20 years, or both. If the violation affects a financial institution, such person shall be fined not more than \$1,000,000 or imprisoned not more than 30 years, or both.

#### Wire Fraud:

Whoever, having devised or intending to devise any scheme or artifice to defraud, or for obtaining money or property by means of false or fraudulent pretenses, representations, or promises, transmits or causes to be transmitted by means of wire, radio, or television communication in interstate or foreign commerce, any writings, signs, signals, pictures, or sounds for the purpose of executing such scheme or artifice, shall be fined under this title or imprisoned not more than 20 years, or both. If the violation affects a financial institution, such person shall be fined not more than \$1,000,000 or imprisoned not more than 30 years, or both.

#### Conspiracy:

Any person who attempts or conspires to commit any offense under this chapter shall be subject to the same penalties as those prescribed for the offense, the commission of which was the object of the attempt or conspiracy.

I left the Money Laundering for last because, although I am not a lawyer, I do believe from the literal definition, as defined by the FBI themselves, will be hard to make and charges stick on this particular violation.

#### Money Laundering, from the FBI website:

The Department of Justice defines money laundering in the following manner:

"Money laundering is the process by which criminals conceal or disguise the proceeds of their crimes or convert those proceeds into goods and services. It allows criminals to infuse their illegal money into the stream of commerce, thus corrupting financial institutions and the money supply and giving criminals unwarranted economic power."

It can be further described as follows:

A process...(a series of actions) through which income of illegal origin is concealed, disguised, or made to appear legitimate (Main objective); and to evade detection, prosecution, seizure, and taxation.

Anyway you look at it, money laundering is the process by which criminal proceeds are made to appear to come from a legitimate source. The FBI maintains a proactive approach when investigating money laundering. It is two-pronged in nature:

Prong One - The investigation of the underlying criminal activity, in simple terms, if there is no criminal activity, or Specified Unlawful Activity that generates illicit proceeds, then there can be no money laundering.

Prong Two - A parallel financial investigation to uncover the financial infrastructure of the criminal organization. Following the money and discerning how the money flows in an organization in order to conceal, disguise, or hide the proceeds.

### Asset Forfeiture

The FBI's Asset Forfeiture Program is one of the most successful in all of law enforcement. In the White Collar Crime Program (WCCP), the bulk of the monies seized are returned to victims of the frauds that generated them. This is unique to the FBI and some other agencies. Most people associate the seizure and forfeiture of assets with narcotics trafficking. Although the FBI does seize assets from drug dealers and other criminals, the WCCP is the largest contributor to the FBI's forfeiture program.

### II. Overall Accomplishments:

Through FY 2006, 473 cases investigated by the FBI resulted in 161 indictments and 95 convictions of Money Laundering Fraud criminals. For FY 2006, the following Money Laundering most notable accomplishments were achieved for the White Collar Crime Program: \$17 million in Restitutions and \$3.3 million in Recoveries.

Again, this is not my area of expertise and if that was listed as one of the violations the FBI has been investigating Liberty Dollar for, then they must have reasonable cause to have listed that and perhaps with the paperwork and computers they took in their raid, they will have the proof to make that charge stick.

For those that would argue that this is some sort of "conspiracy" against Ron Paul, these investigations and the legal battle that the Government has had with Liberty Dollar goes back to before Ron Paul's likeness was put on the recent coins, so do not bother because making that claim shows a complete lack of reading skills on your part.

Other than his face being used on the latest money making scheme of Liberty Dollar, Ron Paul actually has nothing to do with this case.

Posted by Susan Duclos at 9:17 AM