



Department of Justice

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FOUR DEFENDANTS INDICTED IN UNLAWFUL COIN OPERATION

Former Executive Director of Liberty Dollar Services, Inc. Charged in Federal Indictment

ASHEVILLE, NC - Bernard von NotHaus, 65, formerly of Evansville, Indiana, and two additional defendants from Evansville, along with William Kevin Innes, 53, of Asheville, North Carolina, have been indicted in U.S. District Court for the Western District of North Carolina on conspiracy and other charges in connection with an alleged unlawful operation to publish, possess and sell for profit, coins in resemblance and similitude to U.S. coins. All four defendants are also charged in the alleged conspiracy with uttering and passing, and attempting to utter and pass, a coin of silver in resemblance of genuine coins of the United States in the denominations of five dollars and greater, and intended for use as current money. The four are also charged with one count of mail fraud, while von NotHaus and Innes are both charged in two additional counts each, with selling and possessing with intent to defraud, Liberty Dollar coins; and with uttering and passing, and attempting to utter and pass, a coin of silver in resemblance of genuine coins of the United States of the denominations of five dollars and greater, and intended for use as current money.

Today's announcement is made by Acting U.S. Attorney Edward R. Ryan for the Western District of North Carolina; Owen Harris, Special Agent in Charge of the Federal Bureau of Investigation (FBI) in North Carolina, and Van Duncan, Sheriff of Buncombe County, North Carolina.

Acting U.S. Attorney Edward R. Ryan of the Western District of North Carolina said, "When groups seek to undermine the U.S. currency system, the government is compelled to act. These coins are not government-produced coinage, yet purchasers were led to believe by those who made and sold them that they should be spent like U.S. Federal Reserve Notes. Such claims are in violation of federal law."

Defendant William Kevin Innes was arrested on the charges on June 2, 2009, and made an initial appearance before a federal Magistrate Judge in Asheville today. Innes was ordered detained pending a detention hearing which is now set for Monday, June 8, 2009 at 9:35 a.m. before Magistrate Judge David Cayer in the federal courthouse in Charlotte, North Carolina.

Bernard von NotHaus, 65, Honolulu, Hawaii
Pending arrest

Sarah Jane Bledsoe, 42, Evansville, Indiana
Pending arrest

Rachelle L. Moseley, 34, Evansville, Indiana
Pending arrest

According to the allegations contained in the indictment, which was returned and filed under seal by a federal grand jury sitting in Charlotte, North Carolina, on May 19, 2009, since 1998 NORFED, The National Organization for the Repeal of the Federal Reserve and Internal Revenue Codes, together with its officers, members, associates, and customers (collectively NORFED), has been issuing, disseminating, and placing into circulation, including by use of the Postal Service and United States mails, the Liberty Dollar in all its forms throughout the United States and Puerto Rico. The indictment alleges that the purpose of NORFED is to mix Liberty Dollars into the current money of the United States, and further alleges that NORFED intends for the Liberty Dollar to be used as current money in order to limit reliance on, and to compete with, United States currency.

The indictment alleges that members affiliated with NORFED sell the Liberty Dollar coin at a greater price than they pay for it, and that the profit for these individuals is the difference between their discounted purchase price and the price for which they sell the coin. Additionally, according to the allegations contained in the indictment, a person who is not affiliated with NORFED pays the face value minted on the coin.

In the allegations of the indictment, Bernard von NotHaus is described as having been the president of NORFED and the Executive Director of Liberty Dollar Services, Inc. until September 30, 2008. He is also described in the allegations contained in the indictment as the monetary architect of the Liberty Dollar and has been the Regional Currency Officer in Evansville, Indiana where NORFED corporate offices are maintained. According to the indictment, Bernard von NotHaus designed the Liberty Dollar currency in 1998. The indictment alleges that William Kevin Innes is the Asheville, North Carolina Regional Currency Officer for NORFED and one of three members of the NORFED Executive Committee. Also, according to the allegations contained in the indictment, until around March 2008, Sarah Jane Bledsoe was the NORFED Fulfillment Office manager in Evansville, Indiana, and Rachelle L. Moseley works in the Evansville, Indiana corporate office of NORFED and has been employed as the Regional Currency Office Manager and Chief Operations Officer.

“People understand that there is only one legal currency in the United States. When groups try to replace the U.S. dollar with coins and bills that don’t hold the same value, it affects the economy. Consumers were using their hard-earned money to buy goods and services, then getting fake change in return,” said Owen Harris, the Special Agent in Charge of the Charlotte Division of the FBI. “No one in this country is above or beyond the law, and our law enforcement partners will continue to bring violators to justice.”

If convicted, each of the defendants faces a maximum sentence of five years’ imprisonment on the conspiracy charged in Count One and a maximum sentence of 20 years’ imprisonment on the mail fraud charge in Count Two. As to the additional counts with which von NotHaus and Innes are charged, Count Three (publishing) carries a maximum sentence of 15 years’ imprisonment, and Count Four carries a maximum sentence of five years’ imprisonment.

The indictment includes a Notice of Forfeiture and Finding of Probable Cause that the defendants forfeit to the United States all of the property involved in the offenses with which they are charged in the indictment, and all property traceable to such offenses.

The case was investigated by the FBI, and the Buncombe County Sheriff's Office, with assistance from the U.S. Secret Service, Treasury OIG for Tax Administration, the NC Joint Terrorism Task Force, and the U.S. Postal Inspection Service. Acting U.S. Attorney Ryan express his gratitude to the United States Mint for its role in the indictment. Ryan characterized the Mint's role as "significant and vital." The prosecution is being handled by Assistant United States Attorney Jill W. Rose of the Asheville Office of the U.S. Attorney for the Western District of North Carolina.

The details contained in the indictment are allegations. The defendants are presumed to innocent unless and until proven guilty beyond a reasonable doubt in a court of law.

A copy of the bill of indictment can be viewed by visiting website:

www.ncwd.uscourts.gov and clicking on the word "news."

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