

# **Feds target private money Spending Liberty Dollars a "crime" Men arrested buying beer**

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The U.S. government has issued a warning about the Liberty Dollar, a silver medallion minted by the National Organization for the Repeal of the Federal Reserve Act and the Internal Revenue Code (NORFED).

NORFED may be a victim of its own success. The group claims that some \$20 million of the Liberty medallions are in circulation, and that it has some 2500 Liberty Associates who are spending the medallions. Some of the supporters have businesses that accept the medallions.

Now, the group has drawn the attention — and ire — of the Feds, big-time, who hate to have anyone competing with the government's funny-money.

The U.S. Mint, which rarely issues consumer alerts, sternly warned that using the Liberty Dollars to buy and sell goods and services is a crime. "The prosecutors have determined that using gold and silver medallions as circulating money is a crime," said Becky Bailey, a mint spokeswoman. "By producing and promoting these as circulating money they are abetting a crime."

The U.S. Mint's web site says:

"Under 18 U.S.C, Sec. 486, it is a Federal crime to pass, or attempt to pass, any coins of gold or silver intended for use as current money except as authorized by law. According to the NORFED web-site, 'Liberty Merchants' are encouraged to accept NORFED 'Liberty Dollar' medallions and offer them as change in sales transactions of merchandise or services.

"NORFED tells 'Liberty associates' that they can earn money by obtaining NORFED 'Liberty Dollar' medallions at a discount and then can 'spend them into circulation.'

"NORFED's 'Liberty Dollar' medallions are specifically marketed to be used as current money in order to limit reliance on, and to compete with the circulating money of the United States. Consequently, prosecutors with the United States Department of Justice have concluded that the use of NORFED's 'Liberty Dollar' medallions violates 18 U.S.C., Sec. 486, and is a crime."

While NORFED itself hasn't been charged with any crime yet, a man and his son were arrested at a Buffalo Sabres hockey game for trying to buy beer with the Liberty Dollars. This may be a test case that the Feds will use to target NORFED and any of its customers who try to pass the Liberty Dollars.

NORFED contends that is done nothing wrong. It hasn't misled anyone to think that its Liberty Dollar is in any way affiliated with the U.S. government. It claims that people have the right to use the medallion in barter, just as they would any other item. You can read more of NORFED's take on this at [www.libertydollar.org](http://www.libertydollar.org).

I've never recommended the Liberty Dollar in FPR. I've talked with the group's founder, Bernard von NotHaus, several times, including when he was Mintmaster at the Royal Hawaiian Mint, years before he started NORFED. While he's asked me more than once to recommend the Liberty Dollar, I've always refused to do so.

Let me say that I see nothing wrong with what he's doing. I hope his Liberty Dollar takes off and gives the U.S. dollar a run for its money. I agree with his group's goals to abolish the Federal Reserve and the IRS. Those are worthy ends.

However, using one of these coins now marks you as an enemy of the state. You could be arrested. Will NORFED pay your legal bills if you are? I don't know. Neither do you. Why take a chance?

The crux of financial privacy is keeping a low profile. Don't draw attention to yourself. Using one of these Liberty Dollars in today's oppressive climate is like holding a lightning rod in a thunderstorm. Why take a chance?

What's more, if you want to hold silver — or even barter silver — the pre-1965 junk silver coins are probably just as good as these Liberty Dollars, if not better. These coins are 90% silver; they're widely recognized; and they're easy to obtain from any coin dealer.

You may not like the government's money any more than NORFED does. But there's no point in being a martyr to the cause. You can undermine the U.S. monetary system just as effectively — and make a good profit at it — by quietly buying the more widely-traded gold and silver coins.