

Feds hit Liberty dealing Fraud case filed in use of 'dollar'

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The designer of the Liberty Dollar is faced with the loss of his liberty.

Earlier this week, federal officials arrested Bernard von NotHaus and two other Evansville residents, alleging that they have distributed Liberty Dollar coins meant to resemble U.S. currency.

Von NotHaus, 65 and the other defendants were indicted in the District Court for the Western District of North Carolina on a number of charges involving conspiracy and fraud.

Von NotHaus was arrested Thursday morning in Florida, after he surrendered to U.S. marshals.

Sarah Jane Bledsoe, 42, and Rachelle L. Moseley, 34, the other defendants from Evansville, were arrested Wednesday. All three have been released on bond.

A fourth defendant, William Kevin Innes, 53, of Asheville, N.C., was arrested Tuesday. A detention hearing has been scheduled for him on Monday.

All are also accused of mail fraud, while von NotHaus and Innes face two additional counts related to fraud and distributing coins meant to be used as currency.

This story was first reported on courierpress.com at 10:55 a.m. Friday.

Von NotHaus denied that he had broken any laws. He said the allegations are meant to deflect attention from a real problem: the dollar's decline in purchasing power.

"Their currency is losing value, and our currency is gaining in value," von NotHaus said. "And they don't like that."

Edward R. Ryan, the acting U.S. attorney of the Western District of North Carolina, said, "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."

Not counterfeit, argues esigner

Von NotHaus, who calls himself the monetary architect of the Liberty Dollar, said his coins are not counterfeits. For one, the design on Liberty Dollars is different from anything on U.S. currency, and the Liberty Dollar is larger than the silver dollar.

Most important, von NotHaus said, the Liberty Dollar is made out of materials that hold their value: silver and gold. Because of that, a number of merchants have elected to accept the Liberty Dollar in return for goods or services, he said.

Von NotHaus didn't know how many businesses were now using his "private voluntary currency." A list of them was seized during a federal raid on the Liberty Dollar's properties, conducted in November 2007.

"It's like a club," von NotHaus said. "You can join the club and use the currency or you don't have to. There is nothing compulsory here."

There hasn't been a cease-and-desist order issued to prohibit the production of Liberty Dollars, von NotHaus said. He speculated that federal officials have avoided taking that step because they lack the legal grounds.

"In order to do that, they would have to get a motion from a court," he said. Von NotHaus said Liberty Dollars are still made from silver but not gold. He declined to say where the mint is.

Evansville store still open

The Liberty Dollar store at 225 N. Stockwell Road is still open. On Friday, Moseley was working there as a manager. She had been employed at the store once before and quit after the raid.

She said von NotHaus returns to the Evansville store once or twice a year. He has devoted much of his time as of late to founding the Free Marijuana Church in Honolulu, whose members try to attain a higher consciousness through the use of drugs.

Moseley said she agrees with the purpose behind the Liberty Dollar but came back mostly because she needed a job.

"I believe people have a right to barter what they want," she said.

"They can barter with chickens or silver. That's their business, and it isn't against the law."

She said that Bledsoe had also been a manager at the store but left in the spring.

Von NotHaus said he believes both were arrested because of their association with the store.

Innes, he said, was one of between 50 and 60 managers of regional currency offices, used to distribute the Liberty Dollar in various parts of the country.

Von NotHaus speculated that Innes was singled out because he had taught in training sessions held by the "Liberty Dollar University."

Von NotHaus has tried to fight the authorities by filing a couple of civil suits, demanding the recovery of property taken during the government's raid.

Some of that included stores of silver meant to back Liberty certificates sold to customers.

Also taken were copper coins bearing the image of Ron Paul, the Texas congressman famous for his criticisms of the Federal Reserve.

Von NotHaus said Liberty Dollars will continue to be made until the federal government issues a prohibition.

But at least of one his creation's will no longer be minted: the Arrest Dollar.

Von NotHaus designed that coin, including handcuffs in the imagery, shortly after the raid. He promised to keep making them until his arrest, an event which he has long known was coming.

"It's sure to be a collector's item," he said.

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CAPTION:

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— Bernard von Nothaus, Liberty Dollar designer