

Our Liberty Dollar Raid Update

Jeff Taylor

reason.org

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Updating from the previous post on the topic, the FBI did indeed raid the Liberty Dollar office in Indiana on Wednesday. Documents filed in U.S. District Court in North Carolina indicate that the raid was the culmination of a two-year undercover investigation of Liberty Dollar and its officers.

According to an affidavit (PDF) filed by FBI agent Andrew Romagnuolo in support of a federal seizure warrant obtained from a U.S. Magistrate last week, the feds have been investigating Liberty Dollar not just for violating federal bans on circulating alternative currency, but also for mail fraud, wire fraud, and money laundering.

As for the mysterious connection to the Western District of North Carolina, the document names William Innes of Asheville as a Regional Currency Officer for Liberty Dollar and an executive committee member of the company. Undercover government agents made Asheville a focus of their investigation as a result, attending area meetings of Liberty Dollar prospective buyers and sellers.

The affidavit further details Liberty Dollar's structure and terms it a "multi-level marketing scheme." The FBI claims the company realizes a profit by selling the Liberty Dollars into circulation. The feds also went back to October 2002 for bank records of Liberty Dollar principals and cite large sums of cash moving between accounts said to be controlled by those individuals.

The document also mentions that the company continued to circulate Liberty Dollars after it had been warned by the US Mint not to do so. Part of the evidence cited for this is an FBI agent purchasing a "The US Mint Can Bite Me" t-shirt at a Liberty Dollar University event in October 2006.

The affidavit concludes that because the Liberty Dollar operation uses Federal Reserve Notes to conduct its business, it is fraudulent. "This reliance upon FRN's by a group opposed to FRN's demonstrates that the American Liberty Dollar Monetary system is simply a drain on the United State Government's monetary system for financial profit via fraudulent means," the feds claim. The document further claims there is probable cause that violations of federal law took place as a result of these activities.

At no point in the affidavit are Ron Paul Dollars mentioned, although many other coins are mentioned including a Hawaii dala offering. As such, accounts of the

raid focused on the Ron Paul angle seem off-base, at least given the available facts.

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dangerman|11.16.07 @ 10:43AM|#

The affidavit concludes that because the Liberty Dollar operation uses Federal Reserve Notes to conduct its business, it is fraudulent.

Finally, the Fed is admitting that it's product is worthless...

reply to this

Sean|11.16.07 @ 10:43AM|#

I was so excited about my new order for the \$50 gold 'peace' dollar. I still have a \$200 outstanding order with them, too.

I started ordering Liberty's this summer, and the coins are absolutely beautiful. Terrible shame this whole mess.

reply to this

John-David|11.16.07 @ 10:50AM|#

Funny how nothing about this story shocks me.

reply to this

Sean|11.16.07 @ 10:50AM|#

HOLY CRAP.

Just checked how much the Ron Paul Silver Liberty Dollars are going for on Ebay... WOW.

reply to this

Randolph Carter|11.16.07 @ 10:53AM|#

Are they really serious? People invest in liberty dollars by exchanging FRNs for them, so the Liberty Dollar doesn't really want to be an alternative currency? How does the FBI expect people to obtain the liberty dollars - wampum and beads?

reply to this

Ken Shultz|11.16.07 @ 10:55AM|#

"Part of the evidence cited for this is an FBI agent purchasing a "The US Mint Can Bite Me" t-shirt at a Liberty Dollar University event in October 2006."

So is my "George Bush is an Asshole" bumper-sticker going to land me in trouble or not?

reply to this

Joshua Richards|11.16.07 @ 10:58AM|#

I'm so glad I purchased my limited edition Ron Paul \$20.00 silver coin when I did.

It's a shame to see this happen, but I'm not surprised. The federal government is much braver with it's blatant abuse of it's power these days.

reply to this

GinSlinger|11.16.07 @ 10:58AM|#

My, oh, my, where to begin?

First, Mr. FBI agent et al., the word you're looking for is not "fraud," it is seignorage. Mints have always profited off of manufacturing coins. Hell, the rate that NORFED is making doesn't begin to aproach what John Hull made at the first mint in the English colonies. Henry VIII of course strectched seignorage to its limit which is why Elizabeth had to revalue the English coinage (cue Gresham).

Second, well, let's begin with the name of the website hosting the affidavit, John Locke. Dear Federals, read your history. I refer you to 1696 England and the great Recoinage Debate. Locke claimed that coins were valued at their intrinsic value. This is the argument that the Feds would like to make. Rice Vaughn and many, many other economic writers responded that coins were valued at their face value, within relative limits--in other words, by tale. Locke advocated calling in the debased and light coins of the realm and bringing them back to their mythical purity/weight. Vaughn pointed out that light coins freely circulated, and that their widespread use (and that heavy coins were immediately melted done for bullion) indicated that the actual (we would say market) price for silver in circulation was higher than the value of silver in bullion. In other words, that by certifying and stamping the blanks, the coins became more valuable than intrinsic. In other words, coins will be of lighter weight or baser alloy than an equal weight of bullion, indeed, they must be so.

I could go on, but I will spare you all. We've been under fiat money for so long that few understand how commodity monies work, especially, it appears the FBI.

reply to this

Ska|11.16.07 @ 11:01AM|#

So, Sean, would you rather keep your LDs or trade them on ebay for FRNs?

reply to this

Taktix®|11.16.07 @ 11:01AM|#

accounts of the raid focused on the Ron Paul angle seem off-base

The problem is that this raid will make for a great Ron Paul beating stick when the good doctor starts really threatening the front runners.

The raid has nothing to do with Paul, but taken out of context, this could be quite damaging...

reply to this

Reinmoose|11.16.07 @ 11:01AM|#

If you think about it, I only ever touch a small fraction of the money that I use. It's really all imaginary.

Is the problem that alternative currencies aren't taxable? Is that the real issue here?

reply to this

GinSlinger|11.16.07 @ 11:03AM|#

Damned pictures in the affidavit are not to scale. They contrast a 20LD silver and a \$100 platinum and suggest that they could be easily confused, thus satisfying a violations of 18 USC 589. If somebody confuses a 2" silver piece with a 3/4" platinum, well, they need to be duped.

reply to this

Sam Grove|11.16.07 @ 11:06AM|#

They've been needing this to go to court.

reply to this

Sean|11.16.07 @ 11:08AM|#

Ska:

It's funny, because even though the whole Liberty Dollar thing was designed to be an alternative currency, I was simply stocking up on them because I thought a) they were really cool, and b) I wanted to start making small savings investments in precious metals to hedge against my other investments... and thus my precious metals collection was started.

When the Ron Paul's came out, I went crazy and bought a bunch. I want to hold on to them, though. Maybe I'll be willing to trade for some authentic Walking Liberties from the US Mint.

I wouldn't trade/sell it for any kind of FRN, only other silver/gold coinage

reply to this

Ash Lux|11.16.07 @ 11:11AM|#

The reason the Ron Paul Liberty Dollars are an issue is because the FBI took all the pre-ordered copper version that were supposed to ship sometime in November. Apparently there are about 2 tons worth of them that were seized.

reply to this

Steven|11.16.07 @ 11:15AM|#

The US Dollar is the official US currency, and the world's safest reserve currency. Any 'alternative' currency is fraudulent, illegal, and should not be tolerated.

END OF DISCUSSION!

reply to this

jmklein|11.16.07 @ 11:17AM|#

"This reliance upon FRN's by a group opposed to FRN's demonstrates that the American Liberty Dollar Monetary system is simply a drain on the United States Government's monetary system for financial profit via fraudulent means"

lol, that's one of the most retarded things I've ever read. I wonder if a judge will even let that into trial.

reply to this

J sub D|11.16.07 @ 11:23AM|#

The US Dollar is the official US currency, and the world's safest reserve currency. Any 'alternative' currency is fraudulent, illegal, and should not be tolerated.

Even my loonies?

reply to this

James Anderson Merritt|11.16.07 @ 11:24AM|#

The medallions (none dare call them "coins") ARE beautiful, including the two Ron Pauls that I was lucky enough to acquire before this whole mess went down.

There is no reason that a manufactured product cannot be sold at a profit, in order to recoup its cost of raw materials, production, and distribution. Does the government expect us to believe that federal "dollars" appear out of thin air, for free? The sales of T-bills that help to create the money supply involve interest, for one thing. For another, the people at the Mint get paid on a regular basis. The raw materials, labor, and capital equipment used to make the government's metal tokens and paper notes are not without real cost. Why is it wrong for the people who bring us the LD to expect fair recompense, and why does the government not speak openly about its "cost of goods sold"? What the Liberty Dollar does is allow the average person to realize the profit inherent in a monetary system, rather than giving it to the bankers and first-recipients of new, inflationary government dollars, as the government's system does now.

In view of the government's charges of fraud, here is the irony: People who held liberty dollars in paper note or electronic form are now unable to redeem them, because the government has seized all of the precious metal, which numerous audits confirmed was kept safely in a warehouse as BACKING for the LD. The government has made it impossible for the warehouse receipt contracts to be honored. How is this "protecting" the public? Nobody alleges that the metal was stolen. Anyone who has a paper or electronic LD has claim to that metal; must we now jump through government hoops to get our property, when just the day before, all that was necessary was to visit an LD representative or the mint warehouse in Idaho and present our certificates for redemption? Nobody has ever complained that they were unable to redeem their warehouse receipts for metal. Audits have consistently confirmed that there was enough metal to redeem all outstanding non-metal LDs. The government has, quite literally, stolen people's legitimate property at gunpoint, regardless of any malfeasance on the part of anyone in the LD organization. Speaking of the latter...

I would be interested to learn whether the charges of "money laundering" or misuse of funds hold up. It sounds to me as if the government has thrown as much of the book as it can at the LD organization, simply to shut it down. In any case, it is not the government's place to interfere with the honest fulfillment of honest contract in order to catch or punish bad actors in the system.

What seems most egregious is the government's foot-dragging and delaying tactics, which they have used to impede the progress of the LD's own lawsuit against the government, all the while pursuing the investigation that culminated in this raid. Forget about the LD being on the up-and-up. I want the government to be on the up-and-up, operating honestly and in good faith. The LD raid is yet another piece of evidence that our government does not operate in an honest and respectable fashion.

reply to this
ed|11.16.07 @ 11:28AM|#
END OF DISCUSSION!

Hah! He not know us very well do he?

reply to this
matt|11.16.07 @ 11:28AM|#
The US Dollar is the official US currency, and the worlds safest reserve currency.
Any 'alternative' currency is fraudulent, illegal, and should not be tolerated.

END OF DISCUSSION!

This guy must be faking it. Federal Reserve apologists can rarely muster enough enthusiasm to make dramatic, all-caps pronouncements.

That said, the Liberty Dollar isn't a very cost-effective way to buy precious metals, and their paper money idea is just ridiculous. Anyone who tries to spend them instead of FRNs is being both silly and financially irresponsible. Yes, of course, they have a right to do it, but seriously.

reply to this

James Anderson Merritt|11.16.07 @ 11:30AM|#

Now that this appears to be a criminal matter, I hope that the right to a speedy trial is upheld, and that the LD finally gets its day in court. If the government has found any shady dealings in the LD organization, fine, let the government prove it beyond reasonable doubt, and let's deal with that and move on. But the government's position that people cannot come up with their own money system is laughable. Everywhere the Constitution grants a power to the federal government, it must also deny that power to others, otherwise the power is NON-exclusive. Money is one of those areas. Because the federal government CAN coin money and because the States are forbidden to do so, doesn't mean that individuals cannot engage in barter or adopt their own monetary system. Look it up -- not in the congressionally passed law, but in the Constitution itself. The federal government has exclusivity in this area relative to the states, but the people are unrestricted.

reply to this

iih|11.16.07 @ 11:38AM|#

Serious question: So those VT, NH, NY, ME, MI, WI, MN, ND, MT, ID, WA, and AK stores that lie just inside the border with Canada illegally accepting Canadian dollars as a currency when Canadians and Americans pay them in loonies?

reply to this

Malto Dextrin|11.16.07 @ 11:39AM|#

Back in April 2001, I saw an ad in the WSJ offering US \$20 gold pieces for \$265. Vaguely remembering gold at over \$800 an ounce, and never having seen or held a gold coin, I bought one as a curiosity.

When it arrived by mail a few days later, and took it out and held it in my hand, I was amazed at its size and weight and beauty. I suddenly realized what it must have been like, a hundred years ago, to have these coins in one's pocket. It actually looked and felt valuable.

I now know what real money is like - and it's nothing like the coins and paper we are familiar with. Those are just tokens - placeholders, if you will. The real stuff is awesome and powerful.

I didn't know the thing would have this, well, aura about it. You can't know what it's like until you actually hold it in your hand yourself. Seeing it in a museum doesn't do it. Amazing, that the average person used to be able to have this kind of power in his possession.

That's all.

reply to this

Frank|11.16.07 @ 11:40AM|#

"The US Dollar is the official US currency, and the worlds safest reserve currency. Any 'alternative' currency is fraudulent, illegal, and should not be tolerated."

Which US Dollar ?? The one issued from the US Mint as legal tender Silver and Gold coins or the ones issued by the private Federal Reserve ?

reply to this

Ed Faulter|11.16.07 @ 11:43AM|#

When did it become illegal to trade things? Back in the day when the gov'ts would trade whiskey for indian land, it seemed to be okay.

For all the folks who are against this type of currency, or just don't know what anyone here is talking about. I encourage you to do a google video search for "Money as Debt", it is a 47 minute video. When you find out more, please feel free to air your concerns to the main stream media.

reply to this

Sean|11.16.07 @ 11:43AM|#

Malto:

Ditto. I agree with you 100%. When I first starting getting ACTUAL silver and gold coins, I was amazed by what finally felt like actual monetary value in my hands.

Quite an experience!

reply to this

Travis|11.16.07 @ 11:44AM|#

I was robbed. Actually robbed by the government that is supposed to protect me. I pay my taxes to buy them guns and they break in and rob me of my money. I had a \$200 order waiting to be filled that I will never see. They robbed me of \$200. The "Land of the Free"? More like "Home of the Slave".

I feel civil war coming. I feel like I need to go buy as many guns as I can. They will be breaking in my home any day now.

My God. How did this happen?

reply to this

P Brooks|11.16.07 @ 11:48AM|#

Serious question: So those VT, NH, NY, ME, MI, WI, MN, ND, MT, ID, WA, and AK stores that lie just inside the border with Canada illegally accepting Canadian dollars as a currency when Canadians and Americans pay them in loonies?

As somebody who, more than once, was forced to spend a Yankee Dollar in Canada at face value, I say, "Payback is a bitch!"

reply to this

Craig|11.16.07 @ 11:48AM|#

The affidavit further details Liberty Dollar's structure and terms it a "multi-level marketing scheme."

So they're going after Amway next?

The FBI claims the company realizes a profit by selling the Liberty Dollars into circulation.

What? They're not giving them away?

The feds also went back to October 2002 for bank records of Liberty Dollar principals and cite large sums of cash moving between accounts said to be controlled by those individuals.

I heard yesterday one of them was driving a 1999 Cadillac, too!

reply to this

Warren|11.16.07 @ 11:49AM|#

The raid has nothing to do with Paul, but taken out of context, this could be quite damaging.

Or maybe the opposite. This raid demonstrates exactly what Ron Paul has been saying about strong money. The liberty dollar was minted for the purpose of demonstrating the danger of fiat currency. It looks to me like the Feds have way over reached on this one. The legal theories mentioned in this post are 'novel' to say the least. Citing "the American Liberty Dollar Monetary system is simply a drain on the United State Government's monetary system" is a complete admission that everything they're saying about FRNs is true.

reply to this

Ed Faulter|11.16.07 @ 11:56AM|#

I found it to be convenient that this raid was done on a day when the main stream media was distracted by covering the democratic debate all day. An example of

watching them do something with their right hand to distract you from what is really happening with the left hand.

reply to this

Pig Mannix|11.16.07 @ 12:00PM|#

The problem is that this raid will make for a great Ron Paul beating stick when the good doctor starts really threatening the front runners.

Given that it's not clear that any crime was committed, it may well be that Paul will be the one in possession of the beating stick....

reply to this

J sub D|11.16.07 @ 12:03PM|#

Lou Dobbs

Cynthia McKinney

Ralph Nader

Harold Stassen

Lyndon LaRouche

Decision, decisions.

reply to this

J sub D|11.16.07 @ 12:04PM|#

Oops, wrong thread.

reply to this

iih|11.16.07 @ 12:12PM|#

(Off topic)

J sub D: BTW, what do you think of this?

reply to this

iih|11.16.07 @ 12:15PM|#

As somebody who, more than once, was forced to spend a Yankee Dollar in Canada at face value, I say, "Payback is a bitch!"

:-). But is it criminal to pay in loonies?

reply to this

Malto Dextrin|11.16.07 @ 12:16PM|#

Sean:

"I was amazed by what finally felt like actual monetary value in my hands."

Yes. I bet part of the reason for phenomena like the real estate bubble, is that people deep down don't think 'money' is really that valuable anymore. Given their

value, if you had to actually hand over a bunch of gold coins in exchange for something, you would be a lot more careful to receive value in exchange. On a daily basis, you would be reminded by its aura of the value of money.

BTW, I think that the era of paper currency may be drawing to a close, for technological reasons. If, as nanotechnologists assert, we will be able to easily and cheaply make any arrangement of atoms, then copying paper currency, or even coins, will become a garage operation. The Secret Service is already struggling to stay ahead of counterfeiters. What will we use for a medium of exchange, when someone can copy something at the molecular level?

We will either have to completely move to a non-material, society-wide system of non-hackable virtual credits and debits, or, make our currency out of precious metal. Nanotechnology cannot transmute elements, only rearrange them.

Nanotechnology also makes the "war on drugs" impossible too, since it will make it easy to synthesize any chemical substance in a pocket sized (or smaller) device.

Interesting times ahead.

reply to this

Dakota|11.16.07 @ 12:24PM|#

In a pragmatic sense the most offensive part of this raid might be the fact that the FBI wasted 2 years building a case. Were there ANY complaints by citizens?

Even if we are to assume that the LD was an entirely illegal operation were there any of the typical black/gray market problems like one would associate with drugs, bookmaking or prostitution?

Even in the best light possible light for the FBI it seems to be the federal equivalent of a health department closing a "unlicensed" lemonade stand.

reply to this

Ryan|11.16.07 @ 12:26PM|#

The list of charges sounds like the Neteller seizure. A company is doing something the government doesn't like and it involves large sums of money? MONEY LAUNDERING!! My guess is LD was funding terrorism too. Just wait for it, you heard it here first.

reply to this

ed|11.16.07 @ 12:26PM|#

The real stuff is awesome and powerful.

Indeed. If you can ever get your hands on--even temporarily--a \$20 Saint-Gaudens

Gold Double Eagle, do so. It's like something from another planet.

You hold it and wonder what race of giants created it.
Then you feel both proud and crappy when you realize we did, a long time ago...

reply to this

Bill Woolsey|11.16.07 @ 12:32PM|#

I think the legal problem is that liberty dollars are denominated in dollars.

If you make up your own units, or just use ounces, that isn't a problem.

You can sell coin-shaped gold or silver. And people can barter them for goods and services. (They still owe taxes on the transactions based on dollar values.)

The lawyers, apparently, claim that those in the business don't exclusively hold money balances in liberty dollars, but rather keep ordinary bank accounts too. I think they want to suggest that the participants don't really believe their ideological sales pitch but rather are just doing this to make money--the same money most people use.

reply to this

dhex|11.16.07 @ 12:33PM|#

eh money is whatever people will accept as money.

money is magic.

gold is just pretty.

reply to this

Russ 2000|11.16.07 @ 12:39PM|#

I can't understand why the government would even care. The Liberty Dollar is an intersting idea, but it would never negate Gresham's Law.

Thought when you read shit like this from your own government you sure hold out hope:

http://www.usmint.gov/about_the_mint/annual_report/index.cfm?flash=yes&print=1&yes&action=Colleagues_99_ann_rpt&criteria=

reply to this

Jay D|11.16.07 @ 12:51PM|#

If, as nanotechnologists assert, we will be able to easily and cheaply make any arrangement of atoms, then copying paper currency, or even coins, will become a garage operation. The Secret Service is already struggling to stay ahead of counterfeiters. What will we use for a medium of exchange, when someone can copy something at the molecular level?

Gold-pressed latinum.

That latinum stuff can't be replicated (for some reason).

reply to this

Butler T. Reynolds|11.16.07 @ 1:02PM|#

Well, this could be Ron Paul's first pardon.

reply to this

kwais|11.16.07 @ 1:05PM|#

Now, I wish I had bought some.

reply to this

Kolohe|11.16.07 @ 1:05PM|#

Just checked how much the Ron Paul Silver Liberty Dollars are going for on Ebay... WOW.

How's this for a conspiracy theory: The raids are a way for certain federal agents, in collusion with the some memebers of the LD organization, to dramatically raise the value of their holdings.

reply to this

Kolohe|11.16.07 @ 1:09PM|#

Is the problem that alternative currencies aren't taxable? Is that the real issue here?

Bingo! pure meeses r smart!

reply to this

kwais|11.16.07 @ 1:13PM|#

I wish I had bought some liberty dollars. They would be a cool thing to have around the house.

Hmm, maybe I can just get a T-shirt about it, or something, instead now.

reply to this

GinSlinger|11.16.07 @ 1:29PM|#

Bill Woolsey,

The United States cannot own the term "dollar," as it predates the Revolution. Dollar is a corruption of the German word Thaler, which in turn is short-hand for Joachimsthaler--the basic coin of the city of Joachimsthal in the fifteenth century.

Furthermore, the term dollar, as used by LDs, is simply a unit of account, not a unit of exchange, as the LD should actually exchange at slightly above market rate for gold/silver. Do you have a checking account? Do you see the word dollar on your checks? Well, they are not FRN either, yet the Feds haven't raided everyone's banks

reply to this

steve|11.16.07 @ 1:33PM|#

The US Dollar is the official US currency, and the worlds safest reserve currency.

Any 'alternative' currency is fraudulent, illegal, and should not be tolerated.

I think you might want to read the constitution because you are dead wrong

END OF STORY

reply to this

ed|11.16.07 @ 1:36PM|#

the Feds haven't raided everyone's banks

Tell me that on April 15.

reply to this

Schlumberger|11.16.07 @ 1:39PM|#

The idea that the dollar might collapse and another currency would be useful is simply ludicrous. There are too many people with too many interests, including other countries that would lose. So selling on that basis is fear-selling.

Despicable, but nothing new here.

If it did collapse, the idea that precious metals or jewels would support those that had them might have had some value 150 years ago, but today it's just foolishness.

A collapsed dollar would mean every stock market in collapse, bank closures, and businesses would stop selling for currency they didn't trust. It would be society in panic and chaos. And if I have food, fuel, and bullets, and you have an equal weight in gold, I still win.

In a destroyed US economy, your gold and silver will provide nothing more than it provides to you today - pretty and shiny. Don't count on going down to the Kroger's to use it to buy food.

I doubt this raid actually has anything to do with concern over competing currency as much as it has to do with shady dealings going on within the company and how profits are accounted for and transferred.

The currency issues are not much to worry about, but technically the point used for probable cause to go in and document whatever else they might KNOW is going on but need corroborating evidence. It's like busting a known smack dealer for tax fraud under no visible means of support.

reply to this

Brad Warbiany|11.16.07 @ 1:39PM|#

The problem, as I see it (and as mentioned above) is that the notes and coins are denominated as dollars and the Liberty Dollar folks expect them to be spent at FRN-equivalent rates.

Allow the free market to set the exchange rate between ALD and FRN, and explain to merchants that \$20 ALD DOES NOT equal \$20 USD, just as \$20 USD doesn't equal \$20 CDN, and there's no problem.

reply to this

J sub D|11.16.07 @ 1:44PM|#

The problem, as I see it (and as mentioned above) is that the notes and coins are denominated as dollars and the Liberty Dollar folks expect them to be spent at FRN-equivalent rates.

As opposed to Canadian dollars, Hong Kong dollars, Tongan dollars, Aussie dollars, Kiwi dollars ...

My god, you'd think merchants were stupid or something.

reply to this

Mark Rutherford|11.16.07 @ 1:45PM|#

The mail fraud, wire fraud and money laundering statutes are written so broadly and poorly (probably intentionally so) that they can be used against any of us whenever we are a threat. There is no longer Rule of Law, because no one knows anymore what acts are or are not criminal. We are now governed through the use of arbitrarily enforced and arbitrarily defined criminal statutes. The Rule in this country is that we are to do nothing without government permission.

reply to this

James Anderson Merritt|11.16.07 @ 1:55PM|#

Does anyone have access to a copy of the warrant? I tried to find one at the LD site and affiliated sites, but no luck. I did find some pictures of armed, flak-jacketed agents doing their work in this "raid," as if they were coming down on Al Capone or David Koresh. Shameful.

reply to this

Brad Warbiany|11.16.07 @ 2:00PM|#

Seizure warrant: <http://www.johnlocke.org/site-docs/meckdeck/pdfs/USAVLibdoll.pdf>

reply to this

WF Pearson|11.16.07 @ 2:12PM|#

Am I missing something? Has anyone been indicted here or is this just a fishing expedition?

If not, just wait, you'll see the list of charges run the gambit of non-specific criminal conduct. Included among them will be a list of "conspiracy to commit..." charges. You'll also see "obstruction of justice" and "lying to the FBI." (You see if you don't cooperate with the witch hunt against you, you're obstructing, if you cooperate but lie to CYA you're perjuring yourself. Barry Bonds ring a bell?).

End the end the Feds might get an obstruction or lying conviction and declare victory. People, end the end, will go on trading valuable stuff for valuable stuff. Any of you Liberty Dollar users are welcome to my garage sale tomorrow. I take coins only.

If I end my post with "END OF DISCUSSION" does that I don't have to follow up my accusations?

reply to this

Jim|11.16.07 @ 2:36PM|#

Don't worry about Ron Paul being mentioned in connection with this. This is free publicity for Paul, because competing currencies is what he's been advocating all along. This may get him some MSM interviews to explain his monetary philosophy.

reply to this

Market Money|11.16.07 @ 2:55PM|#

Yes, indeed, the Liberty Dollar people can't claim innocence on the grounds that their notes and coins, er, medallions aren't really money (just barter) while simultaneously encouraging people to spend Liberty Dollars just like US dollars (even maintaining that there's a 1:1 relationship).

On another topic... Any credible gold standard would at least involve allowing foreign central banks to redeem dollars for gold. And given the extent of US trade deficits, the US gold hoard would get cleaned out pretty quickly.

reply to this

James Anderson Merritt|11.16.07 @ 2:57PM|#

James Anderson Merritt | November 16, 2007, 1:55pm |

Does anyone have access to a copy of the
warrant? I tried to find one at the LD
site and affiliated sites, but no luck.

I see that the link in the blog posting above to the "affadavit" includes the application for warrant and the signed warrant itself. Thanks for posting that, Jeff.

Taking a lunchtime break to skim through the affidavit, I cannot believe how flimsy the government's case appears to be, but that's just on the basis of the common sense of someone of the same class of people who might serve on a jury. I'm not a lawyer. Do any of you lawyer types see this as a strong case, or is it just a case of harrassment under color of authority?

I was amazed to see that the government seemed to fault the LD organization for daring to make a profit on the thing they had created and distributed. I hope that the "profit" inherent in the federal currency scheme -- and who collects it -- comes out in court. I also hope that the value of the US dollar at the time the LD was introduced, vs. its value today, becomes an issue in the court case. The government makes a big deal about the "shortfall" between the dollar face value of a LD medallion or paper note, and the dollar value of precious metal it contains or represents. But over time, that "shortfall" has tended to be erased by the government's own inflation and other fiscal mismanagement, whereas the value of the government's currency has been shrinking visibly, due to the same forces.

If the LD has steadily increased in value and the USD has steadily decreased in value, who is perpetrating the fraud here?

Somebody needs to hire Al Pacino to picket the trial in dark glasses, shoutin, "You're out of order. You're out of order. This whole trial is out of order! Hoo hah!" (Hey, that's practically a mini Pacino film festival, newsworthy in its own right!)

reply to this

Nathan J. Hickson|11.16.07 @ 3:07PM|#

Copies of the search and seizure warrants are available in PDF form at
www.libertydollar.org

The governments a bunch of criminals and this latest theft of our money shows them for the tyrants that they are.

reply to this

Casey Bowman|11.16.07 @ 3:37PM|#

The mystery of western North Carolina... The ghosts of Bechtler mint yet roam.

reply to this

don griffiths|11.16.07 @ 3:40PM|#

I am reading remarks by people who don't have a clue about what is really happening here. Don't worry you will when the dollar become compelely worthless. I doubt if most of you have very many dollars to lose any way. This just show how stupid you are when the dollar is not backed by any thing but hot air. The world will soon be dumping the dollar and the Feds, central bankers and the wallstreet gang will be out of business. History is a great teacher and you best do your home work, but I doubt any of you have read a book lately.

reply to this

GinSlinger|11.16.07 @ 3:46PM|#

Don't worry you will when the dollar become compelely worthless.

Yoda? Is that you?

reply to this

Bill Woolsey|11.16.07 @ 3:47PM|#

I don't know whether the U.S. government could copyright the word "dollar," under current laws, but it certainly does claim the right to regulate dollar denominated financial instruments. And, for that matter, financial instruments of any other sort too.

Banks offering checkable deposits are very much regulated in the U.S. Checkable deposits are generally denominated in dollars, and regulated.

I would say that if you ran a bank that allowed people to write checks in dollars, and then didn't pay them off with Federal Reserve notes (one way or another,) and especially if you tried to pay them off with silver at 70 cents on the dollar, you might run into charges of criminal fraud.

Try operating a bank that doesn't follow government regulations and see what happens.

Banks aren't allowed to issue dollar denominated paper currency. (I don't know that anyone has tried to issue paper currency denominated in other units.)

Dollar denominated bank issue currency was outlawed in the thirties. Before that, it was highly regulated. It to be paid off in legal tender dollars and backed 100% by U.S. government bonds.

And, of course, in the past, the government has prohibited people from owning gold. Presumably they could do the same with silver.

I think the legal problem is issuing dollar denominated coins.

I am not making some kind of claim that the Liberty Dollar people were violating natural law or something.

I am making the obvious point that lots of people make coin looking things and people are free to barter them if they want.

It is the dollar denomination that is causing the legal problem for these people.

reply to this

J sub D|11.16.07 @ 3:51PM|#

iih, If asswipe Dondero hates you, put it on your resume.

reply to this

Jason|11.16.07 @ 3:55PM|#

I am actually glad this happened so Liberty Dollar can take U.S. Mint and the Federal Government to court. Plus bring huge attention to the fact that Fed Notes are absolutely useless and counterfeit and the 16th Amendment and the Federal Reserve are a FRAUD!!

reply to this

Brad Warbiany|11.16.07 @ 3:56PM|#

Bill,

Just because they call this a "Dollar" and the US Government calls their currency a "Dollar" doesn't make it anything like the same thing. After all, the Canadians and the Australians have a "Dollar", and nobody confuses that with US Dollars.

However, as I pointed out earlier, they act as if their dollars can be spent "just like US Dollars", making the implicit claim that their dollar is worth the same amount.

reply to this

GinSlinger|11.16.07 @ 4:01PM|#

Brad, Bill, the ALN (notes) proudly display the term "negotiable" accross the top. Making them a negotiable instrument, same as a check. And, yes, banks do occasionally pay off checks at less than full face value both parties are depositors at the same institution and fees are involved for the depositor's account. They simply call it "bank fees." That's one reason why some states allowed merchants to reject out of state checks.

reply to this

iih|11.16.07 @ 4:04PM|#

J sub D:

Thanks :-) See my response, there may be some more details that may interest you. But frankly, given what he said and how he feels, I was extremely saddened and worried about what would happen to this great country if people like Dondero are in charge of things. It certainly presents a challenge to people like me. :-(But as I say in my comment on the other thred, I know I do matter and I know that my work and expertise do matter and are appreciated. What I worry about are those like Dondero out in the public sphere spewing crap all over the place, distorting reality.

reply to this

GinSlinger|11.16.07 @ 4:04PM|#

Apologies for the double post, but, if anyone still has a non-free checking account, how is that any different than what is happening here? Someone is losing money on the transaction of negotiable instruments.

reply to this

robc|11.16.07 @ 4:17PM|#

Bill Woolsey

If the problem was dominating their medallions in dollars, LDs would have been shut down a long time ago. It also wouldnt take a 2 year undercover investigation.

reply to this

iih|11.16.07 @ 4:24PM|#

After all, the Canadians and the Australians have a "Dollar", and nobody confuses that with US Dollars.

And Canadian dollars are accepted by stores across the border from Canada (see my comment at 11:38am). Double standard?

reply to this

WF Pearson|11.16.07 @ 4:39PM|#

Bill, you are correct, everyone (including myself until now) is just assuming that is is just another federal witch hunt. If von NotHaus really is a crook, swindling people out of their hard earned [Fill in your preferred currency], then he should be held accountable.

For some reason I have the feeling that this is not the case, and the Feds and the FED are just trying to protect their monopoly. I've seen the Sopranos before. If it looks like a protection racket, and smells like a protection racket, it's probably a protection racket. Just because the goons have shiny badges doesn't make it right.

reply to this

Kenny|11.16.07 @ 5:19PM|#

Ok looking at the pdf during my lunch break, it looks like the government has a case.

And its not a tax thing like I would have thought, it is in fact a monopoly on coinage angle. (which although people may disagree with it, it is in fact the law)

There is definitely evidence that they are violating title 18 sect 489:

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 or imprisoned not more than five years, or both.

Plus an interesting tibit from the indictment: Both the \$20 ALD and the \$10 ALD have about 1 oz silver, which puts their FRN value at approx \$15 for both. So even if it is a straight up scam, some of them can't even do that right.

reply to this

LibertyDollarUSA|11.16.07 @ 5:19PM|#

First off, for those who are lamenting that they never got a chance to get liberty dollars, you can hit my website and buy some. I guess I'm having a "going out of business sale" since I doubt we'll be able to get any supply going forward.

For those who think that the LD is somehow illegal or a conspiracy, its worth noting that everything alleged in the affidavit to justify "probable cause" to back the seizure warrants is simply repetition of obvious facts that anyone could have gotten by going to the Liberty Dollar website at any point in the last 9 years. It is kinda amusing, though to see the ALD next to a dime and a platinum bullion piece and claim that the ALD is a copy of these pieces.

I would think the government is going to have a very hard time pressing the case when the liberty dollar has always been explicitly described as privately minted and everyone involved has been repeatedly reminded not to try and pass it as government money.

For the time being, however, I seem to be the only place you can get them online... and I lowered prices yesterday, rather than raised them.

<http://LibertyDollarUSA.com>

reply to this

LibertyDollarUSA|11.16.07 @ 5:28PM|#

Kenny--

You get a couple of facts wrong.

First off, the part you should have bolded was not "original design" but "makes or utters or passes, or attempts to utter or pass". The Liberty Dollar is not in violation of that because Liberty Dollars have never been passed or attempted to be passed as US Government Dollars. By your reading, every silver round, wooden nickel and lollipop in the world is violation of that statute.

Secondly you say: "Both the \$20 ALD and the \$10 ALD have about 1 oz silver, which puts their FRN value at approx \$15 for both."

This is incorrect. When Silver was below \$10, there was a \$10 Silver Piece. Now the \$20 and \$10 pieces are one ounce and one half ounce respectively. You say their value is \$15, but in doing so you quote the commodity price of silver-- which is silver in 1,000 ounce bars. Sure, when you buy in volume in raw form, you do get a better deal. (This is the same asinine statement the Feebs made.) The reality is, manufacturing and distribution have costs, and the "value" of something is very much based on what purpose they serve to the buyer.

Or are you going to demand a refund on your car because the raw material value when quoted on the commodity market for it is 1/100th of the price you paid?

By the way, its amazing for the Feebs to make the "fraud" allegation because spot price is \$15... when the US Mint sells a non-proof, butt-ugly, one ounce silver piece for ... wait for it... \$21.95 plus shipping. Here's a direct link:
http://catalog.usmint.gov/webapp/wcs/stores/servlet/CategoryDisplay?catalogId=10001&storeId=10001&categoryId=13738&langId=-1&parent_category_rn=10191&top_category=10191

But if that link doesn't work, go to usmint.gov click on "shop online" and then select the "Uncirculated silver eagle".

Finally, if the LD is a scam, what is the US Dollar? It's not backed by any silver at all... a \$20 bill won't get you even an ounce of silver at your local federal reserve branch.... and the markup on that is a whole lot more than the \$4 alleged for the Liberty Dollar.

The whole argument for the LD being in the wrong is non-sensical, and only be sniffing the government glue can people fall for it. Unfortunately, the government is full of glue sniffers.

reply to this

Corey Cagle|11.16.07 @ 6:00PM|#

This is completely inane. What's next, will the feds raid the offices of "gold-sellers" for popular online games like World of Warcraft? After all, they accept FRNs in exchange for virtual gold, which can be bartered for virtual goods.

reply to this

Market Money|11.16.07 @ 6:04PM|#

All along, Liberty Dollar enthusiasts could have purchased silver -- paying with FRNs ! -- at a reasonably modest premium over spot at any coin/metals dealer -- there was never any need to pay NORFED US\$20 for US\$14 worth of silver (or US\$10 for US\$6 worth of silver early on). That's the fraud in a nutshell, folks:

getting people to buy silver at an absurd premium to the market price; even better, getting some to accept "warehouse receipts" instead of metal.

Again, if you really don't like FRNs, get rid of them by spending them on goods, services, corporate stock, metals, foreign currency, or whatever.

reply to this

James Anderson Merritt|11.16.07 @ 6:20PM|#
Kenny | November 16, 2007, 5:19pm |

Ok looking at the pdf during my lunch
break, it looks like the government has a
case.

...

There is definitely evidence that they
are violating title 18 sect 489:
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...

I hope the LD case will allow the above provision to be challenged on constitutional grounds. It is one thing to tell people that they cannot commit fraud by passing counterfeit coin or bills as genuine government issue. I'm completely OK with that. But to tell people that the only "lawful money" is that which is issued or approved by the government is a repudiation of the people's liberty. If Disney wants to issue Disney Dollars, one-to-one with US dollars, which are good in "The Magic Kingdom," even when US money may not be accepted, and if people then want to trade those notes around outside of the Magic Kingdom as well, who is Uncle Sam to tell them no?

As long as there are no claims that 1) the Liberty Dollar comes from the government or 2) the Liberty Dollar is legal tender; and as long as the amount and purity of precious metal are accurately advertised on the medallions, or the exchange quantity of precious metal is accurately indicated on the note, no fraud or counterfeiting has been committed, and people are (or at least should be) free to use those pieces of paper or medallions in commerce however they please.

I mean, really, does the government serve the people or do the people serve the government? The implicit statement of the government in this instance appears

to be the latter, and if we put up with that, we might as well have remained subjects of (the first) King George.

reply to this

Kenny|11.16.07 @ 6:23PM|#

LDUSA-

(preface: IANAL)

First, what I meant for evidence, is that there is evidence, not conclusive proof. It will take a trial, lawyers, judges, jury of peers, et al to 'prove'.

The Liberty Dollar is not in violation of that because Liberty Dollars have never been passed or attempted to be passed as US Government Dollars and the government asserts that there has been attempts to do this. I do not have enough info yet to tell which is correct.

Your right in that "attempts to pass" is the important element and the finding of facts on which this case will revolve around (mens rea and all that, right you lawyers outt there?)

Thank you for the clarification of the 10 vs 20 dollar coins, the indictment just mentioned there were both without any context.

While I do not have the aversion to fiat money as some around here (and I am actually a Paul supporter), I am not opposed to exchanges in other than cash, if that's what both parties want. However, it's hard to give the irs a hamburger if you get a cow in exchange for some electrical work.

What I do not understand, and if you can explain in three sentences or less, it would be appreciated, is what you are trying to accomplish with the liberty dollar program, if you are not trying to pass them off as current money (a term which legally does not seem to be equivalent to *US dollars* but does seem to be euivalent of *legal tender*)

Again, not trying to troll, trying to understand.

reply to this

James Anderson Merritt|11.16.07 @ 6:43PM|#

Market Money | November 16, 2007, 6:04pm |

All along, Liberty Dollar enthusiasts could
have purchased silver -- paying with FRNs !
-- at a reasonably modest premium over spot
at any coin/metals dealer

True. But why should they have to, anymore than baseball card enthusiasts should have to buy blank squares of cardboard instead of printed player cards? If people want to trade baseball cards instead of money, will the feds come after

Topps and the other card vendors next? You're just rationalizing arbitrarily asserted authority, an authority that I don't find in the Constitution, do you?

Sneer all you want at how silly or stupid commerce in LDs might be -- many will disagree with you, of course -- but can we agree that the government has no business telling peaceful people how to conduct their affairs in cases like this? The fact of the matter is that the value of the amount of silver purchased by the LD has continued to rise, even as the value of the US Dollar has tanked. So even at the "absurd premium" asked by NORFED, purchasers of the \$10 original LD who held onto the silver have seen their investment grow, and it seems probable that purchasers of the \$20 LD will enjoy growth as well. How is this any different from putting your money in a low yield passbook account and contenting yourself with the modest gains you accrue, as millions of people have done for years? Should passbook accounts be outlawed as frauds, too, just because there are higher yield investments? On the other hand, if you actually DID put your US dollars in a passbook account, you would have seen its purchasing power shrink precipitously in the past decade. Your extremely modest "gains" on paper would have translated into actual losses in purchasing ability.

I am amazed to see the power of the government being trained upon people who have actually delivered measurable net value over time, in defense of people who have actually delivered measurable net loss over time, with the former being called "frauds" and the latter being called "protectors of society" and "servants of the people." This side of the mirror is curioser and curioser. I think I should like to return to the other side and be back in my own drawing room. :-)

reply to this
Ken|11.16.07 @ 6:55PM|#
Matt,

"Is U.S. currency legal tender for all debts?

According to the "Legal Tender Statute" (section 5103 of title 31 of the U.S. Code), "United States coins and currency (including Federal Reserve notes and circulating notes of Federal Reserve banks and national banks) are legal tender for all debts, public charges, taxes, and dues." This means that all U.S. money, as identified above, when tendered to a creditor legally satisfies a debt to the extent of the amount (face value) tendered.

However, no federal law mandates that a person or an organization must accept currency or coins as payment for goods or services not yet provided. For example, a bus line may prohibit payment of fares in pennies or dollar bills.

Some movie theaters, convenience stores and gas stations as a matter of policy may refuse to accept currency of a large denomination, such as notes above \$20, and as long as notice is posted and a transaction giving rise to a debt has

not already been completed, these organizations have not violated the legal tender law."

This is pasted from the website of the Federal Reserve System's FAQ section! Therefore if there is no law that absolutely requires acceptance of the private central bank's "reserve note" bearing an inscription that it is exchangeable for a U.S. Dollar, doesn't it follow that there must be alternative methods of money to pay debts, buy goods or services, etc. that must be lawful (as long as they aren't counterfeiting)? The government seems to have a weak case. They seem to be trying to use the vague mail fraud laws.

BEGINNING OF DISCUSSION

reply to this

Glen Pearc|11.16.07 @ 7:52PM|#

The main problem I see with the Liberty Dollar is how it looks too similar to something that would be issued by the U.S. government. The whole process of "doing the drop" as they advocate really relies on people not knowing the difference.

As for myself I'd accept them, but not at any higher value than any other one ounce silver round. Which would vary with the free market exchange rate at the time.

"Doing the drop" only fuels further future mistrust of any unfamiliar coins with the public.

Between advocating "doing the drop" and the de-basement move from \$10 to \$20 per ounce to keep Liberty Dollars profitable at the new silver price makes the motives behind the Liberty Dollar look questionable to me.

As for cost, it is overpriced. In quantities of 100 I can buy Canadian Maple Leaf coins or U.S. Mint Eagles for a few bucks less than \$20, thus getting a better "exchange rate" into silver. These are both containing the same 1 ounce of silver the Liberty Dollar has.

Both the Maple Leaf (\$5 CDN) and the Eagle

(\$1 U.S.) silver one ounce coins have a face value in the respective national currencies so if I'm totally wrong about my inflationary expectations I can in the worst case of a deflationary depression spend them if I get desperate enough. Though it may be hard to find someone willing to accept them if they aren't familiar with them. Especially if they got "burned" with a Liberty Dollar before.

Jason Hommel of Silver Stock Report had a far better and much more honest proposal for a co-circulating silver coin:

<http://silverstockreport.com/silvercoinproposal.htm>

The only limitation to his plan is that it would have to be implemented by a large enough organization that already has dealings with a large number of people such as a state government or a major retailer.

A Wal-Mart or Safeway one ounce round that could be spent for the current value of silver if needed at its respective issuing store upon demand would reduce the number of dollars I'd need to hold onto as a float. That is something I'd be very happy with. The catch is it has to be a business I would normally deal with for this to work.

His plan would be a truly voluntary and open free market way of doing it that would be based upon people understanding how it works rather than being based upon people mis-understanding what they are receiving.

As for the people that asked if CDN\$, AUS\$, NZ\$, etc. are fraudulent. They are not because people understand what they are and that those currencies are typically recognized as such and people know the value is different from each other and that the value changes relative to each other in the open market. What was fraudulent about the Liberty Dollar

was that the makers tried too much to make it look like U.S. government currency and encouraged people to pass it as the same rather than an alternative.

Every Canadian over the age of 10 (excluding some with disabilities) will recognize U.S. currency for what it is, something different than the local currency but still of current market value. Americans in bordering states will recognize Canadian currency is the same way. If you get far enough from the border people in the U.S. might not recognize Canadian banknotes or coins but they look different enough and are marked clearly enough as to their origin that nobody who even slightly looks at it is not going to mistake it for U.S. currency so they can make a fair judgement as to whether they want to reject them or accept them and if so at what rate.

As for my favorite form of silver to hold, old dimes and quarters. I tend to lean more towards U.S. (90% silver) than Canadian (80% silver) because the market for the U.S. ones is more liquid with a smaller spread.

reply to this

fishbane|11.16.07 @ 8:06PM|#

This reliance upon FRN's by a group opposed to FRN's demonstrates that the American Liberty Dollar Monetary system is simply a drain on the United State Government's monetary system for financial profit via fraudulent means

In completely unrelated news, the FBI also raided several firms specializing in the trade oil futures, as well as a number of eBay merchants reselling "Hello, Kitty" merchandise.

reply to this

Eric the .5b|11.16.07 @ 8:09PM|#

We will either have to completely move to a non-material, society-wide system of non-hackable virtual credits and debits, or, make our currency out of precious metal. Nanotechnology cannot transmute elements, only rearrange them.

With Drexlerian nanotech, you could easily "mine" gold from trace atoms in seawater or dirt. Gold would be a commodity (as it has useful properties), but it would be a cheap one.

reply to this

LibertyDollarUSA|11.16.07 @ 8:33PM|#

"Doing the drop" was an idea that was promulgated in the 1990s and maybe in the early part of the century, but as of 2003, at least, the whole "program" of the liberty dollar was based around getting merchants to offer them instead of change-- egl an upsell when the customer made a purchase. They were pitched as gift certificates because they could be used to buy things at the very same merchant, and the merchants incentive was not a markup, but building loyalty among their customers.

"The drop" was dropped because some confusion resulted.

Y'all are taking the governments word, which uses information out of context and misrepresents the situation....

Further the Liberty dollar wasn't "Devalued" when the face went from \$10 to \$20-- it was the US dollar that was devalued.

The reason there is a spread between the spot price and the face value is because you can't remint the silver every day--- and the spot price changes every day. This leads to the argument that you shouldn't have a face value at all-- and the Pheonix dollar is attempting to do this-- with a phone number that merchants can call to find out the daily exchange rate. The pheonix dollar is not as popular, partly as a result.

The Liberty Dollar is no more a criminal conspiracy than Disney Dollars. As to the repeated claims about "fraud" due to the "markup" I point out that the US mint is selling one ounce pieces with a \$1 face value for \$22. I also point out that Disney Dollars contain only a few cents worth of paper, as does the US Dollar, while the Liberty Dollar contains as much silver as it purports. Fruther, like the Disney Dollars the liberty dollar is a gift certificate /barter item- its not cash, just as disney dollars are not government cash-- and thus they require an easily discernable exchange rate-- eg: face value. If you want silver to speculate on teh price of silver, then bullion is a better choice.

This rampant confusion on the part of the posters here (not all of you, of course) just goes to point out how the liberty dollar is a failure-- not because it does anything wrong but because people have an ingrained trust of the (rapidly depreciating) US dollar and cast a suspicious eye at anyone who would suggest silver has more intrinsic value than paper.

Its a cultural thing to a great extent... and really something like %99 of the people who have Liberty Dollars do so because they are pretty- they are a really fine piece of art.

The idea of a private barter system is nice, and they can work as gift certificates, but to claim that they are counterfeit or being passed as government money is beyond the pale-- not one instance of this actually happening was cited in the affidavit that claims to show probable cause.

reply to this

fishbane|11.16.07 @ 8:41PM|#

The idea of a private barter system is nice, and they can work as gift certificates, but to claim that they are counterfeit or being passed as government money is beyond the pale-- not one instance of this actually happening was cited in the affidavit that claims to show probable cause.

In all seriousness, the government has been extremely paranoid about alternate currency for a long time. For evidence, google around for stories about poker chips in Vegas, and what hotels can and can't exchange them for. (Usually, it is the Secret Service that comes down on this sort of thing - I'm wondering what the story behind the FBI running this one is.)

reply to this

Glen Pearce|11.16.07 @ 9:39PM|#

LibertyDollarUSA wrote on November 16, 2007, 8:33pm :
>"The drop" was dropped because some confusion resulted.

Even as of today the makers of the Liberty Dollars are encouraging people to "do the drop" on their web site:

<http://www.libertydollar.org/ld/spend-liberty-dollars/howtospend.htm>

>Y'all are taking the governments word,

Nope, my comments about "doing the drop" were based on what I read myself right off the Liberty Dollar web site. I am all for precious metals being used as money but think it has to be done in a better way, the proposal Jason Hommel put forth if implemented by a large enough organization would make the idea acceptable to a larger group of people without anyone being fooled. You understand what the Liberty Dollar is, I understand what it is and pretty much everyone reading this web site understands what it is but most clerks faced with one won't understand what it is and if they accept it, will typically be doing so under a false assumption.

I've looked at your site, and you sell them honestly saying exactly what

they are, in fact you had a rather good deal on the 1/4 ounce size as I understand why a bigger premium is justified on the smaller rounds due to manufacturing costs. (Thus the reason you sold out of those quickly.) My issue is with how the makers designed them to look too much like a U.S. government coin and how they promoted their use/mis-use.

>Further the Liberty dollar wasn't "Devalued" when the face went from >\$10 to \$20-- it was the US dollar that was devalued.

My point was that by re-defining the Liberty Dollar to match the declining U.S. Dollar in face value rather than just letting the rate float and keeping the ratio fixed at 10 Liberty Dollar=1 ounce of silver they were making it obvious that they were more interested in keeping "the drop" profitable than in offering an alternative currency as Jason Hommel's proposal would have done.

Yes, the Phoenix Dollar has an uphill battle, but at least nobody can mis-use it. As I've said the proposal Jason Hommel put forth was the best I've seen.

reply to this

mike|11.16.07 @ 10:39PM|#

Market Money wrote:

"All along, Liberty Dollar enthusiasts could have purchased silver -- paying with FRNs ! -- at a reasonably modest premium over spot at any coin/metals dealer -- there was never any need to pay NORFED US\$20 for US\$14 worth of silver (or US\$10 for US\$6 worth of silver early on). That's the fraud in a nutshell, folks: getting people to buy silver at an absurd premium to the market price; even better, getting some to accept "warehouse receipts" instead of metal.

Again, if you really don't like FRNs, get rid of them by spending them on goods, services, corporate stock, metals, foreign currency, or whatever."

I will buy what I damn well want to with my worthless FRNs...what the hell is it to you if I want to pay X for Y? Where is the fraud in an agreed upon transaction? I see that this site does not screen out those who have not yet made it past prekindergarten.

reply to this

Dan|11.17.07 @ 12:15AM|#

Are we not free to buy what we want with FRN's? What's the difference if we buy silver, gold, copper or platinum rounds from someone else. I also was not aware that the US Mint was a law upon itself...I thought that it was the justice system that determined whether anything is legal. In my opinion the US Mint should just make money and not have their nose into saying what is or isn't legal. In any

case, the entire incident simply makes the government look worse in front of an already distrustful public.

reply to this

Ed Faulter|11.17.07 @ 12:54AM|#

Yep another one of those cases where mass amounts of outraged people put up a big fuss, so that the Department of Justice can go about their immoral investigation by staying tight lipped until the shakedown is complete, where someone goes to jail or some cash settlement is made to avoid jail. This issue sounds really close to what happened with the UIGEA ordeal where the DOJ petrified some people into admitting things, forcing them to say things so that they can in turn go back to their families. A lot can be learned about the UIGEA ordeal, just research it on google video and the gambling forums. Don't expect much comment from the DOJ on this until this harrassing shakedown is finished.

reply to this

James Anderson Merritt|11.17.07 @ 1:03AM|#

I think one of the key reasons for having the face value be above the anticipated spot price of silver over a time interval is to keep Gresham's Law at bay. The point of the LD is to circulate, not be kept as a collectible in someone's display hutch or safe deposit box.

I do think it was a mistake to tie the value of the LD so closely to the USD, but this was apparently done to make it easier and more attractive for people to use both currencies in parallel. The "move up" mechanism makes it pretty clear (in comparison) just how much value the USD loses over time. It's the same oz of silver before the move-up as after, but the reason that the old one was once worth \$10 and the new one is now worth \$20 has to do with the loss of the dollar's value. When people understand this, they tend to get angry at the people who are literally making their "legal tender" money worth-less.

reply to this

Malto Dextrin|11.17.07 @ 1:47AM|#

Eric the .5b:

With Drexlerian nanotech, you could easily "mine" gold from trace atoms in seawater or dirt. Gold would be a commodity (as it has useful properties), but it would be a cheap one.

Could be. On the other hand, nanotech will greatly increase the size of the world economy, so the ratio of capital stock to gold reserves may not decline much, even with cheaper mining. And, if gold again became valuable as money, this would in itself greatly increase the demand for it.

If we did return to a gold-backed monetary system, the price of gold would surely skyrocket, because in the intervening years since 1933, the economy has grown

much faster than the gold stock. This especially holds true if we adopt a non-fractional gold standard. So, any decrease in the cost of mining gold would tend to reduce its price below an already high level.

Or not; we just don't know at what price level supply and demand would reach equilibrium. Hell, we can't even predict that with today's economic and technological situation!

reply to this

Tannim|11.17.07 @ 2:48AM|#

Quick, call the FBI! I found a dime in my pants when they came out of the dryer! I must be guilty of money laundering!

Sheesh! The more I hear, the more of a crock this whole thing is. As I posted elsewhere (forgive the copy and paste):

How about a mass mailing to the US Attorney in Charlotte of money from assorted Parker Brothers and Milton Bradley games, toy money from toy, food and drug stores, and even the ultimate, the \$1,329,063 from the MAD Magazine game, which cannot be won unless your name is George W (Alfred E Neumann) Bush? Maybe then they'd get the point...

reply to this

Foxhunter|11.17.07 @ 6:18AM|#

I think the real story in this is that the FBI thinks that with the dollar crashing in its exchange versus other currencies, the Liberty Dollar is a real threat. They feel the pressure coming on from some people waking up to the fact that their paper is worth nothing without faith in the US Government (and that faith is crumbling fast). It's a good sign and should be the final victory for the LD.

Disclosure: I happened to purchase 3 Ron Paul Silvers for \$20 each as my first LD purchase. I thought of them as cool, and at the very least a sweet promo item for our 44th. In the 4 days since my order was shipped, the price of my coins has risen 500%. A scam? No way...I got a bargain!!!

reply to this

Mark Herpel|11.17.07 @ 7:44AM|#

Its a very sad day for Liberty in America.

Mark

DigitalMoneyWorld

reply to this

Phillip D|11.17.07 @ 10:00AM|#

Here is the only link between Ron Paul and this mess. Many people like me had pre-ordered & paid for MANY of these Ron Paul Gold, Silver, and Coppers in

order to collect and not spend them. Thanks to the FBI & Homeland Security taking everything including all of the customer records and mailing lists and freezing the bank account I may never see my \$2,000 that I am owed in goods again. That is theft by our government using for an excuse Liberty's markups and whatever else they may or may not have done wrong. Feds, give me back my stolen property!!! Folks I represent probably thousands who have been violated in this mess.

reply to this
AuH20|11.17.07 @ 10:23AM|#
In Paul They Trust (The Feds May Differ):

A Paul campaign spokeswoman said yesterday that the campaign has "no affiliation" with the Ron Paul Dollars. But Paul's supporters said the seizure of the coins is sure to further stoke support for the campaign.

[...]

Von NotHaus said that he has known Paul for years because they "move in the same circles" but that he had expressly not talked with Paul about his plans for the special coins so as not to violate federal election laws. He posted a message on the organization's Web site urging Liberty Dollar supporters to respond to the raid by donating to Paul, saying that "in light of this assault on our financial freedom, it is clear that we need Ron Paul to lead this country more than ever."

Should he be charged, he said, "I'll turn it into my golden opportunity to validate the Liberty Dollar as a legal, lawful currency and save the country from a monetary collapse."

reply to this
Pat_Riot|11.17.07 @ 1:54PM|#
Suppressive, nazi like tactics from our chaos merchants. I am very sure it was for our protection! This is a most outrageous blatant attack on the free market and liberty in this country. The LD has been in existence for ten years. Now that it is catching on they raid and pillage, literally taking all of it. For what reason? No charges have been officially made. There was nothing hidden about the Liberty dollar at all! Any evidence that the LD is illegal could have been made YEARS AGO !! One LD is all that is needed to determine the legality. A RAID ???? WHY???? This is insane !!! Either the LD is legal or it isn't. The evidence needed would be the actual medallion itself. So the obvious now is clear, IT IS LEGAL AND THE FEDS ARE ON A witch hunt because they have no evidence of wrong doing. They are hoping to find some. Is the LD legal? Of course it is. That is not even the charge here!! They are using standard money laundering and wire tap fraud charges as an excuse to shut it down. Why? Your guess is as good as

mine but most likely it is getting big and successful, and when the FRN's tank, people will REALLY want something of real value. Silver is, and so is gold. Thus the LD. Tyrannists be damned. Don't know how you feel but if this occurred during colonial times, there would have been a massive uprising. It's SO time to clean out this existing staff of elected b_leaders with real American people, not purchased minions of the state.

reply to this

Jurched|11.17.07 @ 2:57PM|#

I believe Title 18 sec. 489, the law of 1865 mentioned, above crushed any chance of alternative currency to compete with the Treasury Dept.

That's the one that took currency printing rights away from the local banks.

It was done to stop fraud and out of control counterfeiting.

The Treasury Dept. yielded completely to the Fed in 1963 when they decided to go off the silver standard.

Note that the law of 1865 also prohibited the circulation of foreign currency.

Therefore, even if Liberty Dollars carried the valuation of TEN REICHSMARKS they'd still be charged with a host of crimes.

Seems like they don't have much of a chance in court.

But I feel for those who bought specie and had it seized, or placed unfulfilled orders.

Like it or not, the govt. has an obligation to redeem "victims" of this so-called fraud by turning over either the metal or refund their money.

J

reply to this

cityrat|11.17.07 @ 3:16PM|#

I was rather disturbed by this post, as it appears to use language in a misleading and mischievous way. There is no appeal whatsoever to morality. I would like to lift the artfully concealed deception contained in this thuggish language, and undo the harm caused by the poster.

> The US Dollar is the official US currency,

True

> and the world's safest reserve currency.

True, (as long as the US has the biggest guns ;-)

> Any 'alternative' currency is fraudulent,

fraud = theft by deception

currency (from Wikipedia) = is a unit of exchange, facilitating the transfer of goods and/or services. It is one form of money, where money is anything that serves as a medium of exchange, a store of value, and a standard of value

Is offering a loonie in the US, then, fraud, when both parties know it is not the currency of the US?

How about a liberty dollar, when both parties know (and make sure they know) exactly what it is?

Alternative currencies may be used in a fraudulent manner, but that does not necessarily mean they are intrinsically fraudulent.

Measures must be taken so they are not confused with legal currency, and do not represent themselves as a legal alternative.

The LD has been used by some in a manner which could be interpreted as fraudulent, but this does not make the LD fraudulent in and of itself.

> illegal,

Fraud is illegal, here the law has moral force. As I illustrated above, having an alternative currency is not fraud in and of itself. If this is illegal, the law has lost its moral force.

> and should not be tolerated.

Fraud should never be tolerated. Alternative currencies are not fraudulent in and of themselves, provided they make certain representations.

> I think you might want to read the constitution because you are dead wrong

These articles pertain to money as we are discussing it:

Article 1, Section 10

No State shall enter into any Treaty, Alliance, or Confederation; grant Letters of Marque and Reprisal; coin Money; emit Bills of Credit; make any Thing but gold and silver Coin a Tender in Payment of Debts; pass any Bill of Attainder,

ex post facto Law, or Law impairing the Obligation of Contracts, or grant any Title of Nobility.

Article 1, Section 8: (Powers of congress)

...To coin Money, regulate the Value thereof, and of foreign Coin, and fix the Standard of Weights and Measures;

It appears at first glance, that congress can make a fiat money system the law of the land, and that states are prohibited from getting into the money business. Fair enough.

How does this prohibit the use of alternative forms of payment in private transactions? Just because Congress and only Congress has that power doesn't mean everyone has to use their money when engaging in private barter. You may have to take dollars, but silver will do just as well.

One last thing, why do you attempt to defend a fiat money system which is only making you and me poorer? Why no appeal to that which is moral and right and true?

> END OF STORY

reply to this

cityrat|11.17.07 @ 3:18PM|#

The proceeding refers to this post: Sorry.

The US Dollar is the official US currency, and the worlds safest reserve currency. Any 'alternative' currency is fraudulent, illegal, and should not be tolerated.

I think you might want to read the constitution because you are dead wrong

END OF STORY

reply to this

Jurched|11.17.07 @ 3:44PM|#

I've got mixed feelings about the business practices of Liberty Dollar.

On the one hand, as dealers of precious metals, what they were doing seems fine.

They sell (sell, as in, make a profit) precious metal in form. This is no different than what the local coin dealer or the US Mint does.

I bought Gold Eagles in 2000, when gold was \$250 an ounce.

Added to the price of the gold was nearly 10%. For what? For the "handling fee," which means PROFIT for the dealer or middleman. For the forming of the metal, or minting it into shape. And, lastly, for paperwork. Because the dealer is still required by law to notify the government whenever gold is exchanged on the market.

Liberty Dollar was doing the same. Their fees seem higher, if people are saying their \$20 silver piece has \$15 worth of silver in it.

But the fact that the piece says "\$20" on it should not be construed as fraud.

I mean, the gold eagles I bought at \$250 an ounce (\$288 after fees) say WHAT on them?

FIFTY DOLLARS!

And the US Mint swears that all coins they mint are legal tender.

Well thanks. That means I paid \$250 for a \$50 coin? Not quite. It still has an ounce of gold in it, making it worth either more or less than what the Fed says its worth.

But I'm sure any merchant in town will gladly accept my \$50 gold piece for \$50 worth of goods!

So, Liberty dollar as a precious metals dealer cannot be faulted.

Nor can they be charged with defrauding people by encouraging the circulation of fraudulent money. I read their tips on circulating, and they openly admit their coins are not legal tender, but ARE negotiable at the local level.

I've seen local chambers of commerce circulate dollar and non-dollar scrip with the captions "redeemable at participating merchants for goods or services at face value."

Banks won't accept local scrip, and either will banks accept Liberty dollars.

The biggest problem is the dealer discounting claim, which in fact sounds like a pyramid scheme. In truth, it sounds an awful like the perfectly legal Amway, which deals with laundry soap in the way Liberty deals with silver.

Anyway, its a very interesting case on all levels: both the government's abuse and charges of fraud against Liberty.

Kind of proves just how dirty money can be!

J

reply to this

James Anderson Merritt|11.17.07 @ 4:54PM|#
Jurched | November 17, 2007, 3:44pm |

The biggest problem is the dealer discounting
claim, which in fact sounds like a
pyramid scheme.

Only to people who don't understand pyramid schemes or multi-level-marketing. I mean no disrespect to Jurched, who lays out many important issues clearly and (as far as I can tell) correctly in the same posting. But we need to be careful in using loaded phrases such as "pyramid scheme," just as we need to be careful in using loaded words, such as "nazi" (which I saw in someone else's posting above).

A pyramid scheme promises growth in an investment -- usually spectacular growth -- and seems to keep those promises early on, by paying back front-of-the-line investors with money contributed by back-of-the-line investors. The scam falls apart when middle- or end- of the line investors don't get the same rate of return -- or even their principal back -- because there is nobody behind them to subsidize this. Social Security is more like a pyramid scheme than the LD. The latter gives you a metal medallion or a piece of paper which allows you to obtain such a medallion from an authorized LD representative or the LD's mint.

Any growth in your investment occurs because of 1) a specific move-up event (which is similar in nature to the well-established and legal practice of splitting stock); 2) an increase in the value of the metal you own; 3) a decrease in the value of the currency against which you value the metal. Note that situations 1 and 3 often don't involve any REAL change in value (purchasing power), only a perception of change, with respect to a particular reference currency or other commodity. There is no mechanism by which later participants subsidize the gains of the earlier participants in the head-eating-the-tail fashion of pyramid schemes.

The dual-level discounts and recruitment rebates offered to so-called "regional currency officers," "associates," or participating merchants are not multi-level marketing. If that were true, even the company I work for -- a purveyor of medical equipment and software systems in the standard industrial mold -- would be considered a multi-level marketer, which it most certainly is not.

Many companies -- including mine -- offer recruitment bonuses or finders fees for successful employment referrals. Many companies -- including mine -- offer products at retail to some customers, at one level of discount for another class of higher-volume or frequent customers, and at wholesale for the highest volume or

best customers. This is all that the LD does, and I almost fell out of my chair when I read in the affidavit that "multi-level marketing" was alleged. This was clearly written by someone who doesn't understand the essence of MLM, and I hope this cynical or ignorant use of the buzzword will be disallowed with extreme prejudice in any court proceeding.

One of the key features of MLM is that participants "up the line" get an ongoing stream of revenue from activities "down the line" for several levels. In fact, other than the "referral rebates" (which only count for direct referrals and are paid directly to the referring associate) the only way for "upline" participants in the LD organization to make money from their "downline" is to provide them with LDs at the associate discount, pocketing the difference between the associate-discounted price and the price to Regional Currency Offices. This is business 101, not any kind of fancy multilevel marketing plan.

I agree with other posters that the government seems to be on a fishing expedition, but unfortunately, a fishing expedition that destroys the good name of one enterprise and deprives 100s or 1000s of their lawfully-owned property.

Here's other thing that Jurched said that I feel deserves comment:

"Banks won't accept local scrip, and either will banks accept Liberty dollars."

While this has generally been true, there are current examples to demonstrate that financial institutions will indeed deal in alternative currencies -- "Hours" in Ithaca NY, as one, and BerkShares as another. Both of these two enterprises have received recent media attention, usually more positively slanted than corresponding attention given to the LD. Why this is, I cannot say. Perhaps it is because Hours and BerkShares are seen as grassroots attempts for local communities to control their own economic destiny, while the LD tends to be viewed as something external to a community. This was addressed in the Hawaii Dala experiment, and maybe it was the success or potential success of the Dala that finally triggered the federal action. I'd be curious to find out the truth, though I don't expect we ever shall. Still, the court case offers hope that relevant evidence will be discovered and presented for public consumption.

reply to this

James Anderson Merritt|11.17.07 @ 4:56PM|#

Just to be clear, in my posting above, "Any growth in your investment occurs..." should have been "Any growth in your Liberty Dollar investment occurs..." I didn't want anyone to think that I was speaking of investments generally.

reply to this

USMC1953|11.18.07 @ 12:10AM|#

COMMUNISM is alive and well and now has taken over the US government. The "New World Order" is the merger of Zionist Trotskyite Socalism and International

Monopoly Corporate Capitalism, all controlled via central banks. Get rid of your FRN, buy gold & silver. Let them say pre 1964 U.S. silver coins are not legal tender an REAL MONEY. Sick their "funny money" where the sun don't shine.

reply to this

James Anderson Merritt|11.18.07 @ 10:24AM|#

I wrote my Congressman, to see if there were any way he could help unfreeze the assets so people could get their property back, and to urge him to change the law so that at least the term "current money of the United States" would be clearly defined. One of the reasons that the judge could sign the warrant without automatically becoming a laughing stock is that the law itself is broadly and vaguely written, at least relative to that crucial term, "current money." I asked him to do what he could to reform the law so that it was consistent with the idea that the people could use any medium of exchange they pleased in transactions between themselves. We'll see if I get any relevant response.

reply to this

Law & Order|11.18.07 @ 10:30AM|#

the case stems from the buffalo case last year and a half ago with Shane Buczek and his family using them at a Bills game i think it was. hockey or football. anyway, he paid me to do some of his legal work with liberties, and then chose to do patriot paperwork instead. i believe he is in jail now. i cannot get ahold of him. phone and email are shut down.

the feds raided my house over a year ago- took the liberties and questioned me extensively about liberty dollars and the local names involved.

an agent was coming to local meetings and awfully interested in liberties and debt relief that is alternative. when she was discovered to be an agent- agent andy denied it. when told by another person a second time- we never saw hide nor hair of her again. i could tell she was wearing a wire. she was a d agent. must have just graduated fbi training academy!

i find it interesting that kevin innes lost his home right before this raid when he was doing well with his foreclosure case. in fact there has been a recent ruling in fed court in ohio about foreclosures that would have kept him in his home. then the LD raid. not to mention ron paul attack by taking the LD's. according to source cannot mention- there will be local indictments handed down this month- although they said in august too and it hasn't happened yet.

i think we need to pick a lane here. revolt or walk away. if you don't walk away- you'll be arrested on terrorist charges or worse- because agent andy twists things out of context badly and is evil and vengeant. or revolt and possibly win. this isn't a game for bystanders to sit and watch. when i didn't cooperate with agent andy- he made up stuff to have me charged and blamed it on a friend of mine in an effort to ruin a friendship. so there ya have it.

reply to this

Joshua Katz|11.18.07 @ 5:38PM|#

In the face of a massive crisis, where the value of the dollar approached 0, it is true that gold in hand would be of little value compared to gun in hand, water in hand, or food in hand. There would be a time of chaos because the vast majority of people in this country do not understand what money is, and would not understand how to function in an economy where the US dollar was no longer money. There would be riots with demands for the government to somehow "do something" - as if they hadn't done enough already! There would be martial law, supposedly justified by the riots, and central control over all economic transactions - to avoid that, you'll have to be economically self-sufficient for a time. However, it would still be good to hold gold, for 2 reason:

1-If you saw it coming and left the country, or managed to get out during all the chaos, gold would be exchangable into currency in the country you went to, US dollars would not.

2-With time, the natural economics of the free market would reassert itself, and a monetary unit would come into being. It might be gold, or it might not, but gold would still be valuable and therefore exchangable into the new currency. Dollars, on the other hand, would carry only their value as paper.

So, if you are concerned about this scenario, you should be spending dollars on:
Foreign stocks and bonds

Non-perishable food

Desalinators and gravity-feed filters

Generators

Silver

Gold

Diamonds

etc.

reply to this

grumpy realist|11.18.07 @ 10:36PM|#

From what I've read, there seem to be the following issues:

- 1) potential confusion between the LD and officially issued US coins
- 2) markings on coins indicating can be used for all transactions
- 3) difference between value of metal in coinage and what they are being sold for (that's probably where the "money laundering" charge comes from.)
- 4) indication of fixed exchange rates between LDs and standard dollars.

It also doesn't look like this is a case where these coins have been out for "a while" and now suddenly the Feds are jumping down this guy's throat. They've been arguing with him since day one.

If you read enough about the history of coinage (and the history of privately-issued money in the US), you can understand why the gov't gets touchy about this. There's a reason why we have restrictions on generating private currency. I suggest a little more reading of history. (I also suggest you read up on the history of debasement of currency.)

And if you really, really hate it, why don't you lobby your Congresscritters to get the law revoked?

reply to this

wildcrafter|11.19.07 @ 10:46AM|#

Before the raid on LD by the feds I had never even heard of them, even though they'd been around since 1998. I just checked out their products on eBay and it looks like they're more than holding their value. Even the paper LD currency, which now has NO backing by silver (or anything else) is selling for at least double its face value in most cases. What I find most interesting, however, is that the Ron Paul 1oz silver 'rounds' are selling for \$300+. What a great investment that was for whoever bought those, and the feds are holding the entire LD inventory, that is unless they've already started melting them down. I truly hope the LD is vindicated, if they get their day in court. It's been a real disappointment to me and my family to witness the purchasing power of the USD decline so much in the past 5 years. I will be one of the first in line to buy Liberty Dollars once they're back up and running, and I suppose I have the feds to thank for making me aware of their existence. Given our country's current state of affairs, that's about the ONLY thing I have to thank them for...

reply to this

Harvey Goolsby|11.19.07 @ 5:37PM|#

I'm a nearly-always Democrat, but nominate Ron Paul and I'll vote Republican

reply to this

Zcoins Creator|11.20.07 @ 2:40AM|#

This news really struck me hard. Luckily, I always immediately redeemed all my certificates for silver. I only have two \$1 certificates unredeemed that were for my kids, so I don't feel like I got robbed too much, but I feel for all the people who were/are waiting on orders or are stuck with certificates.

When Bernard asked for an CEO for the organization, I wrote to him, asking him to incorporate some of my Zcoins ideas into the ALC, but never got a response back. Then, after Mike Whatshisface became CEO and then resigned, and Bernard was looking for another CEO, I wrote him again, asking to be considered for the position, but wanting to take it in a safer direction. Now that I see what the Fed's intention was all along, I'm glad I was never considered. I think I'll stick to Zcoins.

reply to this

Jurched|11.20.07 @ 11:39AM|#

After sleeping on it, I've come to sympathize with LD more and more. I was thinking the govt would crack down on the "RCO" designation for their sales reps.

Here's what their website says (I added numbers):

"1. The Liberty Dollar is distributed in a simple two-tier system. This empowers the RCO to grow his distribution, make more money and thereby achieve the goal of returning America to a value backed currency. It is not a multi-level market plan (MLM).

"2. RCO gets the Liberty Dollar at the greatest "market-driven" discount and distributes it to his/her Liberty Associates and Merchants at a profit.

"3. RCO receives \$500 for every new RCO he/she sponsors.

"4. RCO converts ALD to FRN at face value for "contracted merchants" only. RCOs may provide convertibility at the published Exchange Rate for anyone.

"5. RCO is encouraged to be entrepreneurial and operate their business for maximum profits, do the most good and have the most fun with the Liberty Dollar.

"6. RCO is urged to attend Liberty Dollar University to learn how to implement the Business Plan for optimum results and the annual RCO Congress that self-governs the RCO business structure."

"7. The Regional Currency Office is the most important part of the Liberty Economy as it supports the Associates and Merchants who recognize the value of the Liberty Dollar.

"8. RCO gets Liberty Dollars at greatest market-driven discount direct from Liberty

"9. Services and distributes the new currency to the general public, Merchants, and Associates. Only a RCO can place market orders for 500 ounces or more.

"10. RCO are encouraged to sign a Merchant Contract with merchants and provide convertibility from ALD back into FRN. RCOs establish their own currency exchange rates as the market dictates.

"11. RCO earns high visibility in their communities as they work to put the Liberty Dollar into local circulation.

"12. RCO joins a network of like-minded business people who are serious about returning the nation's monetary system to a value based system.

"13. Market driven commission schedule provides a fair discount to RCOs, Associates and Merchants. The market driven orders for 500 ounces of Liberty Dollars are limited to RCOs ... The commission on specie (gold and silver), paper and digital Liberty Dollars is standardized to the same rate for all Liberty Associates and Merchants."

Perhaps the Feds were upset that the RCOs were behaving like banks but their activities did not fall under the Banking Laws?

In other words, perhaps LD was conuducting business in freedom?

Any time a business operates in an area not categorized by a federal law, the govt gets nervous and may even trump up charges in order to get lawmakers to pass a law.

Likely LD's case will result in a widening of the Treasury Dept's grip on banking and financial distriubtion, including precious metals dealers.

Granted, a lot of fraud and abuse occurs out there, but then, most of it happens under the law. No matter how many thousands of laws the govt passes, its always up to the investor to watch where they put their money.

Over all, I think LD was doing legitimate business but the fact is, they were cutting into a govt monopoly that should never have been.

J

reply to this

Pavel ben Jacob|11.20.07 @ 2:25PM|#

Hmmm...

Just got the Silver Stock Report on the raid...found this thread...hope you don't mind a non-initiate chiming in...

- 1) I think I'm ideologically sympathetic to the idea of a competing currency
- 2) I know I'm ardently opposed to unnecessary gov intervention in the lives of US citizens (and doubtful a "necessary" condition exists)
- 3) I suppose I agree with posters who claim the Fed has a weak case

However, not being aware of what Liberty Dollars were (or purported to be) before this report hit my email, I had to go to eBay and the Liberty Dollar website to inform myself. I realized I HAD seen a LD before, and must admit that I, for one, had mistaken it for another of the plethora of US Mint commemoratives available today. (I remember thinking, "Why did they change the motto to 'Trust In God'?"

I'm admittedly not as knowledgeable in this area as the bulk of the posters here, but doesn't that kind of put me in the role of those the FBI is claiming could be

defrauded? I know that it's the buyer's burden to "Be Ware(y)", but it seems that the Feds have a point as to the potential for the LD confusing some--it did me!

reply to this

Pavel ben Jacob|11.20.07 @ 2:31PM|#

Although I WAS wary enough NOT to buy the medallion when I first saw it, so I guess I've answered my own question: It was different enough that it gave me pause...

reply to this

H. Miller|11.20.07 @ 6:18PM|#

This goes to show you that Americans aren't allowed to possess real wealth. I remember being in a bank in Japan and watching little old ladies put on white gloves and pull out gold bullion for deposit. From what I understand Americans aren't legally allowed to own gold bullion.

But what would you expect from a country that doesn't really allow you to truly own property or even your own body or conscience?

reply to this

Mike|11.20.07 @ 8:22PM|#

I don't know how any judge on this case won't be given orders by you know who. Fiat currency ha. What about a Fiat legal system.

reply to this

jmolve|11.20.07 @ 10:37PM|#

Sounds like the private federal reserve banks are getting a little paranoid. Too many people getting informed about the biggest scam of last century??? Free speech and freedom of information apparently aren't compatible with "free" enterprise (Oops, I mean the private banking monopoly). It's not just folks on the right who have taken to this cause. Go to www.monetary.org and you'll see that the left is on to the scam, too. Ron Paul and Dennis Kucinich are both up to speed about this issue, albeit they may differ relative to the usage of backing the currency with gold. However, they both agree on the more important point that the government must issue its own money as Article 1 Section 8 states. Maybe they should be running mates on the Unity 08 ticket. Although they may be on opposite sides on many cultural and social issues, they have similar views in their economic views relative to trade and monetary policy (as do the 3rd parties ranging from the Greens to Libertarians to the Constitutional Party). This election is all about the economy. I hope Republican voters don't get sucked into those cultural debates that their party always uses to garner votes and then do virtually nothing except posture after elected. As the saying goes, "You may not take an interest in politics but politics will take an interest in you". Replace the word politics with the word economics and the meaning of this saying increases tenfold. Get informed folks. This is the one issue that cuts to the heart of the corruption in American Capitalism. Borrowing money into circulation, as we currently do, rather than spending money into circulation is either the apex of

stupidity or das boot of corruption. Decide for yourself. Don't buy the Double Speak. Thomas Jefferson chose his words correctly, when referring to the 2nd bank of the United States, he described as "those radical monied corporations". A government issuing its own money is common sense, not radical. Who's the real radicals, Corporatcrat politicians or the Ron Paul and Dennis Kucinich's of the world? Democracy and Capitalism often aren't synonymous. As David Korten said, "Capitalism triumphed over Communism during the 80s and it triumphed over Democracy in the 90s". Do you realize how much money is stolen from the American taxpayer because we don't issue our own money and spend it into circulation? Not to mention the absurd 10% fractional reserve requirement. Assuming Liberty Dollar is fraudulent, it is but a drop in the ocean compared to the fraud the private banking monopoly has committed with their "Federal"(LOL)Reserve System!!

reply to this

Biodemocracy|11.21.07 @ 2:46PM|#

A MUST READ!

The Soviet-Style Attack on NORFED

by Jacob G. Hornberger, November 21, 2007

reply to this

Albert Turney|11.21.07 @ 4:57PM|#

Make them back down..with BIC...

they must have a bond in order to do there job...

with the BIC process you bond them essentially forcing them to abide by common law means...

listen to Dr Sam Kennedy on Republic broadcasting..
the radio show Take No Prisoners...

reply to this

Michael Z. Williamson|11.22.07 @ 9:38AM|#

QUOTECorey Cagle | November 16, 2007, 6:00pm | #

This is completely inane. What's next, will the feds raid the offices of "gold-sellers" for popular online games like World of Warcraft? After all, they accept FRNs in exchange for virtual gold, which can be bartered for virtual goods.ENDQUOTE

That actually HAS been seriously proposed. Really.

reply to this

Michael Z. Williamson|11.22.07 @ 9:41AM|#

HMiller: Americans could not own Bullion from the time of FDR until 1973(?). The Democrats made it law and the Republicans repealed it.

The current US bullion coins were started under a law proposed by Ron Paul (being fair here).

The fed case looks weak. Let's hope BVN's books are in order and see how it goes.

reply to this

fred smith|11.23.07 @ 7:10PM|#

I saw on CBS news a few months ago, I think it is Berks county Mass., they have "Berks Bucks" which are paper money, kept in banks, used by merchants in Berks county, exchanged for FRN's by banks for 11 BB's per 10 FRN's, with the permission of the Mint/Treasury/whoever, for the purpose of keeping local money local and helping out local business owners. This needs to go to court and the feds get their butt kicked.

reply to this

Shasta|11.25.07 @ 9:35AM|#

Something to think about... the feds say what Liberty Dollar did was fraud cause they(the people running LD) used Federal reserve notes. What were people suppose to pay since the govt already taken away the citizens gold back in 1934 & forced the american people to use the FED's notes? Here is something ironic... the Govt made us give them our Silver & Gold for the paper notes (which is only backed up by their promises) ... Now the US Mint is selling the Silver & Gold back to the people they took it off of!! What is wrong with this picture... I for one am NOT a member of LD but feel they been accused unfairly... I also never voted but will this time & it will be for RON PAUL. He is our only hope!!

Lastly, we now have had either BUSH or a Clinton in office(power) for 5 terms... when will we learn!! Time to wake up before we lose all our rights!! Just my opinion... but it should make any real American mad...

reply to this

fred smith|11.25.07 @ 11:48AM|#

That's where what you call your affirmative defense comes in. "Yes we used federal reserve notes, but you MADE us use them"

I don't know the intricacies of the case, but if they need to deny using them, they can't win that, and if they simply say "Yes we used them" that might be an admission of guilt.

reply to this

Vinyasi|11.25.07 @ 3:51PM|#

Does the U.S. Govt. Owe YOU Money?

Hearing about the raid on the national fulfillment office of the Liberty Dollar didn't put me in the fit of pink, but I learned to get over it by donating all of my interest in my unfulfilled orders (that were either curtailed or confiscated by the

government on Nov. 14). And to encourage greater participation among bystanders, I've further divided my give-away down to as little as one penny provided that these tiny demands for refund be donated to the Liberty Dollar, Legal Defense Fund to help eliminate the logistical nightmare of the Liberty Dollar staff trying to disperse a mere penny to gazillions of people from the proceeds gained whenever the class action lawsuit is completed. But any demand for a refund greater than, or equal to a dollar, could go to the bystander. Since I can contract-out my property to anyone I choose, and further subdivide my give-away down to ridiculously small fractions, my feeble loss (as great as it may seem to me) can be magnified to potentially include lots of participation from anyone who isn't already involved, but who are now considering the possibility that more than just my rights have been violated, but their's as well.

For more details about becoming involved, go to:

www.I-Rob-You.info

Vinyasi, Liberty Associate of the San Fernando Valley....

reply to this

wildcrafter|11.26.07 @ 12:14PM|#

Thanks for that link, Vinyasi. I just signed up for the class action lawsuit in the amount of one dollar, payable to the Liberty Dollar Defense Fund when we win.

reply to this

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