



Written by [Thomas R. Eddlem](#) on March 21, 2011

FBI Convicts Bernard Von NotHaus for Minting and Selling Silver Coins

"Attempts to undermine the legitimate currency of this country are simply a unique form of domestic terrorism," U.S. Attorney Anne M. Tompkins said in a [March 18 FBI press release](#) boasting of the verdict.

Making silver coins is "domestic terrorism"? Really?

"While these forms of anti-government activities do not involve violence, they are every bit as insidious and represent a clear and present danger to the economic stability of this country," Tompkins [added](#). "We are determined to meet these threats through infiltration, disruption, and dismantling of organizations which seek to challenge the legitimacy of our democratic form of government."



Von NotHaus headed "National Organization for the Repeal of the Federal Reserve and the Internal Revenue Code" (NORFED) and coined several thousand silver "Liberty Dollars" from 1998-2009, some with the image of then-presidential candidate and precious-metals champion Ron Paul. And von NotHaus did intend to offer an alternative to using U.S. dollars, the value of which has [eroded by more than 95 percent since 1913](#). The FBI [charged von NotHaus in 2009](#) with "unlawful operation to publish, possess and sell for profit, coins in resemblance and similitude to U.S. coins" and "uttering and passing and attempting to utter and pass, a coin of silver in resemblance of genuine coins of the United States in the denominations of five dollars and greater and intended for use as current money." He was [also convicted](#) of "conspiracy against the United States" at his 2011 trial.

The FBI [justified](#) the convictions using the U.S. Constitution. "Article I, section 8, clause 5 of the United States Constitution delegates to Congress the power to coin money and to regulate the value thereof," the FBI press release stated. "This power was delegated to Congress in order to establish and preserve a uniform standard of value and to insure a singular monetary system for all purchases and debts in the United States, public and private. Along with the power to coin money, Congress has the concurrent power to restrain the circulation of money which is not issued under its own authority in order to protect and preserve the constitutional currency for the benefit of all citizens of the nation. It is a violation of federal law for individuals, such as von NotHaus, or organizations, such as NORFED, to create private coin or currency systems to compete with the official coinage and currency of the United States."

Indeed, [Article IV](#) of the U.S. Constitution bans even states from coining money: "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



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Debts."

Of course, just because there's a constitutional justification for the use of force by government doesn't mean that the federal government should use that force. For example, there's no constitutional barrier to Congress declaring war against Canada. But nobody would argue the federal government should engage in a war against Canada.

Von NotHaus could face 25 years in prison for minting his silver coins, and the FBI [says](#) it is seeking forfeiture of the estimated \$7 million in precious metals seized in the 2007 raid. "Von NotHaus, who remains free on bond, faces a sentence of up to 15 years' imprisonment on count two of the indictment and a fine of not more than \$250,000. Von NotHaus faces a prison sentence of five years and fines of \$250,000 on both counts one and three. In addition, the United States is seeking the forfeiture of approximately 16,000 pounds of Liberty Dollar coins and precious metals, currently valued at nearly \$7 million." The forfeiture trial has already begun.

The FBI argued in court, as summarized in the [March 18 press release](#), that "Von NotHaus designed the Liberty Dollar currency in 1998 and the Liberty coins were marked with the dollar sign (\$); the words dollar, USA, Liberty, Trust in God (instead of In God We Trust); and other features associated with legitimate U.S. coinage. Since 1998, NORFED has been issuing, disseminating, and placing into circulation the Liberty Dollar in all its forms throughout the United States and Puerto Rico. NORFED's purpose was to mix Liberty Dollars into the current money of the United States. NORFED intended for the Liberty Dollar to be used as current money in order to limit reliance on, and to compete with, United States currency."

Of course, von NotHaus never tried to pass "Liberty Dollars" as federally coined currency, and always maintained that his coins were more valuable than Federal Reserve Bank fiat currency and indeed a better alternative to federal currency. Von NotHaus had sold each of his one-ounce silver coins for \$20 (in U.S. Federal Reserve notes) before his mint was raided by the FBI and Secret Service in 2007. During the decade he sold the coins, the market price of one ounce of silver as measured in U.S. dollars varied between \$10 and \$20 per ounce, but in 2011 has [jumped to \\$35 per ounce](#).

The von NotHaus prosecution is clearly a case of selective prosecution, largely because von NotHaus' "dollars" were far more valuable than the Federal Reserve Notes circulated by the U.S. Treasury. This explains why the children's restaurant [Chuck E. Cheese](#), Indian gaming [casinos](#), and a host of other corporations whose minted coins are essentially worthless were never arrested. The federal government has obviously prosecuted von NotHaus because he exposed the worthlessness of falling federal currency, not because he defrauded any of his customers. That's why he was labeled a "domestic terrorist," and why the Liberty Dollar website was taken down by federal court order.

Photo of Liberty Dollar: AP Images



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