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THIS ISSUE DGC SENSITIVE

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"This case demonstrated that even the most sophisticated criminals cannot escape the combined resources of the Secret Service and our law enforcement partners."

-- U.S. Secret Service Assistant Director for Investigations Michael Stenger

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COVER

(Flickr Photo) Mean old Uncle Sam!

"U.S. regulatory action alone will not be sufficient to suppress the money laundering threat posed by digital currencies. Even if clear and consistent regulatory measures are imposed, digital currency services established in foreign and offshore jurisdictions—which are not subject to the Bank Secrecy Act (BSA)¹⁴—can be used to conduct transactions in the United States. It would be nearly impossible to legislate regulatory controls that would allow the U.S. government to prevent completely foreign-based digital currencies from being used in the United States, because these services are available through the Internet." -DOJ Report pg.16

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Digital Currency Business e-gold Pleads Guilty To Money Laundering (conspiracy) and Illegal Money Transmitting Charges

SOURCE U.S. Department of Justice

WASHINGTON E-Gold Ltd. (E-Gold), an Internet-based digital currency business, and its three principal directors and owners, pleaded guilty to criminal charges relating to money laundering and the operation of an illegal money transmitting business, Acting Assistant Attorney General Matthew Friedrich for the Criminal Division and U.S. Attorney for the District of Columbia Jeffrey A. Taylor announced today.

E-Gold and its corporate affiliate Gold & Silver Reserve Inc. each pleaded guilty to conspiracy to engage in money laundering and conspiracy to operate an unlicensed money transmitting business. The principal director of E-Gold and CEO of Gold & Silver Reserve Inc. (Gold & Silver Reserve), Dr. Douglas Jackson, 51, of Melbourne, Fla., pleaded guilty to conspiracy to engage in money laundering and operating an unlicensed money transmitting business. E-Gold's other two senior directors, Barry Downey, 48, of Baltimore, and Reid Jackson, 45, of Melbourne, each pleaded guilty to felony violations of District of Columbia law relating to operating a money transmitting business without a license. E-Gold, Gold & Silver Reserve and the three company directors were charged in an indictment returned by a federal grand jury on April 24, 2007.

At sentencing, E-Gold and Gold & Silver Reserve face a maximum fine of \$3.7 million. Douglas Jackson faces a maximum prison sentence of 20 years and a fine of \$500,000 on the conspiracy to engage in money laundering charge, and a sentence of five years and a fine of \$250,000 on the operation of an unlicensed money transmitting business charge. Downey and Reid Jackson each face a maximum of five years in prison and a fine of \$25,000. Additionally, as part of the plea, E-Gold and Gold & Silver Reserve have agreed to

forfeiture in the amount of \$1.75 million in the form of a money judgment for which they are joint and severally liable. Sentencing for all defendants has been set for Nov. 20, 2008.

In addition to the fines and prison sentences, each of the defendants agreed that E-Gold and Gold & Silver Reserve will move to fully comply with all applicable federal and state laws relating to operating as a licensed money transmitting business and the prevention of money laundering which includes registering as money service businesses. Also as part of the plea agreement, the businesses will create a comprehensive money laundering detection program that will require verified customer identification, suspicious activity reporting and regular supervision by the Internal Revenue Services' (IRS) Bank Secrecy Act Division, to which the Financial Crimes Enforcement Network delegated authority according to federal regulations. E-Gold and Gold & Silver Reserve will hire a consultant to ensure their compliance with applicable law and hire an auditor to verify the companies' claims that all transactions are fully backed by gold bullion.

Under federal law and District of Columbia law, in addition to other jurisdictions, the E-Gold operation was required to be licensed and registered as a money transmitting business. However, according to information in plea materials, the E-Gold operation functioned as a money transmitting business without registering with the federal government and without a license in the District of Columbia. Because these businesses and individuals illegally failed to register and follow applicable regulations under federal and District of Columbia laws, the resulting lack of oversight and required procedures created an atmosphere where criminals could use "e-gold", or digital currency, essentially anonymously to further their illegal activities.

Specifically, according to information contained in plea materials, the E-Gold operation provided digital currency services over the Internet through two sites: www.e-gold.com and www.Omnipay.com. Several characteristics of the E-Gold operation made it attractive to users engaged in criminal activity, such as not requiring users to

provide their true identity, or any specific identity. The E-Gold operation continued to allow accounts to be opened without verification of user identity, despite knowing that e-gold was being used for criminal activity, including child exploitation, investment scams, credit card fraud and identity theft. In addition, E-Gold assigned employees with no prior relevant experience to monitor hundreds of thousands of accounts for criminal activity. They also participated in designing a system that expressly encouraged users whose criminal activity had been discovered to transfer their criminal proceeds among other e-gold accounts. Unlike other Internet payment systems, the E-Gold operation did not include any statement in its user agreement prohibiting the use of e-gold for criminal activity.

“By failing to comply with money laundering laws and regulations, the E-Gold operation created an environment ripe for exploitation by criminals seeking anonymity in conducting online transactions,” said Acting Assistant Attorney General Matthew Friedrich.” This case demonstrates that online payment systems must operate according to the applicable rules and regulations created to ensure lawful monetary transactions.”

“The operations of E-Gold Ltd. and the other defendants undermined the laws designed to maintain the integrity of our financial system and created opportunities for criminal activity,” said U.S. Attorney Taylor. Because of the successful prosecution of these defendants, digital currency providers everywhere are now on notice that they must comply with federal banking laws or they will be subject to prosecution.”

“The Secret Service is pleased with the successful outcome of the E- gold investigation,” said U.S. Secret Service Assistant Director for Investigations Michael Stenger. “This case demonstrated that even the most sophisticated criminals cannot escape the combined resources of the Secret Service and our law enforcement partners. The Secret Service is committed to our mission of safeguarding the nation’s critical financial infrastructure and we will continue to pursue criminals seeking to use the Internet and new technologies to commit crimes.”

The case was investigated by the U.S. Secret Service, IRS Criminal Investigation and the FBI. The case was prosecuted by Assistant U.S. Attorney Jonathan Haray of the U.S. Attorney’s Office for the District of Columbia, Senior Counsel Kimberly Kiefer Peretti of the Criminal Division’s Computer Crime and Intellectual Property Section and Laurel Loomis Rimon, Deputy Chief of the Criminal Division’s Asset Forfeiture and Money Laundering Section, with assistance from the Criminal Divisions Child Exploitation and Obscenity Section. William Cowden of the U.S. Attorney’s Office Asset Forfeiture Unit assisted with forfeiture issues involved in the case.

A New Beginning

by Douglas Jackson on the e-gold blog 7/21

November 2008 will mark the 12th anniversary of e-gold’s debut as an alternative global payment system enabling Users - individuals or businesses - to receive payment in gold at extremely low cost and without risk of the sort of payment reversals that characterize all credit based systems.

e-gold has been a pioneer in numerous areas and I am proud of its innovative accomplishments. Since 1996, the Internet has witnessed multiple online payment initiatives, several of them funded with \$20-90 million of start-up capital, with distinguished founders and executive cadre, high profile brand name strategic allies, and favorable reception in the business press. But whereas Digicash, Cybercash, Beenz, Flooz, Peppercoin and a host of others each was promoted as the next big thing, all of them combined cumulatively [in their original incarnations - some have been restructured into other business models] executed less transaction volume than e-gold did in a typical single quarter.

But this note is not about success. It is about e-gold’s failure to date to emerge, its failure to transition from a marginal player for early adopters to a respected institution integrated into the global financial mainstream. I am talking about a vision that has not yet been realized... and a determina-

tion to fix what needs to be improved.

e-gold's failure to emerge so far is a result of many factors but the root causes were design flaws in the account creation and provisioning logic that led to the unfortunate consequence of vulnerability to criminal abuse. Criminal abuse of the e-gold system, in turn, led to a self-reinforcing negative reputation.

Ultimately, criminal abuse of e-gold reached the point where the US Department of Justice intervened, bringing criminal charges against e-gold Ltd., Gold & Silver Reserve., Inc., (the Operator of e-gold and also of the online exchange service OmniPay), myself, and the other directors for violations of 18 USC 1960 [Operation of an unlicensed Money Transmitting Business] and 18 USC 1956 [Conspiracy to Commit Money Laundering]. The criminal case has been resolved. The resolution of the criminal case however provides for a second chance, an opportunity to address the flaws embedded in the e-gold system and to transform the "e-gold Operation" into the institutions I, the other directors, and our long-suffering employees and contractors have always envisioned, one that serves to advance the material welfare of mankind.

In harmony with this transformation, we acknowledge that e-gold is indeed a Financial Institution or Agency as defined in US law and should be regulated as a Financial Institution. E-gold Ltd. has submitted an application to FinCEN to be registered as a Money Services Business and will be seeking licensure in all states that require it. Most importantly, working in conjunction with US government agencies, we will be exerting every effort to bring e-gold into compliance with US law and regulation as quickly as possible.

I am going to briefly describe the systemic problems we are undertaking to rectify and a roadmap of where the system is heading. Going from where we are now to where we need to be is going to be a bumpy road, especially at first. Many legitimate e-gold Users have already suffered loss over the past year as the measures undertaken by the government to prevent dissipation of assets have severely impacted exchange markets with resulting

illiquidity of a magnitude as to effectively make it impracticable to exchange e-gold for conventional money. There will be more disruption in the next few months but it will be temporary and will set the stage for powerful new features that enhance the usability and global reach of e-gold. If there is a silver lining, it is that the more illiquid e-gold has become, the more valuable it has become due to the (apparently ongoing) decline of the US dollar relative to gold and other non-financial assets.

e-gold User Agreement Changes

Before proceeding, however, let me make something clear that should have been made more emphatically clear long ago. Use of the e-gold system for criminal activity will not be tolerated. Memorializing this resolve, the following provisions are being added to the e-gold Account User Agreement:

2.3. User agrees to not use e-gold in any manner that violates the laws of whatever jurisdiction to which the User is subject.

4.6.1.1. If e-gold investigators reasonably suspect that the e-gold account of User is being used to launder the proceeds of crime or for any other criminal purpose, Issuer may freeze the e-gold account and any other e-gold accounts of User. Additionally, at the sole discretion of Issuer, User will be subject to damages and other penalties, including criminal prosecution where available and the notification of the general public of User's actions, at the sole discretion of Issuer.

Design flaws in legacy e-gold system

A systemic flaw in the e-gold design, present from the very beginning, made it vexingly difficult for e-gold to expel a User, in a truly effective way, for criminal abuse of the system. e-gold investigative staff might detect suspicious activity, block or freeze the offending account, and later discover the same perpetrator had created additional accounts.

One element was logic that allowed an e-gold account full privileges from the moment of creation and only revoked those privileges in the event of suspicion that the account holder was seeking to

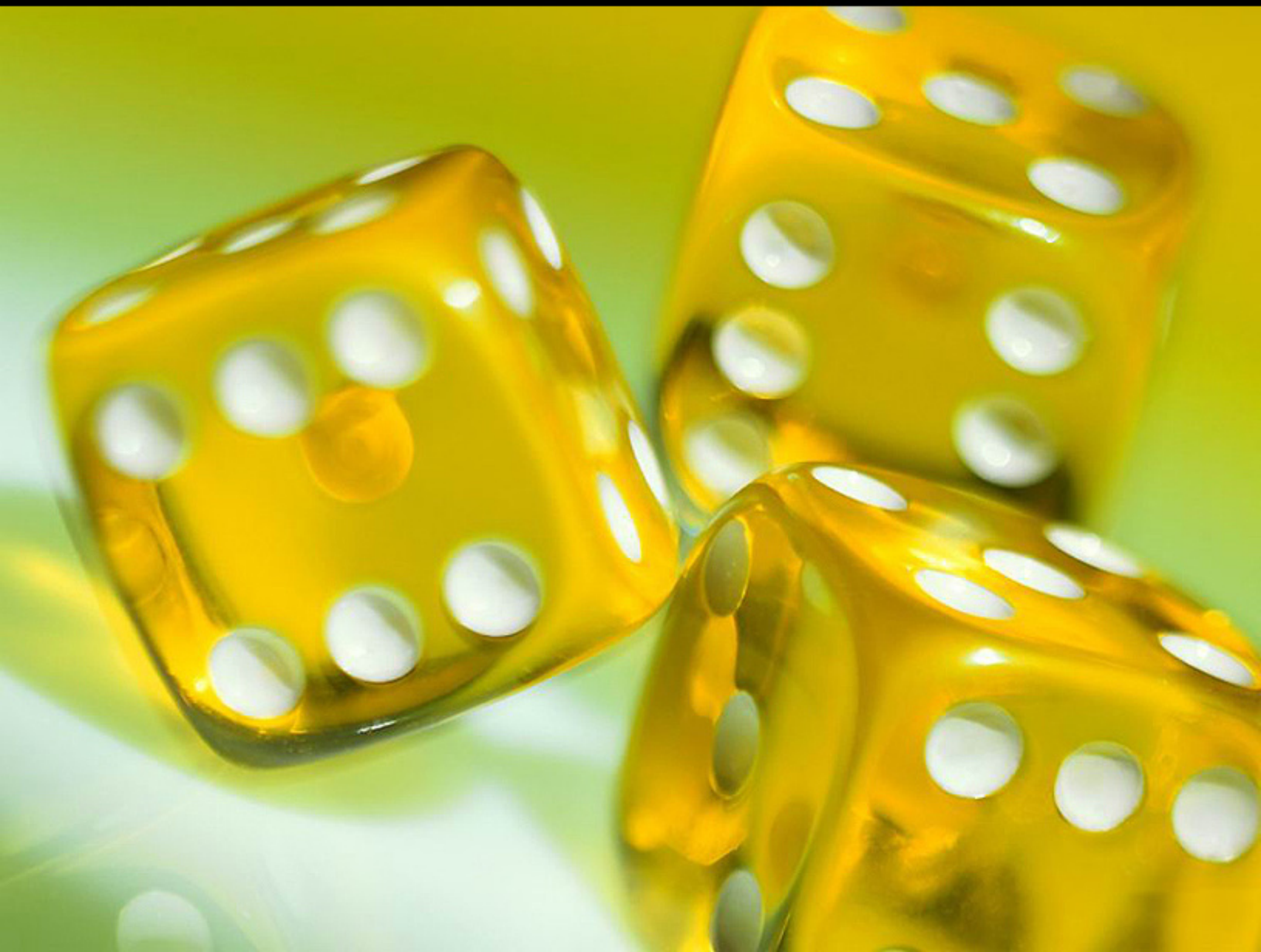
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mask their identity or actually engage in illicit activity.

Compounding this weakness was an unrestricted ability for Users to create multiple accounts without any obligatory indicator that they were all under the control of one person.

The next generation of the e-gold application will undertake to enforce a “one-human being/one e-gold User” rule. Instead of the existing logic where a User logs directly into an account, a User in the next generation system logs in as a User. Only validated Users are empowered with the ability to create multiple accounts.

The advantage from the cybercrime-thwarting standpoint will be an ever-stronger ability to blacklist a person who has abused the e-gold system.

e-gold is intensively working on this next generation User-based log-in system but it is likely to be another 6-9 months to deployment. Meanwhile, emergency surgery is required NOW.

Shock Therapy phase [may it be brief!]

1) Effective immediately, new e-gold account creation is suspended until a compliant interim solution for Customer Identification can be ensured.

2) We are requesting that autoexchangers - even though the technical beauty of the autoexchanger concept is sublime – cease supporting exchanges to or from e-gold for the time being. The problem with the autoexchanger concept is that although the autoexchangers themselves may be perfectly compliant with requirements [promulgated by Webmoney and e-gold] to automatically put

tracking data in their memo fields, and despite the fact that Webmoney is also committed to aiding in the suppression of cybercrime, the fact is that a substantial proportion of the cybercriminals that abuse e-gold have evolved into a modus operandi that involves autoexchanging possible proceeds of crime into Webmoney, sometimes within minutes of receiving the value, thus making interdiction a matter of catch-up or closing the barn door after the horse is gone.

Looking Forward

We are confident that a regulated e-gold rebuilt to a more systematic specification will be less hospitable to criminals, and more attractive to mainstream business use without being less accessible to those disregarded by legacy payment systems.

Please accept our apologies for the occasional turbulence you may experience on this journey. And, as always...

Thank you for using e-gold.

Posted by Douglas Jackson on July 21, 2008



How the 'Man' finally brought e-gold down

by Pelle Braendgaard
<http://stakeventures.com/>

e-gold is an 100% gold backed electronic currency. It revolutionized the electronic currency world using pretty simple double entry book keeping technology backed by currently 2.54 metric tons of gold and innovative legal structures to keep it safe. They are in the news today and there are lots of things startups can learn from their story about trust, innovation, legal structures, transparency and how not to deal with regulators.

e-gold Examiner

The [e-gold Account User Agreement](#) specifies that:

"All e-metal in circulation shall be backed 100% at all times with unencumbered metal in allocated storage".

Examiner is a real-time report of Issuer's compliance with this definitive provision.

Reference:			Notes:	
	Troy Ounces (Xxx)	Grams (xxG)	<ul style="list-style-type: none">Bullion is stored with LRMA member companies.All weights displayed are fine weight. Ounces are Troy.Totals are rounded to two decimal places for display. <p>Related data: 2007-04-30 Audit Report e-gold system statistics</p>	
e-gold	XAU	AUG		
e-silver	XAG	AGG		
e-platinum	XPT	PTG		
e-palladium	XPD	PDG		
1 troy ounce = 31.1034768 grams				

e-metal Balance Sheet

The e-gold Bullion Reserve Special Purpose Trust (Assets)			e-metal in Circulation (Liabilities)		
Metal	Fine Troy Ounces	Fine Grams	e-metal	Xxx	xxG
Gold	78,158.22	2,430,992.41	e-gold	XAU 78,155.15	AUG 2,430,897.00
Silver	138,567.25	4,309,923.31	e-silver	XAG 138,566.78	AGG 4,309,908.63
Platinum	400.00	12,441.39	e-platinum	XPT 397.03	PTG 12,349.09
Palladium	396.47	12,331.69	e-palladium	XPD 394.15	PDG 12,259.49

It is with sadness I today read Douglas Jackson's blog post outlining the final blow to e-gold by the US government. It felt like this wasn't written by Doug, but by Doug with the NSA's secret alien mind control device implanted. In reality the mind control device used was the threat of 20 years of jail and a half million dollar fine.

Also as I write in the Agree2 User Agreement:

'We are men of principles, but stronger men than us have changed principles with 3 hovering black helicopters over them. If you know what I mean.'

This is a case where probably a bit more than 3 hovering black helicopters were hovering over them. So I guess we can only feel sad and hope the best for Doug and his family.

THE CHARGE

The government had been after them for a while and where they finally got them to plea bargain admitting "Conspiracy to Commit Money Laundering" and "Operation of an unlicensed Money Transmitting Business". The real important of the two was the Conspiracy to Commit Money Laundering charge, which has nothing to do with

Douglas Jackson carrying suit cases filled with \$100 bills into banks in the Cayman Islands. It is failure to do "Know Your Customer" or KYC as it's known in the financial industry.

KNOW YOUR CUSTOMER

KYC requires financial institutions including money transmitters to know who their customers are. This can involve simply showing your id when you open an account in the US. Other jurisdictions such as Panama are way more conservative requiring bank references, lawyers references, information about your assets etc. In the US PayPal innovated by inventing that tiny authenticating payment to your bank account, which seems to be enough KYC for single purpose financial institutions such as payments and savings.

KYC since it was introduced in the late 90s as a requirement has been the single most destructive concept for innovation and startups in the financial space. e-gold was the last proud hold out against it as it went so against the principles of their operations. You could pretty much open any amount of accounts that you wanted to without

any real documentation.

E-GOLDS INNOVATION IN GOVERNANCE

Where e-gold truly innovated was their governance model. This is also what makes it so difficult to add a PayPal like KYC step to their technology. e-gold is built up of several different legal structures who are independent.

Gold and Silver Reserve Inc (G&SR) is the parent company of it all and run by Douglas Jackson. In 1999 they did a major restructuring, which is outlined in their e-gold Account User Agreement. The e-gold Ltd a company registered in Nevis in the Caribbean operated the book entry system. The book entry system is basically the servers containing the accounts and transactions. This is what you see when you go to the e-gold site. This site also has an innovative examiner tool as seen in the screen shots above and below:

wanted to buy or sell large amounts of e-gold you essentially wire them the funds and they provided you with gold in your e-gold account. From what I understand OmniPay was pretty thorough doing KYC.

TRANSPARENCY AND REAL TIME AUDITING BY USERS

Since very early days. Probably earlier than 1998 e-gold has offered several levels of transparency that are still unheard of. When I was working in the payment space myself I liked to look at these as "live audit" tools as normal users can keep an eye on the system.

The most important tool is the e-gold Examiner which presents a live view of the accounts of the entire e-gold system. Many of the screenshots in this article come from the examiner. You can see how much Gold, Silver, Platinum and Palladium

is held (the assets) and how much is in circulation or held by users (the liabilities).

Scrolling further down you can see how much is held at each repository. You can further drill down on these to see information about the exact bars held at each repository. This info includes the Brand, serial number, purity and exact weight of each. All of this

information is verified annually by the auditors report.

Another interesting audit feature is the e-gold system statistics page. This contains interesting live statistics of the accounts and transactions held. As you can see there is still quite a lot of activity going on, however the amount of spends (transactions in e-gold speak) has gone down.

ACCOUNT HOLDERS

There are finally two other parties to the whole structure, the individual account holders and the independent exchange agents.

The e-gold Bullion Reserve Special Purpose Trust Summary by Repository

Gold:

Repository	# of Items	Fine Troy Ounces	Fine Grams	Portion of Total
Brinks 	120	48,133.55	1,497,120.66	62%
Transguard 	230	28,430.95	884,301.30	36%
MAT Securitas Express AG 	4	1,593.73	49,570.45	2%
Total Gold:	354	78,158.22	2,430,992.41	100%

The e-gold Bullion Reserve Special Purpose Trust is a little understood but very important part as they actually hold the title to the gold on behalf of account holders.

After that there are the 3 different gold repositories Brinks, Transguard and MAT Securitas Express AG who hold physical bars of gold in London, Zurich and Dubai.

OmniPay is the primary "exchange provider" or interface between the e-gold system and the outside world. This was/is operated directly by G&SR out of their offices in Melbourne, FL. If you

e-gold Statistics

Currently there are **5151913** e-gold accounts.

e-gold System Activity in Past 24 hours

New Accounts	Users Accessing Accounts	e-metal spends
0	9577	8635

Velocity

(value circulated by spends over a given time)

24 hours	e-metal e-gold e-silver e-platinum e-palladium	Weight 33.60 kg 16.00 g 0 mg 0 mg	USD Equiv. 997,161.37 9.00 0.00 0.00
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Distribution of e-gold Spends over Past 24 Hours

0 mg - 1 mg	585 (Total: 322.23 mg)
1 mg - 10 mg	1534 (Total: 5.95 g)
10 mg - 100 mg	2323 (Total: 95.55 g)
100 mg - 1 g	2693 (Total: 941.17 g)
1 g - 10 g	1194 (Total: 3.77 kg)
10 g - 100 g	284 (Total: 7.30 kg)
100 g - 1 kg	58 (Total: 14.74 kg)
1 kg - 10 kg	3 (Total: 6.75 kg)
10 kg - 100 kg	0 (Total: 0 mg)
100 kg - 1 Mg	0 (Total: 0 mg)
1 Mg - 10 Mg	0 (Total: 0 mg)

Balance Summary

	Number of Funded Accounts	Average Funded Account Balance	e-metal in Circulation
e-gold	2,031,212	1.20 g	2.43 Mg
e-silver	692,560	6.22 g	4.31 Mg
e-platinum	5,894	2.10 g	12.35 kg
e-palladium	215,329	56.93 mg	12.26 kg

Balance Distribution of Funded Accounts

e-gold

0 mg - 10 mg	1147385
10 mg - 100 mg	446822
100 mg - 1 g	292395
1 g - 10 g	120153
10 g - 100 g	21953
100 g - 1 kg	2306
1 kg - 10 kg	206
10 kg - 100 kg	12
100 kg - 1 Mg	0
1 Mg - 10 Mg	0

A key difference between e-gold and a bank is that as an account holder you actually own the gold in your account. When you deposit money in a bank account you strictly speaking don't own it anymore. You lend it the bank. For this the bank pays you interest. This leads to the risks that we're seeing again now when banks go bust depositors lose money. There are various band-aids such as FDIC to insure against this, however it is not perfect. Douglas Jackson could never touch your

gold, reinvest it, sell it or otherwise.

In e-gold all transfers are final, which is one reason it became popular originally as an alternative to PayPal. The only way this can be done is by being at more than arms length distance from the banking system. The US banking system allow charge backs of just about any payment. So lets say you receive a wire of \$100,000 from an investor. AFAIK theoretically speaking he could cancel that wire

within a year. Foreign banks are normally the ones who are hurt most by this, but they grin and bear it. In e-gold one such chargeback could undermine the stability of the system.

INDEPENDENT EXCHANGE AGENTS

The Independent Exchange Agents was a very innovative idea that e-gold thought up as part of their reorg in 1999 to achieve this separation of concerns. OmniPay would focus on large exchanges with established known players, but small independent local exchange providers would exchange between local currency and e-gold. Jackson and co decided from the beginning not to certify or regulate this, but rather let the market work it all out. This was extremely innovative, but might in the end have been one of the downfalls of the system. Theoretically this pushes legal compliance in each jurisdiction out to these exchange agents, but many of these were not following their local rules.

IceGold was an example of a really well run Exchange Agent run by Paul Vahur out of Estonia. Paul and his team would let you buy and sell e-gold at 2% below or above respectively of the official e-gold spot rate. Unfortunately a notice on his site says that they have been hit by the dreaded KYC as well:

'Due to the adoption of Estonia's new Anti Money-laundering Law on Jan 28th 2008 we have decided to stop providing exchange services. The new law requires exchangers of alternative payment systems – such as IceGold – to identify all customers face to face.'

Besides good guys like Paul, there were lots of instances with fraudulent exchangers. Several industry associations such as GDCA were set up to certify exchangers, but a quick google search shows me that there are still many around that don't exactly ooze trust. That said the Gold Pages Electronic Currency Directory still has 154 exchangers listed.

It also led to the development of a whole series of "Autoexchangers" which let you exchange e-gold automatically for other electronic currencies such as WebMoney. In his blog post Doug knowing well

that he can't force them to stop yet pleads:

'We are requesting that autoexchangers – even though the technical beauty of the autoexchanger concept is sublime – cease supporting exchanges to or from e-gold for the time being. The problem with the autoexchanger concept is that although the autoexchangers themselves may be perfectly compliant with requirements [promulgated by Webmoney and e-gold] to automatically put tracking data in their memo fields, and despite the fact that Webmoney is also committed to aiding in the suppression of cybercrime, the fact is that a substantial proportion of the cybercriminals that abuse e-gold have evolved into a modus operandi that involves autoexchanging possible proceeds of crime into Webmoney, sometimes within minutes of receiving the value, thus making interdiction a matter of catch-up or closing the barn door after the horse is gone.'

GOOD INNOVATION

In the end the freedom that the lack of KYC and knowing that all transfers are final encouraged lots of innovation. People built special purpose currencies on top of e-gold. An online Casino created a series of bonds as an experiment that paid back depending on how many hands were played during the lifetime of the series of bond. Lots of small merchants as well as sites like Get a Freelancer accept e-gold due to both perceived and real pain accepting PayPal or Credit Cards.

BAD INNOVATION

All of this freedom also fit great with a less nice but highly profitable set of scams known as High Yield Investment Programs or HYIP's as well as other Ponzi like scams. These programs often claim to pay %100 interest over a period of a few weeks. There are 1000's of them out there and many of the use e-gold. E-gold was perfect. The two aspects that encouraged innovation lack of KYC and lack of charge backs made it easy for scammers to rob money from financially uneducated people.

The e-gold mailing lists were filled with people analyzing the E-Gold Stats page for any variations. Often they noticed large increases in a certain

transaction size and you could guess that another popular HYIP was making the rounds.

All though e-gold claims that they have helped law enforcement bring hundreds of criminals to justice there are thousands more small and large crooks that have slipped through the cracks and this is likely why the US Justice Department started this case.

However following that do you need to charge the Federal Reserve Chairman for conspiracy to money laundering just because US currency notes are one of the most common instruments of payment used in criminal acts. Or if you look at e-gold as a merely a web service intermediary should Sergey and Larry also face personal criminal charges because lots of Ads for scams and illegal products are placed using Adwords?

Personally I am against the case but I find it was pretty much inevitable. To create such a system even partially on US territory is pretty much impossible. While the key aspects such as the trust and gold holdings being held outside the US as long as you have one toe in the US you are an easy target.

I was personally involved in creating an alternative currency system in Panama and I really wouldn't even recommend doing anything like e-gold in most of the traditional offshore jurisdictions such as Panama or Cayman Islands as they have way more difficult KYC requirements now than US and EU jurisdictions. The best bet is for you to do it within a major jurisdiction and follow the regulatory pain.

ALTERNATIVES

Several alternatives exist to e-gold:

Webmoney is probably one of the safest bets right now outside the US as they being in Russia are unlikely to bow to pressure from the US and EU. The downside of this of course is the image of anything to do with money and Russia. I don't know anything about them really except they've been around for a long time and seem stable. They also seem to have figured out a way to create trust in a very low trust society such as Russia.

GoldMoney is another good alternative to e-gold. They are gold based and have the same no charge back policy. There are many, many similarities between them and e-gold. However being pragmatic they instituted strong KYC practices early on and AFAIK don't allow independent exchange providers. You have to go through certain certified exchange agents.

They are regulated by the Jersey Financial Services Commission which probably means they are safe in EU. Their principals are in the US, so they could theoretically be hit by the "Operation of an unlicensed Money Transmitting Business" charge. However PayPal was hit by this and are still in business. I think as long as they are strict with KYC they will remain in businesses. This strictness though has meant that not quite as much innovation has been going on with GoldMoney as with e-gold. Granted far fewer scams have been perpetrated with GoldMoney as well.

PayPal is still around and is still the number one player in p2p and small business electronic payments (I think). Several interesting applications have been built on PayPal. That said lots of small businesses have had their businesses destroyed due to over reliance on them. Just google PayPal sucks for examples.

The interesting new player for startups wishing to innovate in e-commerce applications is Amazon's Flexible Payment System which opens up all kinds of interesting applications. It is very similar to the payment system I was working on in Panama. I am personally very interested in trying it out and will report back in the future on this.

Amazon has built up solid knowledge of seemingly half the world so KYC is way easier for them than for just about anyone else. This doubled with their operational experience in handling their own internal payments can only bode well for them in the future. Due to the interlinking with the traditional financial system charge backs are almost certainly still a problem, but they do have various interesting features for managing this risk.

An even more interesting new trend is that



Smart Solution For Internet Payments

 **WM Keeper Mobile**
- WM-Purse in Your Mobile

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- Credits and Loans

 **Arbitration**
- Disputes Solving

 **Merchant**
- API Integration

 **Telepay**
- Telecom Payments

 **Domains**
- Domain Names For Sale

 **Megastock.com**
- WebMoney "Yellow Pages"

 **Masspayment**
- Bulk Payments

 **Mestkom.ru**
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 **Geo**
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- Consolidate With Your Partners

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 **Plati.ru, Digitseller.ru**
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- Bank Wires

 **Enum.ru**
- Secure Authorization

 **Paymer.com**
- Digital Checks

 **Publicant.ru**
- E-Books

 **Wiki**
- WebMoney Wiki

www.wmtransfer.com

many FaceBook Applications are now financing themselves with their own virtual currencies. They sell currency units and/or allow people to earn them. Then they sell virtual products such as virtual flowers to their users. It will be interesting to see how this moves on and if some of them eventually will get hit by overzealous regulators.

THE LEGACY OF E-GOLD

The innovations in governance that e-gold spearheaded made e-gold a trusted system. It is still operational today, except that you can't create new accounts. Doug has done all kinds of bad moves in the past such as when he sued my old pal Ian Grigg and another friend of mine Charlie Evans in 2001. I was present at the EFCE conference in Edinburgh when they were both served. Doug and G&SR lost the case.

It is pretty interesting thought that even after this and other stupid moves by Douglas Jackson, people still had trust in the system. It will be interesting to see what happens in the e-gold economy in the coming months while they build KYC into the system.

LESSONS FOR STARTUPS IN 2008

Lessons that web startups can learn from this are I think in particular about governance and transparency. If people are relying on your service you need a user agreement that protects your users against you. Real time public statistics can also go a long way in providing transparency and trust in your system. It might even make it easier for you to get investors.

I wrote about e-gold earlier in How Doug took on the US Dollar. I should probably disclose that I have met Doug and several other people from the team during a visit to their offices in Melbourne, FL in 1999. I currently have probably less than a grams worth of e-gold in my account with a very low account number. I haven't logged in to it in years.

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Money Laundering in Digital Currencies



U.S. Department of Justice
National Drug Intelligence Center
Product No. 2008-R0709-003
June 2008

MONEY LAUNDERING IN
DIGITAL CURRENCIES
JUNE 3, 2008

Key Judgment

Digital currencies combine the intrinsic value of gold and other precious metals as well as the designated value of national currencies with the worldwide reach of the Internet to create an ideal mechanism for international money laundering.

Users can anonymously fund digital currency accounts, send those funds (sometimes in unlimited amounts) to other digital currency accounts worldwide, and effectively exchange the funds for foreign currencies—often while bypassing U.S. regulatory oversight.

Introduction

Digital currencies provide an ideal money laundering instrument because they facilitate international payments without the transmittal services of traditional financial institutions.¹ Such currencies allow direct access to a remote payment mechanism and can be used to launder illicit funds by sending instant international remittances via the Internet. Many components of the digital currency system are incorporated in offshore and foreign jurisdictions not subject to U.S. regulations; however, their services are accessed in the United States through the Internet. As such, transactions can be completed with less fear of documentation, identification, or law enforcement suspicion. Such emerging electronic payment systems are vulnerable to money laundering and terrorist financing.

Digital currencies are privately owned online payment systems that allow international payments, which are often denominated in the standard weights for gold and precious metals.² Each digital currency functions as one transnational currency; however, none of these are recognized as currencies

by the U.S. government.³ Most digital currencies claim to be backed by precious metals such as gold, silver, platinum, and palladium; however, very few can independently prove such backing. Several digital currencies claim to be backed by specific national currencies. Metal-backed digital currency accounts are allegedly valued based on the backing commodity's fluctuating "spot price" at the time of funding or withdrawal; digital gold currencies (DGCs)⁴ are by far the most popular type. Metal does not physically change hands in transactions; rather, the transfer is an accounting entry in which only the designation of ownership changes (similar to a stockholder whose shares represent a portion of a company's holdings). According to the Global Digital Currency Association (GDCA), digital currency transactions account for billions of dollars each year—digital gold currency transactions alone increased from approximately \$3 billion in 2004 to approximately \$10 billion in 2006.

The digital currency system is composed of issuers, digital currency exchangers (DCEs),⁵ and the individuals (including merchants) who conduct transactions. Digital currency issuers frequently own or control a digital currency and are generally responsible for maintaining the precious metals used to back currencies or—in the case of currencies not backed by metals or national currencies—managing pooled bank accounts in which users' funds are maintained until withdrawn. Issuers typically process digital currency transactions and maintain online records of users' activities, including funding, spending, fees, and withdrawals. Digital currency exchangers (DCEs) facilitate funding of and withdrawals from digital currency accounts as well as conversion of one digital currency to another. Such exchangers and issuers are usually independent entities; however, an issuer may have a corporate affiliation with one particular DCE. Many DCEs claim to accept any national currency (U.S. dollars, euros, yen, etc.) in exchange for digital currencies, as well as a variety of other payment methods. Because digital currencies operate independently, payments issued by a specific digital currency can be accepted only by merchants or individuals who accept that digital currency, unless the payment is first converted to the appropriate digital currency through a DCE.

Substantiation

Digital currencies allow account holders to electronically manipulate funds similarly to other types of funds transfer services.

Digital currency account holders can move funds internationally in a manner that approximates money transfers or traditional wire transfers. The ability to conduct transactions in digital currencies is constantly available, making digital currencies more convenient than other methods of funds transfer, which may be limited by normal business hours and international time zones. Additionally, digital currency transactions can be conducted from any location or device with Internet access. Some issuers also accommodate mobile payments⁶ through web-enabled phones. Digital currencies are generally easy to use, and transactions conducted in these currencies are instantaneous and irreversible.

Because most digital currencies are denominated into internationally recognized weights of precious metals, inconveniences traditionally associated with international financial transactions, such as calculating international exchange rates for another nation's currency, are eliminated. A digital currency account can function as a merchant account, allowing a digital currency account holder to function as a front or shell company.⁷ DCEs that are automated allow individuals to execute multiple currency-to-currency exchanges in a short period of time and can be exploited to provide an ideal layering mechanism for funds placed into a digital currency account.

Regulatory interpretations and jurisdictional inconsistencies affect the operations of domestic and international digital currency programs that are accessible in the United States. Many digital currency programs in the United States believe that they are not subject to any existing federal or state regulatory structure. This issue is currently being litigated in federal court. Programs with components (servers, bank accounts, corporate offices, etc.) located outside the United States are not subject to U.S. regulations, yet those programs can be accessed within the United States. Issuers and DCEs frequently locate components in international and offshore jurisdictions; this

practice enables them to avoid U.S. regulatory oversight and complicates prosecutions.

Anonymity is a heavily marketed characteristic of the digital currency industry.

Because digital currency accounts are obtained online and are not subject to the customer identification procedures associated with obtaining a traditional bank account, they often can be opened and funded anonymously. Many digital currency web sites advertise "full anonymity" for transactions. Some issuers require identification, but because users open digital currency accounts online, documents are generally faxed or scanned to the issuer and can be easily altered or falsified. Anonymity continues during the digital currency account funding process, again without face-to-face interaction. Individuals can fund digital currency accounts by making cash deposits directly to an exchanger's bank account.⁸ Many DCEs maintain bank accounts in several countries to facilitate cash deposits in various national currencies. Industrywide, exchangers also accept wire transfers, postal money orders, and a variety of other payment types, some of which may make it difficult to determine the source of funds. Illicit users further attempt to conceal their identities by continually opening new digital currency accounts, as often as after each transaction. Digital currency accounts can also be funded with varying degrees of anonymity by mail and over the Internet, using electronic money orders (EMOs), checks, and online banking transfers. Some issuers allow individuals to redeem digital currency account balances in actual precious metals; launderers looking to conduct business in precious metals could exploit digital currencies to acquire them without the paper trail created by the commodities market. Many exchangers will convert digital currency balances into anonymous prepaid (stored value) cards⁹ that can be used to withdraw funds by various methods, including at worldwide automated teller machines (ATMs). Digital currencies also may be withdrawn through worldwide wire transfers, mailing third-party checks to anyone whom the account holder designates, or a variety of other methods.

Various technologies can increase the utility

of digital currencies for money laundering by providing additional anonymity and networking abilities. Because digital currency transactions are conducted over the Internet, they can be traced back to individuals' computers;¹⁰ however, anonymizing proxy servers and anonymity networks¹¹ protect individuals' identities by obscuring the unique IP (Internet Protocol) address as well as the individuals' true locations. Furthermore, mobile payments conducted from anonymous prepaid cellular devices, such as web-enabled phones, may be impossible to trace to an individual. Such portable devices that provide Internet access enable transfers of digital currency; afterward, they can be destroyed, easily and inexpensively, to prevent forensic analysis. Digital currency account holders also may use public Internet terminals or even "hijacked" wireless Internet connections to access their digital currency accounts, causing transactions to appear to originate with the unsuspecting Internet subscriber. Users of digital currency may also use encrypted chat rooms¹² to conceal communications between individuals, making law enforcement scrutiny more difficult.

Because digital currency is increasingly misused to purchase drugs and other illicit materials that are sold online, the proceeds of that activity are essentially prelaundered.¹³ Payment in digital currencies makes it easier for traffickers to launder funds that no longer need to be placed into the traditional financial system. Payment can be immediately forwarded to an international digital currency account, perhaps in payment to the original source of supply, or further layered through multiple digital currency accounts and exchangers until reintegrated into the legitimate economy. Online illicit drug sales are now being conducted on bulletin boards, on blogs, and in encrypted chat rooms, and sellers are increasingly demanding payment in digital currencies, specifically DGCs. Additionally, Operation Raw Deal, an Organized Crime Drug Enforcement Task Force (OCDETF) investigation initiated in November 2006, indicates that several Chinese raw materials manufacturers, which supply large-scale methamphetamine laboratories in the United States and Canada, accept payment in DGCs for drugs, precursor materials, and conversion kits for manufacturing finished products. The targeted companies

are responsible for mass manufacturing and distributing anabolic steroid raw materials, human growth hormone (HGH), and certain other prescription and counterfeit drugs illegally entering the United States.

Some digital currency issuers offer liberal—or even no—limits on transactions, funding amounts, and total account balances, allowing drug traffickers to more easily launder large sums with fewer transactions. Digital currency issuers who impose no limits on total value, funding, and transactions are ideal for large-scale drug trafficking networks and money laundering operations; such financial services make it easier and safer to launder larger amounts of money using fewer transactions.

Federal officials have acknowledged the need to close the regulatory loophole that exists in relation to digital currencies. Despite industry assertions that digital currencies are not subject to regulation, as well as the formation of several trade associations and consortiums attempting to demonstrate industry self-regulation, U.S. Government entities are exploring the application of consistent federal regulation over the digital currency industry—which promotes itself as unregulated and anonymous. Additionally, because the value of digital currency accounts changes with the market performance of the backing commodity, any profits earned (capital gains) during the withdrawal of digital currency accounts may not get reported to the IRS unless the digital currency account holder decides to declare the amount voluntarily.

Outlook

Drug traffickers will increasingly rely upon the digital currency industry to launder and move funds because it enables standardized international financial transactions and operates largely outside the regulatory requirements of the traditional banking system. The ability of individuals and businesses to conduct complex, immediate, and irreversible international transactions with very little financial transparency greatly benefits drug traffickers and other criminals.

U.S. regulatory action alone will not be sufficient to suppress the money laundering threat posed by digital currencies. Even if clear and consistent

regulatory measures are imposed, digital currency services established in foreign and offshore jurisdictions—which are not subject to the Bank Secrecy Act (BSA)¹⁴—can be used to conduct transactions in the United States. Limited international oversight of this expanding financial service is possible through a recommendation of the Financial Action Task Force on Money Laundering (FATF).¹⁵ The FATF has publicly stated the need to monitor the growth of this

industry and implement anti-money laundering controls; however, FATF recommendations will have little effect on nonmember countries. It would be nearly impossible to legislate regulatory controls that would allow the U.S. government to prevent completely foreign-based digital currencies from being used in the United States, because these services are available through the Internet.

<http://www.usdoj.gov/ndic/pubs28/28675/28675p.pdf>



GoldMoney

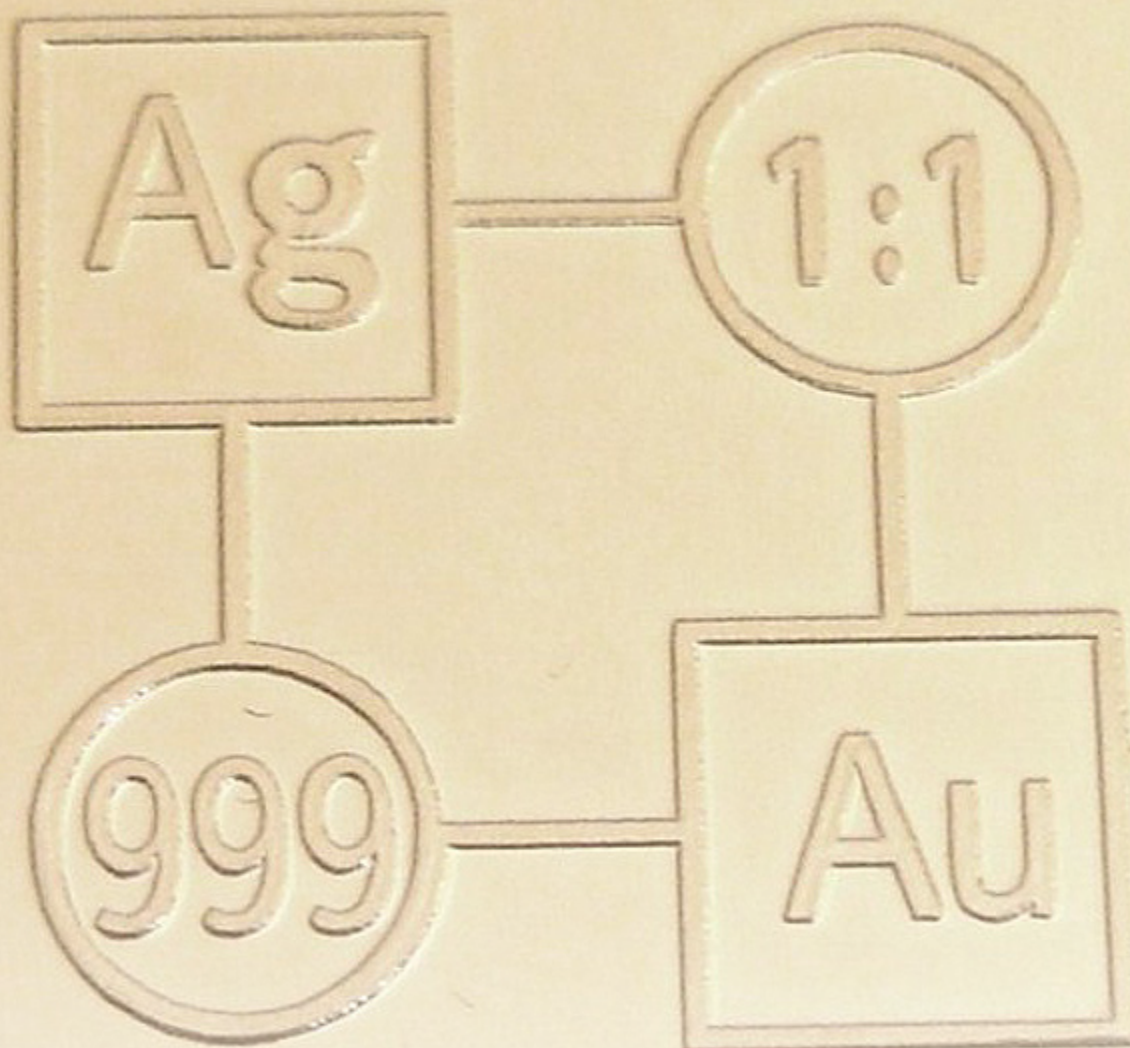
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ELECTRUM : THE ORIGINAL MONEY



A project is underway to establish a new medium of exchange for the physical and digital currency markets, there is a naturally occurring precious metal with qualities like no other which has been overlooked for centuries, it's name is electrum.

To understand electrum as money one must first understand it's nature, history and utility.

What is Electrum?

Electrum is an alloy of silver and gold, it's name is derived from the Greek word for amber (elektron), which relates to it's natural colour. The English words electron and electricity are also derived from the same word.

What ancient history surrounds the metal Electrum?

It is believed that the first coins ever minted were struck from electrum by the ancient Lydians of Asia Minor in the time of King Croesus. They were called Electrum Stater's, the word stater meaning standard.

The Greek alchemists gave the metal symbol of Zeus (Z) and later the symbol of the sun and waxing moon.

What economic and political events have made electrum significant today?

History reflects the success of silver and gold as money, for thousands of years silver and gold cir-

culated side by side in market driven bimetallic monetary systems.

Constitutionally, the American dollar was a silver dollar, containing 270 grains of silver which in turn was convertible into 22.5 grains of gold, fixing a ratio of 16:1 on coinage. Sadly, it was this type of legal tender law that was ultimately the undoing of bimetallism worldwide due to the effects of Gresham's Law.

Gresham's Law in one dictionary is defined as;

The theory holding that if two kinds of money in circulation have the same denominational value but different intrinsic values, the money with higher intrinsic value will be hoarded and eventually driven out of circulation by the money with lesser intrinsic value.

Or more commonly quoted "bad money drives out good money". This principal, through the legislation of a fixed silver/gold ratios led to the eventual collapse.

Later, in a further political move, the coinage act of 1873 also known as the "Crime of '73" legislated that silver could no longer be brought to the mint for coining and ushered in the age of the monometallic gold standard. The demonetization of silver followed and led to a strong deflationary trend lasting 20 years.

It was the English economist Alfred Marshall who first put forward a proposition of using electrum as the standard in 1888 to the Gold and Silver Commission in the United Kingdom. Marshall suggested that what he called a symmetallic system be implemented as a means to effectively defeat the effects of Gresham's Law. However, the idea was not warmly received and not politically expedient. The much hailed gold standard effectively only lasted 41 years to 1914 when the "New Deal" birthed a paper regime on the back of a nations confiscated gold. Which begs the question, was a monometallism an incremental step towards a fiat currency?

So what is symmetallism?

Symetallism is a monetary system by which a fixed quantity of gold is alloyed with a fixed quantity of silver to form a new monetary unit in which any flux in the metals values are offset within the alloy.

What is the utility of Electrum in a symmetallic system?

Electrum fulfils the definition of money; it can be a unit of account, medium of exchange and store of value. It is liquid, durable, portable, divisible, scarce, uniform and recognizable. Furthermore it is stable, stable in every way that gold and silver are stable but more so in that it can not shaken by Gresham's Law.

Should there be a silver/gold ratio?

The ratio no longer has significance because Gresham's Law is effectively switched off, however for ease of use 1:1 is the logical alloy for quantifying the relative exchange rates.

What is the future of electrum?

The kings and alchemists of our age have given up their quest for the Philosopher's Stone in favour of the printing press and realistically it is no longer practical to transact with gold and silver coin over the counter. However, the answer can be found in electronic money as medium of exchange and unit of account, backed 100% by hard money that is readily available to hold as a store of value. Furthermore, gold should be defined in terms of silver and silver in terms of gold, these should be the only two exchange rates.

The fact that a precious metal based currency is both desirable and unavoidable should lead us to the point where we learn from history and forward think by promoting the best medium for the standard by design rather than by default.

Electrum or perhaps e-LECTRUM is that standard, the original money and the money of the future.

Stuart Graham

To find out more about electrum bullion and electrum digital currency enquire below.
mr.stuartgraham@gmail.com

THE AMAZING STORY OF THE GOLD ACCUMULATING MACHINE

Two crafty con men lured a group of investors to fund their gold scam business with several hundred thousand dollars before the pair skipped town with all the cash.

It was a cold day on the water in Passamaquoddy Bay, Maine back in 1897 when Charles E. Fisher and Prescott Ford Jernegan amazed and astounded a group of investors with their machine they called the 'gold accumulator'.

Fisher and Jernegan claimed their new machine could suck gold particles right out of the sea water's swirling currents. They promised the eager investors they would all make untold fortunes by simply vacuuming the gold right out the bay. They called it the Gold Accumulator.

To prove their claims, they were required to run a demo test of the machine, at a controlled location. The location would be kept secret from the 'inventors' until the last moment before they journeyed to the spot. This secret meeting place did remain a secret until they arrived and lowered the device into the dark waters in front of a great crowd of onlookers, skeptics and potential money men. The location had remained secret so there could be no tampering with the waters or as modern day treasure hunters call it, "peppering the wreck" with treasure before arrival.

Once in the water for a few short hours, the device was hauled up right before the crowd and behold, the claims were true, the collection area of the device was covered in dazzling gold particles. It was amazing to see how easily gold was harvested and everyone believed that they would soon become rich beyond their wildest imaginations.

As the story goes, the local money men wasted no time delivering \$300,000 to \$350,000 to the newly formed Electrolytic Marine Salts Company. Soon after cashing in and out, both men disappeared with their new wealth and the machine was of course discovered to be a fake. No you can't suck gold out of sea water. I would have liked to have been there on the second attempt to 'accumulate gold'. I'm pretty sure one of them said something like, "perhaps it needs to stay in the water longer?"

As it was later discovered, on the initial test run where the machine was hailed to have 'accumulated' gold, a diver had entered the water nearby and exchanged the original 'accumulator' with a new gold one well before the machine was hauled from the water.

This took place in 1897, over a hundred years ago!

Today the gold scams are accomplished over the Internet, don't get taken. If it sounds too good to be true it ALWAYS is....if you are considering a 'high yield' investment, stop and think of the man who lost their fortunes on the "gold accumulator".

The Real Gold Accumulators (photo)

Reported to be Fisher and Jernegan together again years after the original scam?



MineServe Ltd, is pleased to present:

Gold Investment Summit (UK)
Tuesday, 4th November 2008
London

'Gold Investment Summit' is an investment conference that aims to link junior exploration, emerging & mid-tier gold producing companies plus expert keynote speakers & analysts with financial institutions, brokerage firms and corporate finance & investment houses involved in the resource & commodity markets - including Investment/Fund Managers, Brokers/Traders, Private-Client Managers, Financial Consultants, and Mining Equity Research Analysts, plus existing Shareholders & astute Private Investors seeking an exceptional investment opportunity.

Join us for our inaugural day of gold conferencing, with presentations and discussions on gold mining companies, gold investments, the economy, commodity/money markets and the 'bullish' case for gold - in addition to an adjacent exhibitor area displaying quality gold mining companies with operations located around the world ! There will also be plenty of opportunity for one-to-one discussions with company executives .

Speakers throughout the day will include: James Turk, of GoldMoney.com and co-author of the book, "The Collapse Of The Dollar"; Paul Tustain, of Bullionvault.com and Editor of "Galmarley" plus presentations by CEO's from exhibiting junior and mid-tier exploration, development, and gold producing mining companies. Why not also join us for our Silver Investment Summit on 5th November !

<http://www.goldsummit.co.uk/index.htm>

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Governments Declare War on “Digital Gold” Services

by Mark Nestmann - <http://www.nestmann.com>

I'm a “gold bug.” I distrust paper money of all kinds and am particularly suspicious of my own domestic currency, the U.S. dollar.

Plenty of people share my antipathy toward the greenback. And it's no surprise why. Measured in terms of gold, the dollar has lost more than 95% of its value in the last 100 years. Another way of looking at it is that during that period, the price of gold has increased more than 20 times in dollar terms—from an official price of \$20.67/oz in 1908 to more than \$900/oz today.

With a record like that, you'd think no one would own U.S. dollars. But unfortunately, the U.S. government gives us few practical alternatives. Among other compulsory means, the government's “legal tender” laws force us to accept dollars “for all debts public or private.”

However, the government's monopoly on money is beginning to end. In the last decade, the Internet, combined with massive advances in data processing technology, has made it possible to own “digital gold,” through companies like GoldMoney.com.

The basic idea couldn't be simpler. You open an account with GoldMoney or similar service in much the same way as you do at a bank. But instead of holding dollars, the account holds gold. You can then use the gold in the account to pay other GoldMoney account-holders for goods or services they provide. Instead of having those goods or services priced in dollars, euros, or pesos, they're priced in grams of gold. In return for facilitating the transaction, GoldMoney receives a small fee.

And, guess what? There's no need for any government to intervene in the process. Indeed, services like GoldMoney are a seductive way of getting ordinary people accustomed to doing business outside the fiat money system. In the not-too-distant future, you may see the equivalent of a gold money market account. You might receive a debit card that can draw on this gold account. When you buy goods or services, you could pay for them in gold, rather than in a paper currency.

Naturally, governments don't like this one bit. Any threat to the paper money monopoly must be crushed,

by any means necessary. And the war against digital gold has now begun.

Today, one of the first digital gold services, Nevis-based E-Gold, pleaded guilty in the United States to money laundering charges. It didn't have much choice. As I described in a previous blog entry, in May 2007, the U.S. Department of Justice seized over US\$11 million worth of gold held by Omnicap, E-gold's payment system. The gold confiscated in this civil forfeiture had a then-market value exceeding US\$11 million. (Today, a little more than a year later, the seized gold would be worth more than US\$16 million. Which currency would you rather have?)

Naturally, the attack on E-Gold wasn't couched in the terms that this kind of service is a frontal assault against increasingly depreciated national currencies. Instead, the indictment of E-gold painted a lurid picture of the system being used by child pornographers, identity thieves, and investment scams.

Who knows? Maybe E-Gold was guilty as charged. But the E-Gold takedown is unquestionably a warning to other companies in this business that they might be next.

It should thus come as no surprise that one of the highest priorities of national “financial intelligence agencies” is to investigate the connection between digital gold services and (you guessed it) “terrorist financing.” In the United States, for instance, the Treasury Department's Financial Crimes Enforcement Network (FinCEN) is studying ways to “close the regulatory gap” surrounding digital gold currencies. Canada's financial intelligence agency (FINTRAC) warns, “criminals may be exploiting Internet-based companies that convert cash into electronic gold, exposing a new front in the international effort to restrict terrorist financing and money laundering.”

So, there you have it. The stage is set for governments hooked on fiat currencies to try to quash this quiet revolution. You can do your part to make sure they don't prevail by opening your own account at GoldMoney or a similar service. (For the record, I have no connection, financial or otherwise, to GoldMoney, other than knowing its founder, James Turk.)

GoldMoney, but the way, insists on the same type of documentation that a bank demands when you open an account. Obviously, it doesn't want to suffer the same fate as E-Gold.

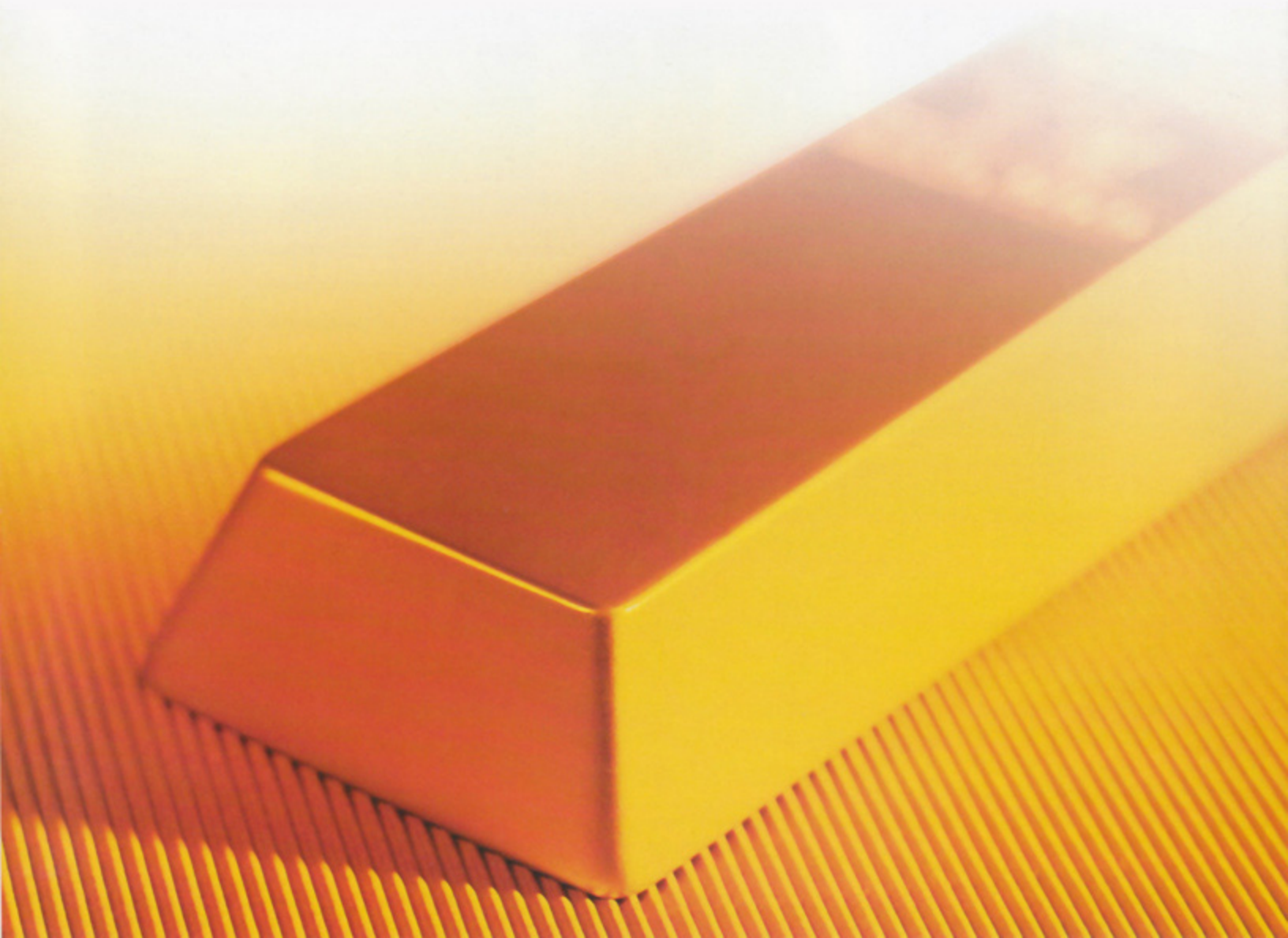
Mark recommends - <http://www.sovereignsociety.com>



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COMMERCE GOLD (C-GOLD) PASSES THE 100,000 TRANSACTIONS MARK

New multimillion dollar kid on the block c-gold just whizzed past the 100,000 customer transactions mark this month. Congratulations to Robert and team.

Headquartered in Penang, Malaysia, Commerce Gold allows any verified account holder to bail in bars and receive digital units through their Penang office location. Current holdings show circulation of 42534.37grams of digital gold. (over €800,000 euro)

- **35 kilos**
- **12 - 500gram bars**
- **1 - 100gram ingot**
- **1 - 434.3700gram ingot**

Their 'holdings' page always shows the daily balance. <https://c-gold.com/holdings.php> There are currently about 13,000 c-gold accounts open and around 4,000 of them are funded. From their web site:

"You cannot buy c-gold or fund your Holdings Account with any fiat currency from c-gold.com or the Operator.

The c-gold system is a closed book-entry system and you can only fund your account by either bailing in a gold bar, or by buying c-gold from someone who already has some in his or her Holdings Account. However, there are several independent exchangers who are offering c-gold for sale in exchange for other online currencies and/or for a wire transfer, bank deposit, etc."

C-gold is a very exciting new DGC and please note that in order to eliminate attempts to abuse the c-gold.com system each account requires verification of ownership through ID and utility bill scans.

<http://www.c-gold.com>

GOLDMONEY BANK OF AMERICA WIRE TRANSFERS NEWS

From AlansMoneyBlog.com

We are pleased to announce that with effect from Friday the 11th of July, all customers with a US bank account can wire funds to GoldMoney's new cash collection account at Bank of America in New York.

You are now able to transfer funds to GoldMoney using a domestic bank wire or other electronic transfer method rather than an international bank wire, which will significantly reduce the bank fees incurred and increase the efficiency of your funds transfer.

Please note that this new bank wire service is for incoming wires only. In other words, the collection account service provided by Bank of America through our bank, Lloyds TSB (UK), is a "one-way" service and may not be used to return funds to customers. When you instruct GoldMoney to send US dollar funds back to your US bank account, all wires will still be made from our bank account in Jersey.

<http://alansmoneyblog.com/2008/07/12/goldmoney-opens-us-wire-collection-account/>



CREDIT CARD FRAUD IS FUNDING TERRORIST NETWORKS: NOT DIGITAL GOLD CURRENCY



The next time you pull out your plastic at the retail counter or type in your card number online, ask yourself, will my data be stolen today and used to fund a terror network? It happens all the time. What is your credit card company doing to prevent it?

We should be extremely concerned about the scope of the credit card fraud problem involving terrorists. There is limited or no empirical data to gauge the extent of the problem. However, there are compelling signs that an epidemic permeates. [1]

Recently, there has been a string of articles in the main steam media attempting to link Digital Gold Currency and terrorist financing. However, the reality of the situation is that no Digital Gold Currency has ever been connected to a terror financing case or crime. Last month, even one very visible government report on Digital Currency stated, “Such emerging electronic payment systems are vulnerable to money laundering and terrorist financing.” [2]

As far back as January 2006, the main stream media began an effort to connect terrorist funding and Digital Gold Currency. This trend seems to have started when a BusinessWeek “investigative

report”, quoted some dialog from Mr. Phil Williams, a professor of international affairs at the University of Pittsburgh and consultant to the United Nations on terrorism financing.

The article points out that while discussing digital currency, Mr. Williams says, “*At some point, this is going to be used*” by terrorists. Of course it is obvious from his comment that Mr. Williams has never seen the extensive Customer Verification Process required by GoldMoney, e-dinar or Crowne Gold. It is also doubtful that Mr. Williams has ever transacted an exchange of dollars into e-gold digital currency using a professional exchange agent.[3] (Businessweek Article By Brian Grow, John Cady, Susann Rutledge, and David Polek)

Credit card fraud has become an ever present tool for funding terror networks while Digital Gold Currency has never even been mentioned during the prosecution of a terror crime. Look at the facts as far back as 2001.

Ali Al Marri was arrested in Illinois in December 2001 for having lied to FBI Agents





about having contact with facilitators of the 9/11 terrorist attack. At the time of arrest, Al Marri had 36 credit card numbers and account information in his possession. A subsequent search of his computer found he had compiled over 1,000 credit card numbers and other identifying information. [4]

Doesn't "The truth" still have a place in main stream media? Isn't it important to discuss the facts as received directly from law enforcement professionals and not the suspicions and gossip of investigative reporters?

The facts show us that for many years credit card fraud has been used to fund murderous bombings and acts of terror. The facts also show us that companies like e-gold which have been in business for over a decade, have never been connected to an act of terror funding.

The October 2002 the Bali nightclub bombings killed 202 people, most of whom were just visiting tourists.

Iman Samudra, convicted and now awaiting execution for taking part in the 2002 bombings of two Bali nightclubs...urges

Muslim youth to obtain credit card numbers and use them to fund the struggle against the United States and its allies. *John Rollins & Clay Wilson, Specialists in Terrorism and International Crime, Foreign Affairs, Defense, and Trade Division - "Terrorist Capabilities for Cyberattack: Overview and Policy Issues" Updated January 22, 2007, CRS Report for Congress

The next time that your credit card is used to buy gas, dinner at a restaurant, clothing, or for online shopping please recognize that your card numbers and personal information just might end up buying plan tickets, binoculars or a GPS system to outfit a terrorist and equip an extremist planning to kill innocent civilians. This is the everyday reality of credit card fraud.

That decade old bank "customer not liable for fraud" technology, along with the magnetic stripe and the 40 year old plastic card design is widely abused by criminal every waking moment of every day. Card fraud is a decades old global epidemic. Credit card fraud has been omnipresent throughout the past 3 decades.

The Nigerian credit card fraud problems



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**of the late 1970s and 1980s attests to this.
Epidemics can only be treated and eliminated
through detective and preventive treatment.
[5]**

What is your bank doing to prevent such crimes?
Why doesn't the media focus more on correcting
this global epidemic?

Tariq al-Daour, is one of three British residents who
pleaded guilty in July of 2007 to using the Internet

to incite murder.

**Investigators said al-Daour and his
compatriots made more than \$3.5 million
in fraudulent charges using credit card
accounts they stole via phishing scams and
the distribution of Trojan horses -- computer
programs embedded in innocent-looking
e-mail messages or Web sites that give
criminals control over infected computers.
On a computer seized from al-Daour's West**

h and destruction,

London apartment, investigators said they found 37,000 stolen credit card numbers. Alongside each credit card record was other information, such as the account holders' addresses, dates of birth, credit balances and credit limits. ...[Tsouli] and his two associates used at least 72 stolen credit card accounts to register more than 180 domains at 95 different Web hosting companies in the United States and Europe. Investigators said he became the de facto administrator of the online jihadist forum Muntada al-Ansar al-Islami, which once was the main Internet public relations mouthpiece of Abu Musab al-Zarqawi, the leader of al-Qaeda in Iraq who was killed last month. [6]

Did you know that the according to a German intelligence report, the Madrid bombers partially financed that attack through credit card fraud? According to the Associated Press, 190 innocent people died in that attack.

According to FBI officials, Al Qaeda terrorist cells in Spain used stolen credit card information to make numerous purchases. Also, the FBI has recorded more than 9.3 million Americans as victims of identity theft in the past 12 month period. Report by the Democratic Staff of the House Homeland Security Committee, Identity Theft and Terrorism, July 1, 2005, p.10. [7]

The public should correctly, place blame for these horrible crimes squarely where it belongs and that is with the profitable credit card companies. Do not pander to the public's ignorance of digital currency and their fear of the digital unknown. Don't follow the path that Fox News has cut in today's digital media.

The media needs to expose the actual funding sources for these terror crimes and not try to point the finger at Digital Gold Currency. The public should focus on fixing the problem and stop being guided like scared sheep away from promising new technologies like m-payments and Digital Gold Currency.



Madrid Bombing.....stolen credit cards.

Why doesn't the government make more of an effort to close the 'credit card data' loopholes and prevent data thefts from occurring? Can't the government force the profitable billion dollar credit card companies to advance their 40 year old plastic card technology?

It is no longer acceptable to dismiss credit card fraud as a petty crime. This is not a petty crime when 200 or more people are killed from a terrorist bomb. It is also not acceptable for the media to try and demonize digital currency when the blame for these acts of violence falls squarely on the credit card industry.



A North African terrorist funding group accumulated details of nearly 200 stolen cards and raised more than GBP 200 000 to fund the al-Qaeda terrorist network through international credit card fraud. Twenty to thirty 'runners' collected the names and credit card details of almost 200 different bank accounts from contacts working in service industries such as restaurants. These details

were not used in their country of origin (the UK) but sent on to associates in Spain and the Netherlands. These associates used the cards to fraudulently collect more than GBP 200 000 for al-Qaeda cells around Europe. [8]

DGCs have never been linked to terror financing.

In Australia, credit card fraud and identity theft cost hundreds of millions of dollars a year. Internationally, some estimates put the cost of cyber-related identity theft at more than \$200 billion – bigger than the entire cocaine market. [9]

Digital Gold Currency has only been around since the mid 1990's and has in just the past 3-4 years gained retail popularity. Credit cards have been in use and popular for over 40 years! The next time you buy a discount shirt or sweater, will your card and personal information be forwarded overseas to aid in the set up of a new terror training camp?

March. 30, 2007, BOSTON - A hacker or hackers stole data from at least 45.7 million credit and debit cards of shoppers at off-price retailers including T.J. Maxx and Marshalls in a case believed to be the largest such breach of consumer information. Associated Press story [10]

Is it possible that while the card companies pocket hundreds of millions in profit....they fail to address or correct this epidemic of fraud? The facts show us without question that credit card fraud offers an easy and direct funding source for global terror networks. Why don't the card companies fix it and stop passing on the expense to their customers?

Case study: Columbus, Ohio: Somali native Nuradin Abdi told U.S. investigators that he provided stolen credit card numbers to a man accused of buying gear for al-Qaida, according to federal prosecutors... The credit card information was in turn provided to an acquaintance who was in the process of buying a laptop, global positioning satellite watch, a laser range finder and other equipment. Abdi is accused of planning to blow up a

Columbus, Ohio, area shopping mall along with other al-Qaida operatives, including an admitted member of the terror group, lyman Faris, who is currently imprisoned for a scheme to sabotage the Brooklyn Bridge. Prosecutors say Abdi attended a guerilla training camp in Ethiopia, with the shopping mall plot hatched shortly after he returned to Ohio in March 2000. [11]

The horrible reality of this situation is that the next transaction you make with that antiquated bank card, may be sending funds for the a future terrorist attack.

Can you guarantee that immediately after your next credit card purchase the card data will not be copied and sold to extremist? It happens all the time....

According to Identity Theft Resource Center there were 167 data breaches in the first three months of this year. At least 8.3 million records containing sensitive information were potentially compromised in the same time period. [12]

The is the ugly truth is that credit card fraud often directly funds terror networks.

One Recent Event: Data from 4 Million credit cards stolen. Recently, Hannaford announced what security experts call a sophisticated attack on their computer network that resulted in the theft of credit and debit card account information. The arrest of Al Qaeda's top cyber terrorist provided hard evidence of their use of stolen credit card data for funding. In one case, terrorist groups use the stolen credit card information to purchase \$3 million of materials to carry out terrorist attacks. Al Qaeda's top cyber terrorist 23 year old Younes Tsouli (online name - Irhaby007), recently admitted conspiring to defraud banks, credit card companies and charge card companies.-- Kevin Coleman [13]

In stark contrast, no charges have ever been brought against a terror funding suspect that included any connection to Digital Gold Currency.

What is being done by the card companies and banks to prevent future use of card fraud in the funding of terror networks? Surely this is a national security problem and not a petty crime as it is often labeled.

The mastermind behind the international credit card fraud for funding the LTTE terrorist organization has been arrested... He had a large number of Personal Identification Numbers (PIN) and bank receipts issued by both local and foreign banks, amounting to a massive sum of money, over Rs. 100 million, in his possession when he was arrested. In the past, it's been widely reported that Al Qaeda training manuals teach their minions to use credit card fraud as a way to survive in foreign lands. [14]

The next time you read a main stream media article about Digital Gold Currency, which includes ambiguous language like "may be" or "are vulnerable to" please remember the facts. Contact your card company today and ask them what is being done to secure your card and personal information. Let's all work together to prevent the next terror attack from being funded by your stolen credit card.

- [1] http://counterterrorismblog.org/2008/02/terrorists_and_credit_card_fra.php
- [2] <http://www.usdoj.gov/ndic/pubs28/28675/index.htm>
- [3] http://www.businessweek.com/magazine/content/06_02/b3966094.htm
- [4] http://counterterrorismblog.org/2008/02/terrorists_and_credit_card_fra.php
- [5] http://counterterrorismblog.org/2008/02/terrorists_and_credit_card_fra.php
- [6] http://www.washingtonpost.com/wp-dyn/content/article/2007/07/05/AR2007070501945_pf.html
- [7] <http://www.cyberconflict.org/pdf/WilsonNov012005.pdf>
- [8] <http://www.fatf-gafi.org/dataoecd/28/43/40285899.pdf>
- [9] <http://www.abc.net.au/4corners/content/2005/s1435556.htm>
- [10] <http://www.msnbc.msn.com/id/17871485/>
- [11] <http://www.creditcards.com/credit-card-news/credit-cards-terrorism-1282.php>
- [12] http://www.nationmedia.com/dailynation/nmgcontententry.asp?category_id=25&newsid=127163
- [13] <http://www.defensetech.org/archives/004105.html>
- [14] http://www.defence.lk/new.asp?fname=20080615_03

Article by Mark Herpel

IMPORTANT! AMENDMENTS TO THE AGREEMENT ON PROPERTY RIGHTS TRANSFER BY MEANS OF DIGITAL UNITS

Webmoney Transfer amends their terms and now requires all exchange agents to follow strict KYC rules on WM transactions in the exchange business.

23.07.08 <https://newsblog.wmtransfer.com/>

In order to ban and exclude WebMoney Transfer System from attempts of illegal usage and fraud as well as to avoid causing of any potential damages to its users, the System announces changes to its policies and hereby amends the Agreement on Property Rights Transfer by Means Of Digital Units.

Clause 25 of Annex II (List of Prohibited and Restricted Goods and Services, forbidden for sale using WebMoney Title Units) now sounds as follows:

“Financial or payment instruments, that do not ensure proper KYC procedures and customers identification for the purposes of fighting illicit trafficking, financial fraud, illegal proceeds and money laundering.”

Due to the above mentioned policy amendments, WMID's belonging to exchange services, who do not provide appropriate KYC and user's identification will be blocked and expelled from the System starting from August 01, 2008.

WebMoney Arbitration System determines a list (not limited by the titles below) of financial and payment solutions that are strictly and undoubtedly prohibited from usage/purchase/selling by/from/to WebMoney Transfer System:

1. ***E-gold.com***
2. ***Liberty Reserve***
3. ***E-bullion***
4. ***Pecunix***
5. ***Goldmoney***
6. ***Inocard***
7. ***Icqmone***
8. ***Deltakey***
9. ***Imoney UAH***

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RECESSION-PLAGUED NATION DEMANDS NEW BUBBLE TO INVEST IN

Onion, July 14, 2008 | Issue 44•29

WASHINGTON—A panel of top business leaders testified before Congress about the worsening recession Monday, demanding the government provide Americans with a new irresponsible and largely illusory economic bubble in which to invest.

"What America needs right now is not more talk and long-term strategy, but a concrete way to create more imaginary wealth in the very immediate future," said Thomas Jenkins, CFO of the Boston-area Jenkins Financial Group, a bubble-based investment firm. "We are in a crisis, and that crisis demands an unviable short-term solution."

The current economic woes, brought on by the collapse of the so-called "housing bubble," are considered the worst to hit investors since the equally untenable dot-com bubble burst in 2001. According to investment experts, now that the option of making millions of dollars in a short time with imaginary profits from bad real-estate deals has disappeared, the need for another spontaneous make-believe source of wealth has never been more urgent.

"Perhaps the new bubble could have something to do with watching movies on cell phones," said investment banker Greg Carlisle of the New York firm Carlisle, Shaloe & Graves. "Or, say, medicine, or shipping. Or clouds. The manner of bubble isn't important—just as long as it creates a hugely overvalued market based on nothing more than whimsical fantasy and saddled with the potential for a long-term accrual of debts that will never be paid back, thereby unleashing a ripple effect that will take nearly a decade to correct."

"The U.S. economy cannot survive on sound investments alone," Carlisle added.

Congress is currently considering an emergency economic-stimulus measure, tentatively called the Bubble Act, which would order the Federal Reserve to begin encouraging massive private investment in some fantastical financial scheme in order to get the nation's false economy back on track.

Current bubbles being considered include the

handheld electronics bubble, the undersea-mining-rights bubble, and the decorative office-plant bubble. Additional options include speculative trading in fairy dust—which lobbyists point out has the advantage of being an entirely imaginary commodity to begin with—and a bubble based around a hypothetical, to-be-determined product called "widgets."

The most support thus far has gone toward the so-called paper bubble. In this appealing scenario, various privately issued pieces of paper, backed by government tax incentives but entirely worthless, would temporarily be given grossly inflated artificial values and sold to unsuspecting stockholders by greedy and unscrupulous entrepreneurs.

"Little pieces of paper are the next big thing," speculator Joanna Nadir, of Falls Church, VA said. "Just keep telling yourself that. If enough people can be talked into thinking it's legitimate, it will become temporarily true."

Demand for a new investment bubble began months ago, when the subprime mortgage bubble burst and left the business world without a suitable source of pretend income. But as more and more time has passed with no substitute bubble forthcoming, investors have begun to fear that the worst-case scenario—an outcome known among economists as "real-world repercussions"—may be inevitable.

"Every American family deserves a false sense of security," said Chris Reppto, a risk analyst for Citigroup in New York. "Once we have a bubble to provide a fragile foundation, we can begin building pyramid scheme on top of pyramid scheme, and before we know it, the financial situation will return to normal."

Despite the overwhelming support for a new bubble among investors, some in Washington are critical of the idea, calling continued reliance on bubble-based economics a mistake. Regardless of the outcome of this week's congressional hearings, however, one thing will remain certain: The calls for a new bubble are only going to get louder.

"America needs another bubble," said Chicago investor Bob Taiken. "At this point, bubbles are the only thing keeping us afloat."

http://www.theonion.com/content/news/recession_plagued_nation_demands



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<http://pecunix.com>

Republic of Panama

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As reported, the
bar came from a
mutual customer
of both GoldMoney
and Pecunix. It was
bailed out of GM in
favor of Pecunix.

Pecunix current
gold info is here:

<https://www.pecunix.com/money.refined...ind.goldbars>

» In depth - gold bars held in storage

List of Gold Bars

To view the certificate of deposit for allocated
storage [click here](#)

Date	Brand	Bar No.	Fine OZT
2002-10-08	AGR	89372	394.320
2002-10-08	AGR	89373	396.886
2003-09-26	AGR	89878	393.778
2003-09-26	AGR	107165	394.515
2006-03-31	Agor/Barre Russe	7021	396.267
2006-08-04	Agor/Heraeus	4393	400.184
2008-07-11	Rand Refinery	YD7378	401.846
TOTALS			2777.796

Pecunix currency is calculated at a rate of 31.1034768 per
ounce of fine gold.

All gold bars are exclusively in the form of London Bullion
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<http://www.lbma.org.uk>.

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controls so for bullion fabrication and storage. [more...](#)

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WEBMONEY UPDATES KEEPER SOFTWARE

From Ecommerce-journal.com

WebMoney payment system announced the update of its WM Keeper Mobile: now it is possible to read and send WM-messages.

Those who have registered and got their WMid in the Telepat system will get this option automatically. Those customers who have Classic- or Light-purses should enter their account (in the top right) into the section Wallets/WMid and set WM-correspondence option manually.

In the menu "Settings" the clients will find a new added option "Messages" where they can set the interval of automatic request for new messages or disable the automatic checking.

http://ecommerce-journal.com/news/webmoney_updates_its_wm_keeper

E-GOLD'S USAGE GROWING IN SPANISH SPEAKING COUNTRIES

e-gold is growing rapidly in spanish speaking countries due to immigrant remittances and high inflation. Facebook now has a Madrid e-gold application. <http://www.goldmadrid.es>

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<http://es.wikipedia.org/wiki/E-gold>

NEWS FROM BERKSHARES

BerkShares, a local currency, has circulated in the southern Berkshire region of Massachusetts since September of 2006. One million, seven hundred and twenty thousand BerkShares have been issued from eleven branches of five participating banks. Issue occurs when citizens exchange their federal dollars 90 to 100 for BerkShares. Federal dollars remain in the bank accounts in anticipation of any future redemption of the BerkShares.

John Isaacs' design of BerkShares incorporates local heroes and paintings by local artists. For his layout of the notes he just received a Graphis 2009 Gold Award. The currency honors the values of community, economy, ecology, and sustainability. International and national press, intrigued with a community issuing its own money in these troubled economic times, have filmed citizens in the Main Street shops of Great Barrington, using the currency in place of federal dollars.

The phenomenon has drawn the attention of monetary academics, long interested in the prospect of "competing" currencies. They argue that with a multitude of privately issued currencies, those currencies issued on sound principals would maintain their buying value and not deflate. The assumption is that the currency holding the most value would be the preferred currency and the public would choose to trade in that currency over others.

Monetary theorists are concerned by currency monopolies, such as a reliance on government issued currency. Without competitive restraints a centralized currency issuer may have the tendency to over issue, or issue for non-productive purposes, thereby leading to inflation in the economy.

In imagining how to issue stable currencies, the "competing" currency school of thinking generally supports a currency backed by or tied to a standard that holds value. The standard of choice is gold or other rare metals.

BerkShares is a non-governmental, privately issued currency. The issuer is a non-profit, BerkShares, Inc., not a for-profit. By design trade is limited to the Berkshire region. The intent of the currency is to encourage more robust exchange between individuals and businesses and business to business, thereby

keeping the wealth of the region recirculating locally and fostering greater regional economic sovereignty. BerkShares identify the economic leaks in the region, those places where the local currency cannot be spent. The long-term goal is to provide a financing tool for new import-replacement businesses that produce locally for local consumption, thus stopping the leaks.

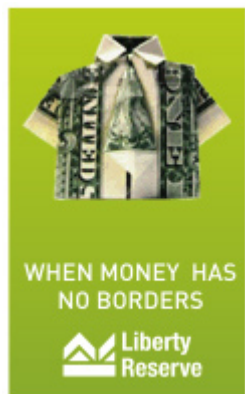
As BerkShares Board of Directors considers the future evolution of the program, the American Institute for Economic Research, a Great Barrington economic research organization founded in 1933, has called a mini-conference entitled "Prospects for the Acceptance of Competitive Local Currencies: The Future of BerkShares." Several eminent monetary scholars will join BerkShares board and staff to imagine growth to a more independent currency.

BerkShares will be discussed in the context of the history of independent currencies. Speakers will then address how BerkShares could move from federal dollar backing to an index of locally produced commodities such as maple syrup, wool, wood products, local beer, field greens, and local cheese. The conference will also consider the responsibilities of a local reserve board for BerkShares, including regulatory authority, oversight capacity, and other policy-making tools. This discussion will suggest a framework for how and on what basis to issue additional currency. Finally, panelists will suggest strategies for making loans denominated in BerkShares.

This mini-conference is scheduled for July 18th from 3PM to 5PM at the campus of the American Institute for Economic Research, 250 Division Street, Great Barrington, Massachusetts. The event is open to the public for free, but space is limited and pre-registration is necessary. To register contact Gretchen Hayn at 413-528-1216 or gretchenh@aier.org. Walker Todd is the conference director. Short biographies of conference presenters follow.

Papers given at the conference will later be available through the American Institute for Economic Research's website www.aier.org and that of the E. F. Schumacher Society www.smallisbeautiful.org. More information about BerkShares and media coverage of the project may be found at www.berkshares.org

LIBERTY RESERVE EXPANDS WITH GOLD BACKED RESERVE CURRENCY



“10/19/2007, Important Information, There are no M.L.A.T* treaties signed, or otherwise established between Costa Rica and the United States. HOWEVER, there are M.L.A.T* and cooperation agreements established and in force with the governments of the United Kingdom, Panama and many other countries. Unlike Liberty Reserve, which is registered in Costa Rica, any company that claims to be registered in Panama, United Kingdom or in any of the countries on the M.L.A.T* list is in fact in danger of being raided by US authorities and are just as vulnerable to unfair seizures as e-gold.”

Alive and well living in Costa Rica, the Liberty Reserve system appears to be well out of “Angry Uncle Sam’s” grasp.

LR is a growing, popular digital currency system with operations similar to those of e-gold in the early 1990’s. However this system has some super advantages and the operation is run by a very experienced team. Their marketing skills, communication efforts and global reach are now paying off dramatically. When you

แลกเปลี่ยน วันนี้	
 สมัครเปิดบัญชี Liberty Reserve	
ราคาขาย	ราคารับซื้อ
Baht : USD 35.00	Baht : USD 33.00
จำนวนที่มีขาย \$367  สั่งซื้อ Liberty	รับซื้อ : วัน : ท่าน \$500  ขาย Liberty

compare the traffic numbers from Compete.com, you will see that LR has overtaken the previous second place contender e-bullion and is now gunning for the top e-gold spot. If busy & happy exchange agents are any indication of success, we might conclude that Liberty Reserve is at the pinnacle of success already. Low exchange rates, sci integration, multiple language demos and ads.... LR seems to already have it all.

The company has just completed their gold backing accounts, so if you don’t already have a Liberty Reserve account, its officially time to get one. From the official Liberty Reserve Blog.


3/15 Important - gold backing, Liberty Reserve is working on adding gold backing. In addition to USD and EURO, a third option - gold backing, should become available later this year. We have

I wish to invest with Earn4Family but I don't have an liberty reserve. What should I do?
 You can open:
 liberty reserve account here: www.libertyreserve.com

How to pay


Step 1. (Open Liberty Reserve account)

You need to open an Liberty Reserve account. To do this, you need to:
 Go to <http://www.libertyreserve.com>.
 Press "Create Account" link



successfully implemented and tested the software portion of this update. We are now in the process of research for the most reliable and cost effective solution for physical gold storage for our members. There will be an additional announcement made as soon as we are ready to accept orders from exchangers. We may enable our software to support displaying gold balances sooner, but please refrain from e-mailing us about gold backing until we make an official announcement.

<http://blog.libertyreserve.com/2008/03/important-gold-backing.html>



Shopping Cart Interface

Checkout

Liberty Reserve is the secure payment processor for your merchant.

Pay to Account	U3502052 (Forex-Solutions-LLC)
Amount	\$50000.00
Merchant's memo	Deposit to Forex Solutions LLC User deposit

Login

Return to Merchant

Registration

Thank you for deciding to open a Liberty Reserve account. Please follow directions carefully to avoid mistakes and delays during the registration process.

Fields marked with asterisk (*) are required.

Account Information

* Account Name

Referred by U3637496

Security Information

* Password

* Re-enter Password

* Login PIN (5 digits)

* Re-enter Login PIN (5 digits)

***** (5 digits)

3	6	0	5	4
1	0	2	9	7

Clear

hide this keyboard

البيان .. وهو أول عامل من عوامل الأمان في الموقع .. ويتكون من 5 أرقام وتستخدم لوحة أرقام لكتابه

Master Key Master Key will be generated automatically during registration process.

* Security Question اختبار السؤال السري

or write your own

* Answer

* Personal welcome message

Step 4. (Deposit Liberty Reserve e-currency into your Forex Solutions LLC account from member area)

To do this you have to log into your **Forex Solutions LLC** account, click on **"Make Deposit"** / **"Spend funds Step 4. (Deposit Liberty Reserve e-currency into your Forex Solutions LLC account from member area)"**

To do this you have to log into your **Forex Solutions LLC** account, click on **"Make Deposit"** / **"Spend funds from Liberty Reserve"** page and follow the instruction.

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Make a Deposit

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Plan	Spent Amount (US\$)	Daily Profit (%)
Plan 1	\$20 - \$500	10.00
Plan 2	\$501 - \$1,000	12.00
Plan 3	\$1,001 and more	15.00

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[Calculate your profit >>](#)

Plan	Spent Amount (US\$)	Profit (%)
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Plan 2	\$2,501 - \$5,000	160.00
Plan 3	\$5,001 and more	180.00

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[Calculate your profit >>](#)

Plan	Spent Amount (US\$)	Profit (%)
Plan 1	\$1,000 - \$50,000	250.00

[Calculate your profit >>](#)

Your account balance (US\$): \$0.00

Amount to Spend (US\$):

☐ Spend funds from e-gold

☒ Spend funds from LibertyReserve

You will be redirected to Liberty Reserve's website secure shopping cart to finalize the transaction. You will need to log into your Liberty Reserve account and initiate a transfer of funds. **ALL transactions are handled via SSL security.**



Shopping Cart Interface

Checkout

6/25 Gold backing is coming, After a thorough and careful research we have found the best solution for our members for gold storage. We are in final stages of signing necessary documentation and preparing the allocated storage. The allocated storage will be audited twice a year and audit information will be publicly available on-line in the upcoming new version of Liberty Reserve software. Physical location of gold will be in Europe, under the management of well known and reputable metal depository entity.

<http://blog.libertyreserve.com/2008/06/gold-backing-is-coming.html>

7/09 Gold backing, As we have promised, we have reached and signed an agreement for allocated

gold storage. Once this option is enabled you will see a third balance (in grams) listed on your account. We are preparing updated instructions for exchangers for purchases of gold inventory.

<http://blog.libertyreserve.com/2008/07/gold-backing.html>

7/15 Finishing all upgrades + gold backing

We are happy to announce that we are finishing all the upgrades. We have installed all the physical equipment and testing it now. Gold backing is now available as promised. We expect to be finished before the end of the day (GMT-6).

<http://blog.libertyreserve.com/2008/07/finishing-all-upgrades-gold-backing.html>

7/16 Gold Backing, Please note that obligated to meet strict requirements of our gold backing provider for availability of service on-line and connection of gold price feeds, we are required to update slightly our software and provide

you with uninterrupted service solution, which is currently being done through Prolexic. Our part has been done as we have promised before. We are now awaiting for Prolexic to finish their installation routine. As soon as we get updated completion time we will post it here. We understand this may be frustrating to many, but please rest assured that these steps are necessary for the web site to work flawlessly in the future.

http://blog.libertyreserve.com/2008/07/gold-backing_16.html

5 blog entries and updates in 4 months...now that is good communications with clients. One of the best traits of Liberty Reserve has been the

Liberty Reserve, 图文注册使用详解

网银【LR】Liberty Reserve, 图文注册使用详解!

针对近日EG封号厉害, HYIP的站长都纷纷宣布放弃e-gold这种付款方法, 改为支持e-Bullion、pecunix、Liberty Reserve等网银。

注册: <http://www.libertyreserve.com>

注册页面1:

E-mail Verification

Step 1

We need to verify your e-mail address before you can create your Liberty Reserve account. Please enter a valid e-mail address to receive an account activation code. Next, please follow the instructions provided in the account activation e-mail to complete your account creation process.

Your e-mail

Submit

constant marketing of the digital currency across many web sites in the past year. Ads appear in multiple languages, exchange agents are doing business locally in many countries and even the so called 'investment' program web sites have plenty of demo's and screenshots showing how to get started or how to make a payment using a Liberty Reserve account.

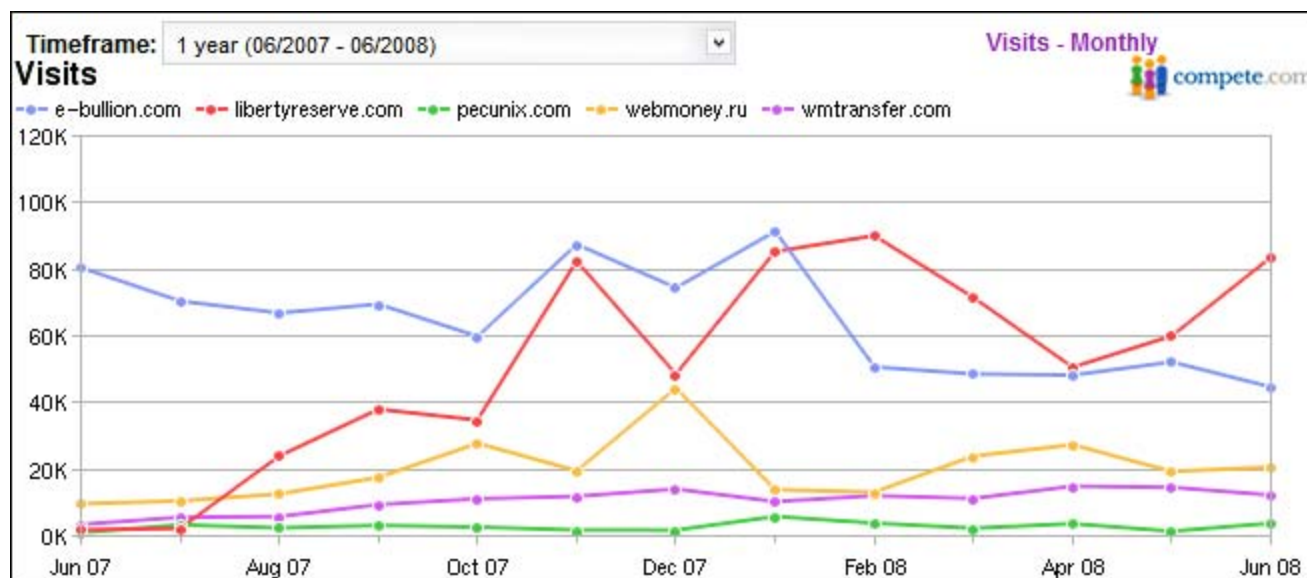
This digital currency will no doubt be the most widely marketed currency since the Internet began. Visits are initiated when a user enters a site. As the user interacts with the site the visit is live. Visits are considered live until the user's interaction with the

site has ceased for a 30-minute period.

For instance, User A enters Yahoo at 9:00. User A checks their email and reviews the week's weather forecast. User A then goes to a meeting at 9:30. She returns at 10:30 and checks her Yahoo email again. Since 30 minutes lapsed between her two interactions User A is considered "one person" that made "two visits".

DGCMagazine does not recommend or even condon any Internet 'investment' schemes ever. Costa Rica is still a sovereign nation and free to make thier own laws- CR allows this DGC to legally operate.

Chart below from <http://www.compete.com>



While others ask their hosting providers
for an ear ..



are our only Concern

Welcome to a web hosting company that serves you as its only customer



XtraOrbit

Since 2002