Inside This Issue

IJ Defends New School Choice Program In North Carolina  

IJ Earns Two Important Civil Forfeiture Victories In Michigan  

IJ Honors Robert W. Wilson  

Sacramento’s Sign Police Back Down  

The Government vs. Your Food  

IJ Launches New National Food Freedom Initiative  

By Michael Bindas

There are few things more intimate than sitting around the table to eat with family and friends. But with alarming frequency, government is also demanding a seat at the table. This uninvited guest seeks to dictate what we have on our plates and in our glasses . . . and, ultimately, what we put in our bodies.

But now IJ is fighting back. On November 19, 2013, we launched our National Food Freedom Initiative: a nationwide campaign to end government’s unconstitutional interference in our food choices. With the initiative, IJ will fight for the growing number of small-scale food entrepreneurs and consumers tired of government dictating what foods they can grow, sell and eat.

In this issue of Liberty & Law, you’ll read about the first three cases in the initiative: a property rights challenge to a ban on front-yard vegetable gardens in Miami Shores, Fla.; an economic liberty challenge to Minnesota’s restrictions on the sale of homemade baked goods; and a free speech challenge to Oregon’s ban on the advertisement of “raw”—or unpasteurized—milk.

In a historic first for IJ, we filed these three cases on a single day. The logistical challenges were daunting, but everything went off seamlessly and we accomplished exactly what we set out to accomplish: set the terms of the debate from the get-go.

Of course, this was only the opening salvo in what will be a sustained, nationwide campaign. IJ will not rest until Americans are once again free to produce, market and consume the foods of their choice.

Michael Bindas is an IJ senior attorney.
Defending School Choice in North Carolina

By Dick Komer

This past summer, North Carolina became the latest state to promote freedom in education. The state’s General Assembly passed and allocated $10 million for a new Opportunity Scholarship Program. This will provide up to 2,500 scholarships worth up to $4,200 to working-class families. To receive the scholarship, families must be eligible for the federal free and reduced school lunch program, which means there is an income cap of about $44,000 for a family of four.

These scholarships will provide an escape hatch for students stuck in public schools that are not educating them adequately. The Raleigh News & Observer reported that almost 70 percent of students from low-income families did not meet proficiency standards.

Currently, parents who want to send their kids to a private school must endure “double taxation.” Parents must pay taxes for public schools their children don’t attend and pay for private school tuition—a significant burden, especially for working-class families. North Carolina’s scholarship program makes it easier for families to send their children to the school of their choice.

IJ Client Cynthia Perry does not think that the public school her daughter, Faith, attends is giving her the attention she needs to succeed. Cynthia wants to get her daughter into a school where she can achieve her potential.

But, unfortunately, school choice in North Carolina is under attack. Just a few weeks before the holidays, on behalf of 25 Grinches they recruited, the North Carolina Association of Educators and the North Carolina Justice Center filed a lawsuit challenging the school choice program. North Carolina’s state constitution establishes a separate fund for “establishing and maintaining a uniform system of free public schools.” As such, the teachers’ union and its allies allege it is unconstitutional for the Legislature to create a program to help families escape public schools.

That argument is wrong. The money for the Opportunity Scholarships comes from the state’s general fund, not the public school fund. So school choice in North Carolina is, in fact, constitutional. Indeed, the state operates a similar scholarship program for children with special needs, yet that is not being challenged in court.

To protect students’ chances at a better life, IJ has filed a motion to intervene in this school choice lawsuit. Courts have long upheld the rights of parents to choose how to educate their children. In March 2013, IJ successfully defended Indiana’s school choice scholarship program, by securing a unanimous decision from the Indiana Supreme Court that the program was constitutional. Way back in 1925, the U.S. Supreme Court put it best in Pierce v. Society of Sisters, when it unanimously declared Oregon’s ban on private schools unconstitutional:

The fundamental theory of liberty upon which all governments in this Union repose excludes any general power of the State to standardize its children by forcing them to accept instruction from public teachers only. The child is not the mere creature of the State.

Let’s hope judges in the Tar Heel State will continue that tradition.

Dick Komer is an IJ senior attorney.
IJ Earns Two Civil Forfeiture Victories In Michigan

By Clark Neily

Good news from Michigan! Just two months after IJ jumped in to contest the seizure of more than $35,000 from a family-run grocery store near Detroit, the government hoisted the white flag and “voluntarily” dismissed its own case. But wait, there’s more good news: The government also dismissed its case against new IJ client Mark Zaniewski, the sole proprietor of a gas station just down the street.

As reported in the last issue of Liberty & Law, the IRS seized the entire operating account of Schott’s Supermarket in Fraser, Mich., back in January using civil forfeiture. The IRS claimed the owners of Schott’s Supermarket, Terry Dehko and his daughter, Sandy, violated federal money-laundering laws by making frequent cash deposits of less than $10,000 into the store’s bank account. But it is not illegal to engage in cash transactions of less than $10,000; it is only illegal to do so for the specific purpose of evading bank reporting requirements. As Terry and Sandy would have explained had anyone from the government bothered to ask, their deposits have nothing to do with bank reporting requirements and everything to do with the fact that their insurance policy only covers cash losses up to $10,000.

Soon after getting involved, we began hearing from other innocent property owners whose bank accounts were raided by the same IRS task force that hit the Dehkos. One of those people was Mark Zaniewski, the sole proprietor of Metro Marathon gas station near Schott’s Supermarket. Like Sandy and Terry, Mark makes frequent cash deposits, and, like Terry and Sandy, it has nothing to do with trying to avoid bank reporting requirements. Instead, Mark’s problem is that he is often the only person on duty at the gas station, which means he goes to the bank when he can—not whenever he wants. As a result, he often finds himself making substantial cash deposits on those days when he can get away long enough to run by the bank. But, like the Dehkos, the government never bothered to ask Mark why he deposits money the way he does. It simply took his money and dared him to try to get it back.

Well get it back he did, with the help of his friends at IJ. And after initially resisting IJ’s argument that due process requires a prompt post-seizure hearing in civil forfeiture cases, the government soon threw in the towel in both the Dehko and Zaniewski cases after we and our local counsel, Steve Dunn, showed that the government had missed a key filing deadline.

So that means Terry, Sandy and Mark will get their money back. It also clears the way for us to focus on the countersuit we brought seeking a ruling that simply making frequent cash deposits does not violate federal “structuring” law and an injunction forbidding similarly ham-fisted seizures going forward. We expect to have more good news soon from the front lines of the civil forfeiture fight in Michigan.

Clark Neily is an IJ senior attorney.
Turning Individuals into Activists is

LIBERTY IN ACTION

By Christina Walsh

Every day, special-interest groups convince the government to play favorites and limit the ability to start a business, prevent parents from getting their kids a quality education, silence voters and seize private property. IJ’s activism team helps give individuals the tools to fight government abuse.

For years, the Institute for Justice has advocated at the grassroots for the rights of these victims of government’s abuse of power. Through local outreach programs, we meet activists where they are, organize them into groups and develop tailored grassroots, media and legislative campaigns. We raise awareness and rally support for the cause of freedom through public demonstrations. And through research, we demonstrate to elected officials that our advocacy of limited government makes for sound policy that promotes individual responsibility, economic growth, a freer America and a brighter tomorrow.

We are excited to expand on these efforts in the New Year with the launch of our newly branded activism program: Liberty in Action.

Want to get involved immediately? We will be kicking off 2014 with our campaign to reform federal civil forfeiture. You may recall the story of Russ Caswell and his family. The federal government tried to take through civil forfeiture their family-operated motel in Massachusetts that they owned for two generations. IJ was victorious in court, but there are others nationwide, like Russ, who don’t yet have the ability to fight back. It is time to change the law to prevent these abuses of power. To help make a difference in this fight, we encourage you to sign the petition at www.ij.org/EndPolicingForProfit and send a message to those in power that this abuse of our rights won’t be tolerated.

This will be an exciting year as we expand our grassroots involvement to new issues and into new communities. We look forward to continuing to stand on the front lines with you in the fight for liberty, and we thank you for your support that makes this possible.

Christina Walsh is IJ’s director of activism and coalitions.
With Deepest Gratitude for Robert W. Wilson’s Legacy at IJ

By Chip Mellor

Robert W. Wilson’s generosity transformed the Institute for Justice and for that we will always be enormously grateful. Bob was one of IJ’s earliest supporters. I would have lunch with him several times each year and while he was always enthused about our work, he refused to give us more than $35,000 each year. But he always said there would be more when the time was right. That time came in 2008, and IJ made the most of it.

Bob issued a challenge grant of $5 million in 2008 that generated an additional $10 million from other donors. Bob was so pleased with what IJ was able to do as a result of that increased support that he doubled down with a new $10 million challenge. That in turn generated $20 million in support. During the five years of Bob’s challenge grants, IJ was able to significantly expand our staff and programs. As a result we filed and won more cases than ever before, becoming the national law firm for liberty.

“During the five years of Bob’s challenge grants, IJ was able to significantly expand our staff and programs and as a result we filed and won more cases than ever before, becoming the national law firm for liberty.”

He went out as he lived, decisively and on his own terms, taking his life at age 87 after suffering a debilitating stroke. I will miss our lunch debates and discussions, but will think of him with deepest appreciation as I watch IJ achieve what he made possible.

Chip Mellor is the Institute’s president and general counsel.

February 2014
By Michael Bindas

You might not think that free speech has much to do with food freedom, but it does. Christine Anderson, a small-scale producer of “raw”—or unpasteurized—milk found that out the hard way.

Christine owns Cast Iron Farm, a small, family farm in McMinnville, Ore. She is part of a seventh-generation farming family and is committed to the traditional, sustainable farming practices of her forebears. She combines these tried-and-true practices with modern quality controls to produce raw milk in a manner that is safe for consumers and humane to her Brown Swiss and Jersey cows Willow and Hazel.

But Christine faces a significant problem in trying to run her farm and support her family. Although it is perfectly legal for her to sell raw milk at Cast Iron Farm, one mention of this lawful product can land her in jail. Why? Because Oregon flatly bans the advertisement of raw milk. One advertisement can result in a year in jail and $6,250 in fines.

What does this mean for Christine? It means she can’t distribute flyers at farmers’ markets, fairs or the local food co-op. She can’t send emails to potential customers letting them know she has milk available. She can’t put a sign up in front of the farm saying, “We’ve got raw milk.” She can’t even mention the prices of her milk on the farm’s website. In fact, in the summer of 2012, an agent from the Oregon Department of Agriculture showed up at the farm after perusing its website and coming across a page that simply listed prices for Christine’s milk. The official ordered her to remove the prices, as even that constituted illegal advertising.

Perhaps most perversely, Oregon’s advertising ban harms consumers. Because of the ban, Christine cannot inform potential customers about the measures she takes to provide the best, safest product possible. Customers, in turn, are unable to differentiate between milk from Christine’s farm and milk from other farms that may not be as committed to safe and humane farming practices.

 Needless to say, it should not be a crime to talk about something that is legal to sell. Entrepreneurs like Christine, after all, cannot run successful businesses if they cannot talk about their products. In fact, there have been numerous occasions when Christine has had surplus milk that she was forced to dump or feed to her pigs—milk that consumers would have been happy to buy, if only they knew about it.

Christine decided to fight back for her own free speech rights and those of other farmers and entrepreneurs like her. On November 19, she teamed up with IJ to file a federal free speech challenge to Oregon’s raw milk advertising ban. It is one of the three inaugural cases of IJ’s National Food Freedom Initiative.

Christine’s case demonstrates that free speech is essential to food freedom. If people are not free to speak, they are not truly free to produce, market, procure and consume the foods of their choice. Of course, the government knows this, and it is precisely why the advertising ban exists in the first place; by banning access to truthful information, Oregon is really trying to manipulate the food choices of its residents. Thankfully, that is something the First Amendment does not allow. ♦

Michael Bindas is an IJ senior attorney.

If IJ client Christine Anderson were to promote her legal product, she would face jail and fines for each advertisement.
Free the Treats!
IJ Fights for the Right to Sell Home-Baked Goods

By Katelynn McBride

Jane Astramecki and Mara Heck love baking delicious treats at home in their Minnesota kitchens. The mouth-watering recipes include pecan chocolate chip cookies and mini pumpkin cheesecakes. Both women take their culinary passion very seriously. Jane has a certificate from Le Cordon Bleu in pâtisserie and baking and teaches cake-decorating classes at a local Michael's craft store, while Mara has won ribbons for her goods at the Minnesota State Fair four years in a row.

Both want to take their love of baking to the next level and serve up some hand-crafted entrepreneurship by selling their goods. Jane has even started Jane Dough Bakery out of her home kitchen, where she contributes to her family’s income despite debilitating back injuries that require her to work from home.

But Minnesota has shut the oven door on Jane and Mara. The state bans home bakers from selling more than $5,000 in baked goods annually and only permits them to sell their goods at farmers’ markets or community events. Home bakers violating the law are subject to a misdemeanor conviction punishable by 90 days in jail or fines of up to $7,500 per violation. These regulations exist even though Minnesota recognizes that the types of foods Jane and Mara make are perfectly safe for production in a home kitchen.

Jane and Mara are banned from selling their goods online, at a jobsite and from retail shops, and they cannot make deliveries. These completely arbitrary restrictions prevent what could be profitable ventures for them both. If it is safe to sell a cookie from a farmers’ market, it is just as safe to sell that same cookie online or from a retail shop.

These regulations also hurt consumers. It is illegal for Mara or Jane to sell a custom-baked wedding cake to a friend and then deliver it to the bride’s home or to the wedding or reception; they can only sell wedding cakes if the bride drives to a farmers’ market and finds a way to transport and store the wedding cake herself.

Fortunately, the Minnesota Constitution protects the right to earn an honest living, which includes the right of home bakers to sell goods the state acknowledges are safe. If you have a recipe and an oven, you should be able to start a business. That is why Jane and Mara have joined the Institute for Justice to fight Minnesota’s restrictions on the sales of homemade baked goods. A victory in this case will ensure that Minnesota home bakers can sell as many treats as they want, from wherever they want, to whomever they want.

This case is not just about selling cookies. More often than not, the first step to building a successful business is starting and testing that business in the home, where the start-up expense is minimal. But Minnesota makes it impossible for home bakers to thrive and eventually expand into larger businesses outside of the home. With IJ putting up a fight, Minnesota will have no choice but to free the treats.

Katelynn McBride is an IJ attorney.
Litigation by Letterhead:  
Getting Results by Sending a Message

Sometimes, the Institute for Justice does not need to file a lawsuit to get results. Often, a letter letting the government know that it is doing something unconstitutional is enough to make it back down. Take the city of Maple Valley, Wash., for example. Like Sacramento (see story at right), Maple Valley arbitrarily restricted businesses’ ability to use signs to advertise. After being contacted by a pet food store named Yummy Tummy—one of the businesses affected by the sign code—the IJ Washington Chapter sent the city a letter setting out how the Maple Valley sign code conflicted with the First Amendment. The city is now in the process of amending its code to allow businesses like Yummy Tummy to advertise effectively using signs.

This is an example not only of the effectiveness of IJ’s “litigation by letterhead” efforts, but also of the lasting power of IJ’s court victories. In our letter to Maple Valley, we relied heavily on the 9th U.S. Circuit Court of Appeals decision in Ballen v. City of Redmond, a case in which IJ-WA successfully challenged Redmond’s discriminatory sign code on behalf of a bagel shop owner. Victories like these ripple across a jurisdiction and become the norm that other governments must follow.

By Bill Maurer

Most of IJ’s victories come in court, but every once in a while, one of our lawsuits forces the government to take a hard look at what it was doing and think twice about keeping the law on the books. That’s exactly what happened in Sacramento, Calif., where local fitness entrepreneurs Carl and Elizabeth Fears sued the city in August over its sign code.

For the past four years, the Fears relied on a sandwich board (also known as an A-frame sign) and other signs outside their gym, Got Muscle Health Club, to bring in clients. From the road, the gym just looks like a generic office building, so the signs are vital for Got Muscle’s success. The Fears’ A-frame sign is particularly effective: When they put it out, people often walk into Got Muscle and comment that they had not known the gym was there. But under Sacramento’s old sign code, the Fears’ sandwich board and other signs were illegal. Last May, officials threatened the Fears with fines up to $1,000 if they continued using their sandwich board, even though Sacramento allowed other speakers with other messages, like real estate agents and politicians, to use the very same signs.

Sacramento’s discriminatory sign code was slowly killing the Fears’ business. With IJ’s help, the Fears filed a lawsuit in federal court challenging the code as a violation of their First Amendment rights.

Sacramento then did something that is unfortunately rare among government agencies—it decided to re-examine the code and allow small businesses to advertise using signs. With the input of the Fears, the city reworked its code to permit small businesses like Got Muscle Health Club to advertise. The city amended its sign code to allow businesses to have A-frame signs, banners, flags and other temporary signs for the first time in decades. The end result was a win-win-win: The Fears got to reach potential customers; Sacramento kept a reinvigorated small business in its community; and the damage to the First Amendment was undone.

The Fears and the city have now settled, and small businesses in California’s capital city can let customers know about the goods and services available to them. In an economy where many businesses struggle to survive, the city of Sacramento decided to get out of the way of hard-working entrepreneurs. Let’s hope that cities all across America start doing the same.

Bill Maurer is the executive director of the IJ Washington chapter.

IJ clients Carl and Elizabeth Fears fought to protect both Got Muscle Health Club and the First Amendment right of every business to advertise with signs. And they won.
By Ari Bargil

For most lawyers, picking a food fight might be considered unprofessional. But in Miami Shores, Fla., that’s exactly what we did.

As part of our National Food Freedom Initiative, IJ teamed with Miami Shores residents Hermine Ricketts and Tom Carroll to challenge the town’s ban on front-yard vegetable gardens.

Hermine and Tom are a married couple who have lived in their modest Miami Shores home for more than 20 years. Their house faces south, which means the backyard is almost completely shaded during the best months for homeowners to plant gardens.

For more than 17 years, Hermine and Tom peacefully and quietly cultivated their front-yard garden, which included plants, flowers and vegetables. Hermine, a retired architect, saw her front-yard garden as a means to channel her creativity and passion for design. And the garden became a way for Hermine and Tom to eat healthier without having to pay for expensive produce.

They routinely received compliments for the beauty and creativity that the garden added to their community. In fact, the entire time Hermine and Tom maintained their garden, nobody—not a resident nor a city official—ever voiced any disapproval.

That all ended last spring when the city passed an amendment to its zoning code that confined vegetable gardens to “backyards only.” Fruit, flowers and flamin-gos are legal, but not vegetables. Hermine and Tom had become outlaws.

Despite Hermine and Tom’s 17-year history of growing vegetables without incident, Miami Shores claims it received an anonymous complaint about the front yard just days after the ordinance was passed. After appearing twice before the town’s stubborn code enforcement board to plead their case, Hermine and Tom were told to destroy the garden or face fines of $50 per day.

Hermine and Tom did not feel they had a choice, and so they uprooted all their work.

All Hermine and Tom want to do is grow food for themselves. But this is not just about them. Hermine and Tom are part of a nationwide movement of small-scale food producers and consumers who are tired of the government dictating to them what they can grow, raise and consume. After all, if the government can tell people what to plant in their front yard—and therefore, what they eat—what can’t it do?

In the days that followed the filing of our lawsuit, Hermine and Tom received an outpouring of support and media coverage, both nationally and internationally, cheering them on in their constitutional battle against the city. Importantly, Hermine and Tom’s lawsuit will mark the first time a Florida court has been asked to address the question of whether the right to grow food on one’s property is a fundamental right. A victory in this case would have national implications for property owners in the Sunshine State and beyond. And that is exactly the plan.

Ari Bargil is an IJ attorney.
Supporting IJ After IJ Supported Us

IJ cannot help everyone in need, but those individuals that we do help are each committed to the fight for individual liberty. Some, like Marvin Rosenbaum, have even become donors.

By Marvin Rosenbaum

For more than 45 years, my family has owned and operated our transportation business in the heart of the El Segundo Barrio of El Paso, Texas, on the border of the United States and Mexico. It is a vibrant, diverse community and a hub for entrepreneurial small businesses. In 2006, the city of El Paso declared the area a demolition zone, in spite of the thriving businesses and well-kept homes located there. City officials tried to use eminent domain to replace properties with high-end retail stores and condominiums. They claimed that the whole neighborhood was blighted and tried to eradicate us.

The redevelopment plan was proposed by an organization of real estate developers and big-business owners, who announced that whoever refused to sell their property to the city would have it taken over with the hammer of eminent domain. I could not believe the city had joined them in an attempt to confiscate our property and destroy the livelihoods of the numerous families who owned or worked in businesses in the demolition zone. Many El Pasanos went to several city council meetings to voice our opposition to this land grab.

When my family and I faced losing our business, the Institute for Justice intervened. With their help, we took on city officials and the developers. IJ’s activism team assisted us in the fight to keep our business, and our plight was featured in the Erase Us Out report on eminent domain abuse. Thankfully, Texas passed a major state constitutional amendment in 2009 that saved the area and our properties from eminent domain abuse. IJ’s work on our behalf was instrumental in passing this bill and preserving the rights of Texas property owners.

No one should ever have their property stolen. After my family’s struggle with the city of El Paso, I knew I wanted to play a role in protecting property owners from an overbearing government. So I began to donate on a monthly basis to IJ, in celebration of the great work that it is doing in the battle to protect property rights. IJ has a great history of assisting many citizens in protecting their properties and livelihoods. I have experienced firsthand the tremendous impact IJ has in the fight for liberty. As a member of the Merry Band of Monthly Donors, I stand shoulder-to-shoulder with IJ’s clients, knowing that the Institute for Justice is making a long-term impact through my investment.

Marvin Rosenbaum is part-owner of El Paso-Los Angeles Limousine Express, Inc., and a member of IJ’s Merry Band of Monthly Donors.

Fight for Liberty Every Month by Joining the Merry Band of Monthly Donors

As Marvin Rosenbaum wrote in the article on the left, monthly giving offers a rewarding way to support the Institute for Justice and ensure our fight for freedom continues year after year. Members of the Merry Band of Monthly Donors provide IJ with steady income that advances our work as the national law firm for liberty. Monthly giving is simple and budget-friendly. All you have to do is sign up one time, and we’ll charge the same amount to your credit card or checking account on the same day every month. You can modify or cancel your monthly gifts at any time.

Monthly donations also help us make the most efficient use of your generosity because they cut down on administrative costs and you can rest easy knowing your support is always current. At the end of each year, we’ll send you an acknowledgment letter that can be used for tax purposes.

There has never been a better time to support IJ in this important way. Visit ij.org/donate to join the Merry Band of Monthly Donors or contact Sarah Lockwood at sarah@ij.org or (703) 682-9320 ext. 239 for more information.
"These restrictions are not just arbitrary, they’re unconstitutional," said Katelynn McBride, the lead attorney on the case.

"Taking money from innocent people like Terry Dehko is wrong," says Institute for Justice Attorney Larry Salzman, who represented the Dehkos. ‘It needs to end immediately.’ Amen.

"As long as selling raw milk is legal, it’s ludicrous to prohibit advertising. It may be unconstitutional as well."

Randy Barnett’s review of Terms of Engagement: "In Terms of Engagement, Clark Neily draws upon his extensive experience as a lawyer for the libertarian Institute for Justice to expose this pervasive legal maneuvering and identify the human costs of so-called judicial restraint. . . . Mr. Neily’s book is a compelling examination of how we have taken so wrong a constitutional turn and how constitutional limits on government can effectively be restored.”

“The board ruled the vegetables must go. The zoning inspector told Ricketts which plants she had to pull up. She complied, but wasn’t done with her fight. She contacted the Institute for Justice, a national advocacy group that has fought numerous legal battles over the years on property rights issues. Last month, the group filed a lawsuit against Miami Shores. A lawyer with the group, Ari Bargil, says the ban on front-yard gardens violates a state-guaranteed right to use and enjoy property.”
I write a parenting column that runs in more than 200 newspapers across the country.

Kentucky tried to ban my column there because I’m not a Kentucky-licensed psychologist.

I’m fighting back because Americans don’t tolerate censorship.

I am IJ.