In one of the most important and contentious civil forfeiture fights in the nation, a federal judge in January dismissed the forfeiture complaint filed by the U.S. Attorney against the Motel Caswell in Tewksbury, Mass. After a four-day trial in November, Judge Judith G. Dein concluded in a 60-page opinion that the Motel Caswell was not subject to forfeiture and that its owners, the Caswell family, were wholly innocent of any wrongdoing.

Incredibly, at that trial, the only thing the government was able to show was that, over the course of two decades, a small number of the motel’s guests or their visitors surreptitiously engaged in drug activities, unseen and unknown to the Caswells. Of course, drug crimes occasionally happen just about anywhere, from the most luxurious of hotels to budget places like the Motel Caswell, from college dorms to the parking lots of big-box retail stores.

Faced with these undeniable facts, the federal government urged the court to adopt a radically expansive theory of forfeiture under which a single drug transaction committed by anyone on the property is sufficient to justify the permanent loss of property.

By Scott Bullock

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IJ clients Russ and Patricia Caswell celebrate after a three-year court battle contesting the federal government’s use of civil forfeiture to take their property.

Big Win For The Caswell Family; U.S. Attorney Doesn’t Appeal
Resilience Leads to an IJ VICTORY
In Douglas County, Colo.

By Michael Bindas

Resilience is an attribute of “The IJ Way,” and there was resilience in spades in our latest school choice victory: a February decision from the Colorado Court of Appeals upholding the Douglas County Choice Scholarship Program.

The Choice Scholarship Program is a local school choice program adopted by the Douglas County Board of Education (south of Denver) in March 2011 to “provide greater educational choice for students and parents to meet individualized student needs.” Adopted as a pilot program, it provides 500 scholarships that parents can use to send their children to any private school, religious or non-religious, that participates in the program and has accepted the child.

As Liberty & Law readers know, however, opponents of choice are a determined bunch. The notion that parents—rather than government—might choose a child’s school is anathema to groups like the ACLU and Americans United for Separation of Church and State, which filed a lawsuit challenging the Choice Scholarship Program in the summer of 2011.

IJ, however, is an even more determined bunch. We marched off to the Centennial State and intervened in the lawsuit on behalf of three Douglas County families—the Doyles, Andersons and Oakleys—who received scholarships under the program. Alongside the school board and state of Colorado, we mounted a vigorous defense. In August 2011, however, after a marathon three-day hearing, the Denver District Court ruled against us and halted the program.

Every loss hurts, but, for two reasons, this one was especially stinging. First, the trial court ruled against us on not one, two or even three—but six—distinct legal grounds. Second, the court issued its opinion just days before classes were to begin, yanking the rug out from under the scholarship families at the eleventh hour.

At IJ we do not take defeat lightly. When we get knocked down, we get up and hit back . . . harder. That is exactly what we did in Douglas County. Realizing we had to run the table and win all the legal arguments in order to resurrect the program, we prosecuted a comprehensive appeal in coordination with the school board and state.

And run the table we did. In February, the Colorado Court of Appeals issued a 60-page opinion holding that the Choice Scholarship Program “does not violate any of the constitutional provisions on which” it was challenged. The court emphasized the fact that the program is “neutral toward religion”—allowing religious and non-religious schools alike to participate—and that any “funds [that] make their way to private schools with religious affiliation” do so “by means of personal choices of students’ parents.” These two features—neutrality and private choice—are the hallmarks of a constitutional school choice program.

The Court of Appeals’ decision was a victory not just for Douglas County families, but for all Colorado families who simply want the right to choose the schools that are best for their kids. Although the case is not yet over, if this decision stands it will pave the way for other Colorado school districts to follow the path Douglas County has blazed.

More than anything, however, the victory is a testament to IJ’s resilience—and to why we count resilience as one of the characteristics that define The IJ Way.

Michael Bindas is an IJ Washington Chapter senior attorney.
School Choice in New Hampshire: AS SOLID AND SURE AS GRANITE

By Dick Komer

Recent events in New Hampshire prove yet again that no good school choice program goes unchallenged in the courts by those seeking to preserve the educational status quo.

One year ago, New Hampshire enacted a business tax credit program that encourages donations to nonprofit organizations offering scholarships to low-income families for homeschooling expenses, tuition for public schools outside the district of residence and tuition for private schools. Shortly after the program became effective on January 1, 2013, seven taxpayers represented by the ACLU, its New Hampshire affiliate and Americans United for Separation of Church and State filed suit in Strafford County Superior Court to stop the program. They allege that it violates the state constitution’s “no compelled support for religion” and Blaine Amendment provisions, as well as several others regarding taxation.

IJ quickly mobilized to represent parents who have applied for scholarships for their children and filed a motion to intervene in the case on their behalf, as well as on behalf of the only scholarship-granting organization so far approved by the state to award scholarships. Despite the ACLU’s opposition to IJ’s involvement, the trial judge granted our motion to intervene. The victory in this initial skirmish means that IJ’s school choice team is now actively defending five lawsuits challenging the constitutionality of school choice programs across the nation. The New Hampshire litigation is unique in being the only current challenge to a tax credit scholarship program.

Because of his extensive experience defending Arizona’s tax credit programs, Tim Keller from IJ-AZ has joined me in New Hampshire, where we have already braved repeated snowstorms to prepare our case. So far, in addition to signing up the Network for Educational Opportunity (“NEO”), we are representing Shalimar Encarnacion, who applied to NEO for scholarships for her two children with disabilities, whom she wants to transfer to a private school, as well as Heidi and Geoff Boffito, who need a scholarship to keep their oldest son in his private school.

Our allies in the school choice movement have rallied to the cause magnificently, offering to help with amicus briefs at both the trial and appellate levels, and organizing support for the program and its defense. Charlie Arlinghaus of the Josiah Bartlett Institute has proved invaluable in introducing us around and helping us to find terrific local counsel. Kate Baker, executive director of NEO, has provided indispensable assistance in locating potential parent clients, all while getting her new organization up and running.

As we have done with other successful defenses of tax credit programs in states like Illinois and Arizona, our primary objective is to remove as quickly as possible the legal cloud that this lawsuit has placed over the program so that the families and others like them can begin reaping the benefits of increased educational opportunities. We face our first big showdown in April when the trial judge will hold a hearing with his decision to follow shortly. Then it will be on to the New Hampshire Supreme Court for the final battle.

Dick Komer is an IJ senior attorney.
By Katelynn McBride

In March, IJ was in court for a trial litigating whether the government could force entrepreneurs to do useless things. This particular useless thing was Minnesota’s requirement that every funeral home in the state have a preparation and embalming room that many do not need, want or use.

Taking any case to trial is no small task. On top of all of the things that have to happen to pull off a successful trial—witness preparation, marathon brief writing sessions and extensive research—for a young attorney like me preparing for her first trial, there are also nerves. Let me take you through the six stages of my experience taking our case to trial.

Stage 1: Jeff Rowses Comes to Town. All Is Well.

IJ Senior Attorney (and lead attorney in this case) Jeff Rowses arrives six days before the trial. Our pre-trial brief is ready to be filed well before the deadline. Our trial strategy is well thought out and we just need to prepare with our strategy in mind.

Stage 2: Wesley Arrives to Complete Some Small Research Projects and Prepare our Witnesses for Cross Examination.

After IJ’s Nashville limousine trial, hard-working headquarters attorney Wesley Hottot was instructed to take it easy and made the mistake of telling everyone in the office he didn’t have much to do and was available for work. So, Jeff gave him some research projects for the trial. He quickly became an indispensable part of the team and flew out to help our witnesses prepare for cross examination.

Stage 3: Jeff Leaves.

Just 36 hours before the trial was to begin, Jeff goes home for the unexpected birth of his child. At 4 a.m., I frantically booked a flight home for him. He told me that Wesley was in charge and all we needed to do was execute our strategy.

Stage 4: Wesley and I Get Ready to Go into Battle.

Wesley and I were laser-focused on what we needed to do. I went from examining just our consumer witnesses to examining our lead plaintiff and our expert witness. (Ah, the benefits for a young attorney of working at the Institute for Justice, where you can get real-world courtroom experience that belies your youth!) Wesley was now responsible for cross-examining all of the government’s witnesses and doing the opening and closing. Wesley is so competent, however, that we do not miss a beat.

Stage 5: Margaret Leaves.

Our calm, cool and meticulously organized paralegal Margaret Daggs was called to Chicago to be with her sick mother. Wesley joked that soon the trial team would be down to just me. I did not think the joke was funny.

Stage 6: Wesley and I Take on the Government.

Wesley and I went into trial and executed Jeff’s trial strategy. The judge denied all of the government’s objections to our evidence. When the trial was over, our funeral director client, Verlin Stoll, was beaming. He had his day in court to fight for his constitutional rights and was invigorated by it. It was a thrill for Wesley and me to be right there with him in that fight. As we go to press, we await the court’s ruling.

This trial is the perfect example of IJ’s culture and competence. As Jeff said to me when he left at 4 a.m., “This strategy is perfected. All that you have to do now is execute it. I know you can do it.” That’s what IJ does so well: painstakingly craft strategies for cases that give us the best chance to win. And when Jeff had to leave unexpectedly, nobody questioned that Wesley and I could execute that strategy. This trial proves the Institute for Justice is a truly unique place where people are called to do incredibly difficult things—and then do them well.◆

Katelynn McBride is an IJ Minnesota Chapter attorney.

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Oh, Baby!
IJ’s Minnesota Embalming Rooms Trial Was Filled with Drama & Teamwork

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Nonfunctional Embalming Room

- Emergency Shower
- Aspirator
- Ventilation (12 Exchanges/hr)
- Eye Wash
- Vacuum Breaker (6’ Above Floor)
- Flush Sink
- Work Surface
- Nonporous Floor
- Water Supply
- Hand Sink
- Well Lit Room
- Non Vented Ceilings
- Private & Access is Limited
- Harlot Sink
- Vacuum Breaker (6’ Above Floor)
- Nonporous Floor

Minnesota Statute 149A.92

This non-functioning embalming room is what the law requires all entrepreneurs to build at a cost of $30,000 for each location.
By Claudia Murray

In 2011, the Institute for Justice sued the city of Hialeah, Fla., on behalf of street vendors who merely want to earn an honest living. The city theoretically allowed street vending, but through a series of unconstitutional laws, restricted vending practices and made it impossible to vend effectively. In January, IJ secured a partial victory when the city amended its vending code to repeal the most anticompetitive and constitutionally troublesome provision—one that prohibited vendors from selling within 300 feet of their brick-and-mortar competitors.

IJ continues to litigate two remaining provisions that make it impossible to work: prohibitions on standing and displaying merchandise. In continuing this fight, we do so as litigators but also as activists, and we call upon all of IJ’s teams to accomplish our goal of freeing our clients.

There is no better example of IJ’s multifaceted approach than this past Valentine’s Day in Hialeah. Because most of the vendors in Hialeah—and IJ’s lead client in the case—are flower vendors, the city habitually increases enforcement against them around important holidays like Valentine’s Day and Mother’s Day to protect brick-and-mortar businesses from competition. But this year, IJ’s team was ready for the city’s anticompetitive crackdown.

Armed with cameras, the IJ team of litigators-turned-activists canvassed Hialeah on the days leading up to Valentine’s Day, urging vendors to notify us when they witnessed Valentine’s Day enforcement. Anticipating the heightened enforcement, we tipped off the local press and garnered several stories, which ran in local news outlets.

On the day before Valentine’s Day, we received a call that shone a light on the city’s new and creative approach to enforcement this year: Instead of harassing vendors, whom the city knew were backed by IJ, city police officers bullied private property owners into kicking vendors off their property—even though the property owners wanted the vendors there—and threatened the property owners with fines.

Throughout Valentine’s Day, IJ Florida Chapter attorneys stayed in Hialeah and waited for the inevitable calls from vendors who were being harassed by police. The city didn’t disappoint. Several vendors in the city received warnings from police officers and were instructed not to display any merchandise and not to stand still. One police officer went as far as to say, “We don’t want the public seeing [vendors’] merchandise.” Meanwhile, police left alone brick-and-mortar stores with outdoor displays.

IJ’s team was close by, and we arrived on the scene after each call we received, documented our interactions with police, and tried to get to the bottom of each enforcement action. By the end of the day, police were clearly wising up to our tactics, and when we approached a scene, they left immediately.

Although there were some clearly discriminatory enforcement actions, IJ’s team thwarted what could have been much worse. Last year, the vendors were told they could not vend at all, and licensed vendors were barred from their sales locations altogether.

Because of IJ’s combined efforts in litigation, activism and media relations, Hialeah street vendors were able to vend on the single-most important day of the year. Last year, vendors lost thousands of dollars’ worth of merchandise. This year, they were able to work and spread the love, one flower at a time. And as long as we need to, we will keep the heat on the city in court until the vendors are free at last.

Claudia Murray is an IJ Florida Chapter attorney.
First-Round Win in IJ vs. The IRS
IJ and Independent Tax Preparers
Defeat Sweeping New Licensing Scheme

By Dan Alban

In 2011, the IRS imposed a burdensome licensing scheme that benefited powerful industry insiders while harming hundreds of thousands of tax preparers across the country and the tens of millions of taxpayers who rely on them to prepare their taxes. In January, U.S. District Court Judge James E. Boasberg issued a ruling putting a stop to this unlawful power grab by the IRS.

The court ruled that Congress never gave the IRS the authority to license tax preparers, and the IRS cannot give itself that power. The court also enjoined the IRS from enforcing its new licensing scheme for tax preparers, which was poised to put tens of thousands of tax preparers out of business.

IJ teamed up with three independent tax preparers to challenge this scheme: Sabina Loving of Chicago; John Gambino of Hoboken, N.J.; and Elmer Kilian of Eagle, Wisc.

In addition to taking on one of the most powerful government agencies, these small, independent tax preparers were also up against formidable industry insiders. Large tax-preparation firms and professional trade organizations lobbied for the licensing regulations to reduce competition by putting independent preparers out of business.

The Economist explained that the new IRS regulations “threaten to crush . . . small, local” tax preparers and are “likely to push mom and pop into another line of work.” The Wall Street Journal editorialized: “Cheering the new regulations are big tax preparers like H&R Block, who are only too happy to see the feds swoop in to put their mom-and-pop seasonal competitors out of business.” Tellingly, the drafting of the IRS licensing regulations was overseen by former H&R Block CEO Mark Ernst, and several financial analysts have concluded that the regulations would benefit the company by reducing competition.

The IRS had claimed for years that it did not have the authority to license tax preparers. Over the past eight years, eight bills have been introduced in Congress that would have given the IRS this authority, but none of these bills has ever passed or even gotten out of committee. Apparently growing frustrated, the IRS did something that is all too common among government agencies: It just assumed the power for itself without any statutory authority. But, as Judge Boasberg noted in his decision, under our system of law, “statutory text is king.” This decision will serve as an important precedent for reining in federal agencies operating without lawful authority.
Not surprisingly, the IRS was none too pleased with the court’s decision and immediately tried to stop its enforcement. The agency filed for a stay of the court’s injunction, but the judge denied the request, rightly asking, “Why should tax-return preparers continue to pay into a system the Court has found unlawful?”

Refusing to lift the injunction, Judge Boasberg ruled that no tax-return preparer may be required to pay testing or continuing education fees or to complete any testing or continuing education while the injunction is in place. He noted, however, that “some preparers may wish to take the exam or continuing education even if not required to. Such voluntarily obtained credentials might distinguish them from other preparers.”

But this reasonable, completely voluntary certification system is not acceptable to the IRS. The agency has appealed the decision to the federal appellate court in D.C. and has also asked that court to allow it to continue to impose its licensing scheme on tax preparers while the court considers the appeal. IJ will continue to fight for Sabina, John, Elmer and the tens of thousands of other independent tax preparers providing a valuable, affordable choice for consumers nationwide.

Dan Alban is an IJ attorney.

“These small, independent tax preparers were also up against formidable industry insiders. Large tax-preparation firms and professional trade organizations lobbied for the licensing regulations to reduce competition by putting independent preparers out of business.”
“The Caswells were put through the wringer by the federal government for over three years. Before this decision was handed down, they stood to lose their entire property and retirement and be left with nothing.”

Thankfully, the judge did not buy any of this. In its opinion, the court lambasted the federal government’s case as “not supported by a scintilla of evidence” and accused the government of engaging in “gross exaggeration.”

In addition to rejecting the government’s dangerous notions of forfeiture law, Judge Dein also showed respect for Russ Caswell and his family. She described the Caswells’ home, next door to the motel, which the judge saw during a site-visit during the trial, as “modest, well-maintained, nicely-furnished and decorated and apparently the gathering spot of a close-knit family.” She also noted that it “is undisputed that [the Caswells] are a law-abiding family.” The judge was also clearly offended by what she described as “highly derogatory” comments by the U.S. Attorneys in the case about Mr. Caswell and his family.

Indeed, the Caswells were put through the wringer by the federal government for over three years. Before this decision was handed down, they stood to lose their entire property and retirement savings and be left with nothing.

IJ got involved in this case to expose the injustices of civil forfeiture laws that allow law enforcement agencies to pad their budgets by taking property from owners who have never been convicted or even charged with any crime. As this issue of Liberty & Law was going to print, we received word that the U.S. Attorney’s office in Boston will not appeal Judge Dein’s decision, so the case is over and the Caswells’ victory is final. The decision in this case is a significant victory for property rights, the rule of law and a hard-working, law-abiding family bullied by the federal government. IJ’s work in this area, however, is not done. We will continue to fight for the rights of other property owners until the injustice of civil forfeiture is once and for all ended.

Scott Bullock is an IJ senior attorney.
The Institute for Justice’s litigation and activism are dedicated to vindicating a rule of law under which individuals can control their destinies as free and responsible members of society. Jennifer and Jason Helvenston of Orlando, Fla., take their role as responsible members of society very seriously, by choosing to commit their lives to sustainability: They built their home with naturally sourced materials, harvest eggs from their backyard chickens and grow vegetables in their front yard. Not only does their garden provide them with their own food, but it has become a community attraction where the couple teaches local youth about homegrown vegetables. The Helvenstons embody life, liberty and the pursuit of happiness. They have found life in the soil and the food they grow for themselves, liberty in their self-sufficiency and happiness in the contributions their garden makes to their community.

But the Orlando City Council—which aspires to be “the greenest city in America”—claimed that the Helvenstons’ harmless, well-tended front yard garden was in non-compliance with the city code, and threatened to fine the couple $500 a day unless they uprooted it and replaced it with lawn. Since the Helvenstons were originally cited, deadline after deadline to uproot their garden were postponed, and the future of the Helvenstons’ front yard, the source of most of their food, has hung in the balance.

Undoubtedly, the city was waiting for media attention to abate before it enforced the law. Recognizing this as an assault on their property rights, the Helvenstons teamed up with the Institute for Justice to force the city’s hand and fight back. In December, IJ and the Helvenstons launched our “Patriot Garden: Plant a Seed, Change the Law” campaign, asking property owners across Orlando and the nation to plant a “Patriot Garden” in their front yards—even just a few seeds—to help tell the city and local governments everywhere, “Hands off our property and hands off our food.”

Interested participants contacted us through a website we created and received a packet of radish seeds and a yard sign with the name of the campaign. More than 1,000 requests for seeds poured in from across Orlando and the nation—even from as far away as New Zealand.

Jennifer and Jason coined the phrase “Patriot Garden” because during both World Wars, it was considered your patriotic duty to plant a garden and grow your own food. Now, what was once considered a patriotic duty is treated as a nuisance.

Our protest and the support its media coverage has generated—including articles on the Helvenstons featured at least twice on Drudge Report—are working. Instead of rubberstamping the planning board’s new ordinance (which, while technically legalizing front yard vegetable gardens would nonetheless force the Helvenstons to uproot much of theirs), the Orlando City Commission is pausing—and sometimes a pause is the first step towards victory. The city has indicated it may amend the proposal to allow more garden on a property, and commissioners appear to be receptive to input from people who actually know something about vegetable gardens . . . like the Helvenstons themselves.

Behind closed doors, the city is likely debating setback footage, height restrictions and other regulations, none of which have anything to do with the public’s health and safety. But in the court of public opinion, our message remains clear: Americans have the right to use the property they have worked so hard to own as they see fit, in a peaceful way that does not harm others. And we will not rest until that right is universally recognized, respected and vindicated.

Christina Walsh is IJ’s director of activism and coalitions.
It is not often a lawyer gets to argue a legal question that has never been considered before, but IJ’s Litigation Director Dana Berliner did just that in front of the Minnesota Supreme Court on February 5, 2013. After more than six years of legal battles, IJ’s clients—a coalition of landlords and tenants from Red Wing, Minn.—will soon finally know whether their state’s constitution will be interpreted to force the government to show probable cause before entering their property without permission during administrative searches.

You would think this question would be a no-brainer. After all, the Fourth Amendment says the government needs “probable cause” to get a warrant. But, in 1967, the U.S. Supreme Court read that language out of the federal Constitution in the context of rental inspections, where cities inspect rental properties to look for housing code violations. The Court’s decision emboldened city governments to adopt rental licensing laws mandating intrusive housing code inspections of tenants’ homes and landlords’ properties, even when the government has absolutely no evidence that anything is wrong. Under these regimes, our most cherished personal spaces and possessions are thrown open to the unwanted eyes of government agents.

This is a huge problem. Many people are understandably very protective about whom they let into their homes. By merely walking into someone’s residence and seeing their possessions you can learn all kinds of things about their private life. As John Monroe, one of our tenant clients, says, “This is my home. It is where I live; it is me.” The last thing he wants is an agent of the city nosing around in his space.

But help may soon be on the way. Under our system of federalism, states can protect individual liberty under their own constitutions when the U.S. Supreme Court fails to do so. And so IJ has asked the Minnesota Supreme Court to rule that the Minnesota Constitution requires probable cause before the government can perform an unwanted inspection.

“States can protect individual liberty under their own constitutions when the U.S. Supreme Court fails to do so. And so, IJ has asked the Minnesota Supreme Court to rule that the Minnesota Constitution requires probable cause before the government can perform an unwanted inspection.”

The Minnesota justices asked IJ and the city’s attorney a slew of questions, many of which indicated they had serious concerns over the scope of the inspections and the U.S. Supreme Court’s deviation from traditional constitutional principles. This gave us hope that soon we can slam the door shut on overreaching government inspectors.

Anthony Sanders is an IJ Minnesota Chapter attorney.

IJ Argues Against Administrative Searches Before Minnesota Supreme Court

By Anthony Sanders
IJ Attorney Anthony Sanders: “We should all have the freedom to choose who comes into our homes and who does not. It’s an age-old maxim that your home is your castle.”

IJ Attorney Claudia Murray: “Vending provides entrepreneurs with the first stepping stone to the American Dream. [The city’s regulations] are impeding them from effectively vending because they can’t build up a customer base.”

The Wall Street Journal
Editorial
“If teachers unions want to stop their students from leaving, they don’t need a lawsuit. They need to start serving 11-year-olds like [child of IJ client] Gabriel Evans instead of themselves.”

The Baltimore Sun
Editorial
“The government’s case against the motel owner [IJ client] Russ Caswell is a total sham. . . . We urge Justice Dein to put a stop to this federal witch hunt, restore sanity to the Justice Department, and protect our civil liberties.”

Conor Friedersdorf
The Atlantic
“I’d love to see the GOP start to aggressively champion the sorts of issues and cases taken up by the Institute for Justice, a libertarian public interest law firm that is constantly representing working-class clients, many of whom are minorities, so that they’re empowered to succeed in the free market. The effect is anything but abstract.”
Teachers’ unions want to force my child to attend a failing public school.

But I will not sacrifice his educational future.

I’m fighting for school choice.

I am IJ.