

## A SMALL BUSINESS OWNER'S GUIDE TO COUNTERFEIT CURRENCY

by Linda Carter

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We are only going to focus on bills as it is extremely difficult to counterfeit a coin and to be honest... who would want to waste that kind of time on a quarter?

American currency either is or has been available in these denominations: \$1, \$2, \$5, \$10, \$20, \$50, \$100, \$500, \$1000, \$5000, and \$10000; but nothing larger than a \$100 has been printed since the 40s and in 1969, by order of then President Nixon, larger denomination bills have been removed from circulation. According to the US Department of Treasury website, "The present denominations of our currency in production are \$1, \$2, \$5, \$10, \$20, \$50 and \$100. \$1 and \$2 bills haven't changed in years and their security features have not been updated. \$5, \$10, \$20 and \$50 bills have all had two facelifts in the past couple decades. They started off just like the \$1s and \$2s with a small face all in the greenish color with black and green ink. The first facelift added a larger face and some security features that we will get into later. The second facelift added multiple colors along with a few more updated security features. \$100 bills have had one facelift and is currently awaiting its second.

Many people will tell you that a counterfeit detector pen will protect you. Unfortunately that is not entirely true. The pen isn't useless but it's close. If you have an amateur counterfeiter, it may protect you but not always. As most of you know, the counterfeit pen will mark a yellowish color if the bill is real and dark brown/black color if the bill is fake (presumably). That will help detect bills that have just been generated on a standard office color printer. The problem comes in to play with more experienced counterfeiters. A big scam people have been doing these days is taking one or five dollar bills and bleaching them clean and printing a new bill (usually a 50 or a 100) on top of it. You can mark that bill until you are blue in the face and it will never come up with anything but markings that say its real. Why you ask? Because it IS real. It may not be a real 50 or 100 but it is a real piece of US currency. Another problem with the pens is that they may not always leave "real" markings on a real bill. Older bills (pre 1970s) were treated with different chemicals than bills we use more commonly today and may not always mark "real." The last big problem with using the pens I would like for you to see for yourself. I'm sure all of you miss your lab classes at school so lets recreate those times... Grab your nearest counterfeit pen and a can of aerosol hairspray and a piece of paper. Spray a good coating of hairspray on the paper and let it dry. Once it dries completely mark the sprayed spot with hairspray and just for a comparison on the same piece of paper mark a spot that was not hit with the spray. Notice any difference between the two marks? When the pens were introduced they may have done quite a bit of good. Unfortunately as technology has increased they are no longer a fool proof protection. Since we know what will NOT work, let's focus on habits that WILL help protect you and your business from counterfeits.

If someone is going to counterfeit a piece of currency they usually will not make a 1, 2, or 5 dollar bill and I have rarely seen \$10s. So lets focus on the larger bills. \$20s, \$50s and \$100s for starters all have raised ink on the collar of the man in the picture of each bill. So for another experiment pull out a bill and try to scratch the collar and feel the ink ridges. This is also a feature on smaller bills. This is usually one of the first things I look for. Also in the lower right hand corner you will notice the denomination written in a slightly smaller font in a different color. That ink actually changes color in the light. If you move the bill in the light you can see the change. The last big thing I look for is the security strip. Almost all of the larger denominations have a security strip running through the bill that says "USA" and the denomination of the bill. These will be in different places on the new bills but they are all in the same place on the older bills. These strips will also glow different colors under a black light. But I mainly rely on scratching the collar and the color changing ink in the bottom right corner of the bill.

Of course, just have your employees pay attention!!! One of the latest techniques on the less experienced counterfeiters is to copy and then carefully cut the denomination of a \$20 or \$50 and bond it to a one

dollar bill. Just a quick glance at the bill will reveal the counterfeit as the wordage at the bottom of the bill will still say "one dollar" but the numeric denomination in the corners will read something higher.

It may not even be a bad idea to reward cashiers for catching fakes because they are your first line of defense. Let's face it... Does the standard minimum-wage employee care if they get a fake bill? Doubt it. Make your employees feel important because they will be more likely to pay attention. That's just food for thought.

*This article was written for TRMA by Barry Townsend, a Small Business Customer Service Representative at a local bank here in the Dallas, Texas area. Our thanks to Barry for his insight and help.*

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