

Anti-Counterfeiting Connections

Fall 2007

COUNTERFEIT MONEY—IT'S CRIMINAL ! Campaign for Police Officers

By Marie Terrien
Bank of Canada

In collaboration with the Royal Canadian Mounted Police, the Ontario Provincial Police, the Sûreté du Québec, and the Canadian Association of Chiefs of Police, the Bank of Canada is pleased to announce the *Counterfeit Money – It's Criminal!* anti-counterfeiting awareness program for Canadian police officers. This program includes two new educational tools—a leaflet and a roll-call DVD.

The purpose of this campaign is quite simple: To increase awareness of police officers about currency counterfeiting and to provide tools to assist the police in their deterrence efforts.

Recognizing that a police officer's time and resources are limited, these educational tools are being made available in a format that is quick and easy to use. The DVD and pamphlet are complementary and contain useful information on the nature of counterfeiting, bank note authentication, counterfeit detection, and the submission of suspected counterfeit bills to the National Anti-Counterfeiting Bureau—the national repository for all counterfeit notes.

Only six minutes in length, the roll-call DVD will appeal to recruits and senior officers alike. The leaflet is short—just a few pages—and can be kept as a reference guide.



The RCMP will distribute both products to all law-enforcement agencies in Canada as part of an ongoing strategy to fight counterfeiting.

We are confident that these tools will be useful and will contribute to law enforcement's continued support of our efforts to deter counterfeiting.

For more information on all the security features of bank notes, go to www.bankofcanada.ca/en/banknotes.

Contact information

National Counterfeit Co-ordinator
Commercial Crime Branch
Royal Canadian Mounted Police
1200 Vanier Parkway
Ottawa, ON K1A 0R2
Tel: 613 993-8702
Fax: 613 993-4299

www.rcmp-grc.gc.ca/fio/ccb/counterfeit_e.htm

www.bankofcanada.ca

The 2007 Law Enforcement Award of Excellence for Counterfeit Deterrence Award Winners

By David Littlefield
Department of Justice

Project More Money

The Law Enforcement Award of Excellence for Counterfeit Deterrence was established in 2004 to recognize the front-line work of Canadian law-enforcement personnel in deterring and preventing the counterfeiting of Canada's bank notes. *Project More Money*, an investigation by a Peel Regional Police team, shut down counterfeiting operations linked to over 50 per cent of the bogus \$20 and \$50 bank notes received by the RCMP's National Anti-Counterfeiting Bureau in 2005 and 2006. The dedication and tenacity of the officers involved led to their winning the award for 2007.

The story of *Project More Money* is classic cops and robbers—with a twist. The twist is that the modern criminal has diversified. The individuals in question were not only involved in hold-ups, but were also engaged in counterfeiting, debit- and credit-card fraud, and anything else they could manage. Ultimately, 30 suspects were arrested and 469 criminal charges were laid. The police seized five guns, ammunition, bullet proof vests, computers, inks, papers, a hot stamp press, dies, foils, 13 point-of-sale terminals, pinhole cameras, DVD recorders, credit- and debit-card readers, and forged credit cards. More than 10,000 debit- and credit-card numbers were found stored in seized computers.

Project More Money came about as the result of wiretap intercepts from a robbery investigation led by Detective Tom Warfield. The intercepts revealed that the suspects were receiving and distributing significant amounts of counterfeit currency.

The wiretaps turned up two significant players who had a network of approximately 60 "flippers" — young women who were paid to purchase goods with counterfeit money and then return them for genuine currency. Detective Warfield noted that, "Before Christmas 2006, these flippers distributed \$38,000 of counterfeit currency in one month. That affects the retailers, you and me, the Bank and the reputation of Canadian currency."



Detective Tom Warfield, Constable Scott Besco, Acting Detective Brian Wintermute, Constable Steve Poplawski and Constable Dave Bauer.

Wintermute and Warfield determined that they had sufficient leads to pursue the printing operation to the top.

The wiretaps also yielded the necessary information to arrest the flippers. Constables Steve Poplawski and Scott Besco of the Fraud Bureau then stepped in to manage the follow-up investigation. Arrests were made and thousands of dollars in counterfeit notes seized, but the identities of the kingpins remained unknown.

Following extensive interviews with the flippers, the police had the street names of the two printers: "Game" and "Mano." Poplawski and Besco swore out an arrest warrant for Game and entered his vehicles into the police computer. Within two days, officers from the Toronto Police Service arrested Game in one of his cars.

Besco and Poplawski searched Game's car and turned up a Canada Post change of address form in Game's real name. Another piece of paper led to Game's mother which then led police to where Game had been living for the past three months.

With a new search warrant, the team entered the residence and seized a van-load of materials related to counterfeiting and credit-card fraud: a vertical hot stamp press, holographic foils, ultraviolet inks, watermark inks, credit-card embossers and card-skimming equipment.

At the Peel Regional Police Fraud Bureau, Constable David Bauer undertook the onerous task of inventory. Thanks to Constable Bauer's diligence, a number of metal dies related to \$10, \$20, and \$50 notes were found hidden in the bottom of a box of holographic foils. These dies were a crucial link between Game and the counterfeiting operation.

There were other important discoveries to come. Forged credit cards were found in materials seized from Game's Mercedes. These allowed the police to seize the car as offence-related property. Bauer next located a nominee letter that allowed the police to seize Game's house. Nominee letters are sometimes used by criminals to hide assets by nominating others to hold and manage the proceeds of crime.

With Game's house and car seized, Bauer's fastidious search turned up one more tidbit that was to be the last nail in Game's coffin: a receipt for an industrial rental unit in

Mississauga. The receipt was an important lead, but it didn't tell the officers which unit was Game's. Besco and Poplawski pounded the pavement to locate the rental unit and gain enough information for a search warrant. Within a day, they had located Game's unit.

After executing the search warrant, they quickly realized they had hit the motherlode. The unit had been used as a print shop by the counterfeiters. The officers found a modified Heidelberg press that had been used to print counterfeit bank notes. Although the print shop had been "cleaned up," closer scrutiny revealed scraps of foil imprinted with markings from dies linked to counterfeit bank notes earlier identified by the RCMP's National Anti-Counterfeiting Bureau. It was "game over" for Game.

Game was found guilty and sentenced to four years.



The 2007 Law Enforcement Award of Excellence for Counterfeit Deterrence: Honourable Mentions

By Marie Terrien
Bank of Canada

The Bank of Canada's Law Enforcement Award includes honourable and special mentions for law-enforcement personnel who demonstrate outstanding commitment and initiative in counterfeit deterrence and prevention. The Bank is proud to honour the following recipients for 2007.

Sergeant Moshe Gordon, RCMP

Sergeant Moshe Gordon has coordinated the RCMP's anti-counterfeiting operations in Ontario since 1992. Over the past 14 years, he has developed strong ties with the Bank's regional and head offices, as well as with police agencies across the province.

His hard work and tenacity have contributed greatly to the promotion of our anti-counterfeiting program—in the areas of enforcement and prevention. His efforts have also led to the resolution of many counterfeiting cases related to the production or distribution of counterfeit bank notes in Ontario and across Canada.

Sergeant Gordon recognized the need for the Bank to have up-to-date data on counterfeiting levels, which led to improved collaboration with the RCMP's National Anti-Counterfeiting Bureau and local police forces. Recognizing that young people can play a critical role in our counterfeiting prevention and awareness programs, Sergeant Gordon has been instrumental in promoting the Durham District School Board education and training program for high school students. The program has become part of the high school curriculum in many school boards across the country.

Constable Terry Macyk, Winnipeg Police Service

Constable Terry Macyk of the Winnipeg Police Service was assigned to investigate all reports of counterfeit Canadian currency received by the Winnipeg police. His team identified and raided four printing locations, each equipped with computers, laminators, paper, and cutting tools.

Constable Macyk arrested a dozen individuals directly involved in the manufacture of \$90,000 in counterfeit bills, ranging from \$5 notes to \$50 and \$100 notes from two different series. The group had produced over 200,000 notes of various denominations and had paper supplies to make an additional 5,000 notes. Thanks to Constable Macyk's investigation and work with the Manitoba Prosecution Service, ten members of the counterfeiting network were charged, and the ringleader was sentenced to five years.

Detective Sergeant Kenneth Molloy, Winnipeg Police Service

For five years, Detective Sergeant Kenneth Molloy has worked diligently at the local, provincial, and national levels to improve training for officers involved in counterfeiting investigations.

His passion in this area led him to Ottawa for the RCMP's national counterfeiting investigators' course.

In 2005, Detective Sergeant Molloy initiated an annual training course on counterfeit deterrence for the Winnipeg Police Service that is now available to all police agencies in Manitoba.

Detective Sergeant Molloy is now working with course coordinators to create a program geared specifically to front-line officers involved in counterfeiting investigations.



Thomas J. Rice, Board of Directors, Tiff Macklem, Deputy Governor, Detective Sergeant Kenneth Molloy, Constable Terry Macyk

Cowichan Community Policing Society (Carol-Ann Rolls, Manager)

The Cowichan Community Policing Society is a partner of the RCMP in crime prevention and community policing. Under the direction of Carol-Ann Rolls, the Society recognized a need for more counterfeit awareness training for area businesses. Working with the RCMP and the Bank of Canada, the Cowichan Community Policing Society has trained more than 350 managers/employees in counterfeit detection and prevention. As a result of these efforts, there has been a significant reduction in the number of counterfeiting incidences in the North Cowichan Duncan district of Vancouver Island in British Columbia.



Constable Susan Boyes, Michael Duncan, BoC, Carol-Ann Rolls and Jean-Claude Loyer, BoC



R. v. Goruk, 2007 BCPC 219 (CanLII), 2007 B.C.J. No. 1512 (QL)

Six years for making \$200,000 in counterfeit money, including four years for making counterfeit money in 1999

*By David Littlefield,
Department of Justice*

Stephen Cooke, Vancouver Crown Counsel

Facts relating to offence

Mr. Goruk pled guilty to making and possessing counterfeit money, possessing equipment intended for use in making counterfeit money, and possession of marijuana and cocaine. Corporal Rick Koop, of the RCMP Integrated Counterfeit Enforcement Team, located in Surrey, indicated that the police had noticed several distributors were passing a similar note. Following several interviews with these persons, the police were able to identify the likely supplier, a recluse who rarely left his home. After they corroborated the information from the distributors, the officers obtained a search warrant for Goruk's apartment. Corporal Koop noted that images of \$20 notes were displayed on the computer monitor, and piles of complete and incomplete notes sat nearby as the officers entered the apartment. Mr. Goruk greeted the officers and asked them, "What took you so long?"

The police seized \$32,430 in Canadian counterfeit money and US\$261, in addition to the usual computers, scanners, printers, specialized paper, and so forth. Goruk admitted to the police that he had made about \$200,000 worth of counterfeits in the previous 3 ½ years. Mr. Goruk was making a modest living from his counterfeiting activities. He traded the counterfeits he made for drugs and equipment and sold the counterfeits for 10 cents on the dollar.

Facts relating to the offender

Goruk was 52 years old and had been in and out of jail most of his adult life for property offences, drug offences, and crimes of violence. He had previously served several

lengthy sentences including four years for making counterfeit money in 1999.

The court's decision

The court indicated at paragraph 11 of its judgement that a sentence of three to four years might have been appropriate, but for Mr. Goruk's record.

[11] Absent the prior conviction for counterfeiting and absent some of the more serious sentences on his record, I might have thought that the appropriate range for this offence, for this accused, given the small amount of money that was found on him and the fact that he was not in the six hundred, eight hundred thousand dollar range in terms of production, let alone the three million dollar range, a sentence in the range of three to four years might have been appropriate. But, the fact is that he does have a prior conviction for this offence and this is clearly an aggravating circumstance. The prior conviction tells me that specific deterrence of this accused is a prime consideration in this sentencing hearing.

The court noted that an affidavit from the Bank of Canada established that counterfeiting had increased 1800 per cent from 1992 to 2005 and that victims received no reimbursement. The court observed that both businesses and consumers were disrupted by a lack of confidence in bank notes.

Finally, the court noted the extraordinary steps that the Bank had taken to improve bank notes and the increased policing costs involved.

[15] These are important concerns because they tell me that the protection of the public is of high priority in this case, as is the principle of general deterrence and the companion principle of denunciation. Indeed, the sentences in cases of this kind are generally driven by the need to send a strong denunciatory message and deterrent message to others who might consider engaging in this type of offence.

The court held that an appropriate sentence for Mr. Goruk was six years. The court credited Mr. Goruk with 10 months for his 5 months pre-trial custody and imposed a sentence of five years and two months in addition to his pre-trial custody.



Seized counterfeit bank notes

In brief:

In February, the RCMP appointed Sergeant Kerry Petryshyn as the force's new National Counterfeit Coordinator.

Joining the RCMP in 1988, Kerry worked in various capacities in detachments in New Brunswick. In 2000, he was promoted and transferred to the Commercial Crime Section in Fredericton, and became the Counterfeit Coordinator for the province.

Kerry is now responsible for coordinating the efforts of detachments across the country to fight the counterfeiting of currency and payment cards.

Among his responsibilities, he coordinates the activities of the five Regional Counterfeit Coordinators located in

Vancouver, Calgary, Toronto, Montréal, and Halifax who provide assistance to the ICETs (Integrated Counterfeit Enforcement Teams). He also liaises with other law-enforcement agencies and the Bank of Canada; as well as providing education to other police forces and the public.

He will also maintain and circulate the monthly counterfeiting statistics produced by the National Anti-Counterfeiting Bureau (formerly Bureau for Counterfeit and Document Examinations), that are vital to us for establishing trends and leads across the country.

We wish him well in his new role.

Counterfeiting Resources

Legal resources for trials and sentencings, including precedents, may be found at:

http://www.bankofcanada.ca/en/banknotes/legal_resources.html

Anti-Counterfeiting Connections Newsletters Available Online

A summary of articles found in the first two issues of the Newsletter is set out below.

1. Spring 2007 Abstract:

Project Greenback: How One Counterfeiting Operation was Put Out of Business

The story of how the RCMP, OPP and the U.S. Secret Service collaborated to shut down a \$3.7 million dollar counterfeiting operation.

2007 Law Enforcement Award of Excellence Invitation for Nominations

http://www.bankofcanada.ca/en/banknotes/education/anti_counterfeiting.pdf

2. Summer 2007 - Abstract:

Fighting Counterfeiting Crime Through Education

The success of the Counterfeit Detection Kit, developed and piloted in the Durham District School Board's grade ten Civics classes, shows education's key role in counterfeit prevention.

The Increase in Counterfeiting and the Bank of Canada's Response

The article provides some counterfeit statistics and recent Bank initiatives to assist law enforcement officials including a video and flyer for police roll-call briefings, the development of legal resources to assist with prosecutions, a new Compliance Unit within the Department of Banking Operations and much more.

RCMP Integrated Counterfeit Enforcement Teams Established

The Government of Canada has invested \$9 million to help the RCMP crack down on counterfeiting with the creation of new Integrated Counterfeit Enforcement Teams (ICETs).

http://www.bankofcanada.ca/en/banknotes/education/anti_counterfeiting_june2007.pdf