



## Fighting Counterfeiting Crime Through Education

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No matter how effectively prosecutors and police officers do their jobs, over 90% of counterfeiting crimes will never even be investigated – let alone prosecuted.

This realization ultimately led a federal prosecutor, the Bank of Canada, and the police to work with high school teachers to teach kids how to detect counterfeit notes, handle them in a socially responsible manner, and protect themselves from becoming victims of counterfeiting crimes.



### The Heads of Prosecution

The Bank of Canada responded to the recent dramatic growth in counterfeiting in order to build and maintain confidence in bank notes and deter counterfeiting. The Bank's strategy focused on security, distribution, communication, and compliance. To further compliance efforts, Bank officials met with the Heads of Prosecution in the summer of 2002 in Victoria to discuss counterfeiting prosecutions.

The meeting convinced the Bank that it had to do more to ensure that the law-enforcement community had the information and tools it needed to understand and respond to the social and economic impact of counterfeiting. As a result, the Bank entered into a Memorandum of Understanding with the Department of Justice to fund a prosecutor's position devoted to counterfeiting issues.

### The Development and Promotion of Legal Resources

The Heads of Prosecution created a Counterfeiting Subcommittee made up of prosecutors from every province. I was assigned by the Department of Justice to work on counterfeiting issues with the Subcommittee. The Subcommittee and the Bank worked together and created a variety of tools to explain the impact of counterfeiting

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on the economy and to help the law-enforcement community respond to the growing number of prosecutions. The resources included a victim-impact affidavit, sentencing summaries, and a prosecution manual. These resources are publicly available on the Bank's website at [www.bankofcanada.ca/en/banknotes/legal\\_resources.html](http://www.bankofcanada.ca/en/banknotes/legal_resources.html).

### Education is Critical to Fight Counterfeiting

While these resources are valuable, the impact of the criminal justice system on counterfeiting will always be limited, because most counterfeits are detected long after the bogus notes are circulated. As a result, victims rarely give the police enough information to even start an investigation. It is more effective to prevent a crime before it happens, than to investigate and prosecute one after the fact. One of the most effective ways to prevent counterfeiting crime is to have an educated public that

- knows how to detect counterfeit bank notes; and
- routinely examines money when received in commercial transactions.

The Bank has superb educational materials on counterfeiting available on its website to promote these goals. (See for example:

[http://www.bankofcanada.ca/en/video\\_corp/school\\_broad\\_en.html](http://www.bankofcanada.ca/en/video_corp/school_broad_en.html) or [http://www.bankofcanada.ca/en/banknotes/counterfeit/security\\_features.html](http://www.bankofcanada.ca/en/banknotes/counterfeit/security_features.html).) The Bank also provides training to cash handlers and police officers.

These outreach efforts are clearly important, but we wondered whether we could put education about counterfeiting into our nation's schools.

### Enter the Durham District School Board

In the fall of 2003, several Bank of Canada officials, Sgt. Moshe Gordon, the Counterfeit Coordinator for Ontario for the RCMP, and I approached the Durham District School Board, to determine whether they would be interested in developing educational materials on counterfeiting. The Durham Board was enthusiastic. The Durham Board's involvement under Director, Craig Burch, and under the supervision of Luigia Ayotte, Superintendent of Education for Staff Development, and Joni Heard, Staff Development Officer for Program Services, has been integral to the success of the initiative.

Together, we developed a Counterfeit Detection Kit for Civics teachers to instruct students in how to detect counterfeit notes and handle them in a socially responsible manner. Students must attend and participate in classes, demonstrate their knowledge of security features, and to

reinforce civic responsibility, teach one other person how to detect counterfeit bank notes.

Successful students are awarded a certificate endorsed by the Durham Board, the Bank of Canada, the Retail Council of Canada, and several police forces, including the RCMP and OPP.

The Durham pilot project was conducted in the winter of 2004-05. The teachers found the materials easy to use, and students enjoyed the lessons. The program proved to be fun for the students and gave them a useful skill for employment. Teachers enjoyed the kit because students learned civic responsibility with enthusiasm. As a result, the Durham Board has adopted the kit for use throughout the Board, and has trained 140 of its own Civics, Social Studies, and Co-operative Education teachers to use the kit.

### A Success

The Counterfeit Detection Kit was a natural fit with community police programs, which are designed to prevent crime. We approached the Ontario Provincial Police (OPP) in 2007 to see if they would be interested in supporting the program. They have enthusiastically endorsed the kit and will provide training to 160 community service officers who deliver education programs to schools and community groups. In April, they conducted their first training session on the Counterfeit Detection Kit for approximately 20 Community Service Officers.

Efforts are well under way to promote this program throughout Canada, and the Bank's regional offices are making very positive inroads. Working with the schools, this alliance involving a prosecutor, the Bank, and the police has made remarkable progress. While much remains to be done, with a bit of luck and some hard work, the Counterfeit Detection Kit just might make it right across Canada.

If you're interested in learning more or in helping to promote this initiative, contact information is set out below.

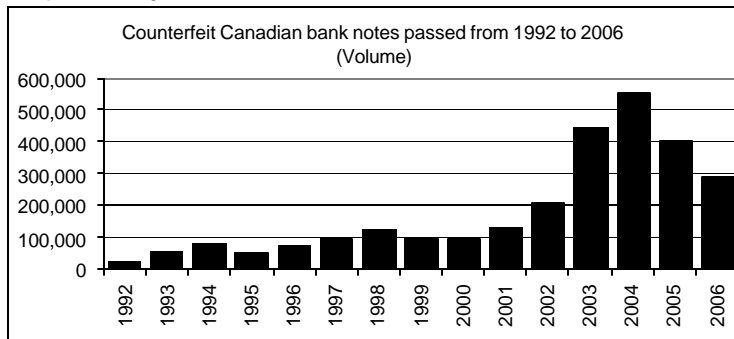
### Contact Information

Bank of Canada – Caroline Roberts 613-782-7263  
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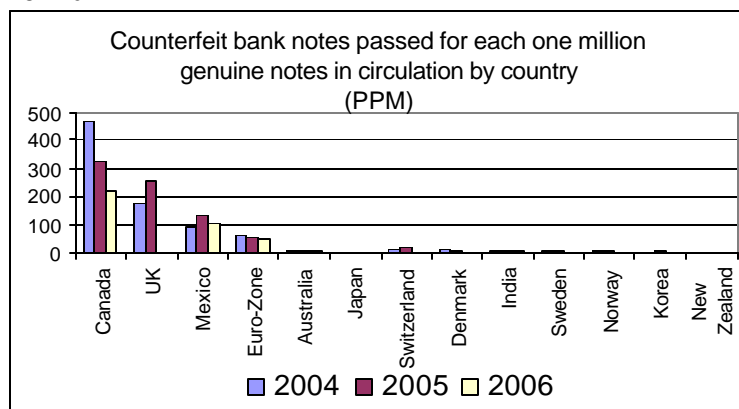
# The Increase in Counterfeiting and the Bank of Canada's Response

Counterfeiting remains a key challenge for the Bank of Canada. It has responded with a four-pillar strategy to build and maintain confidence in bank notes and deter counterfeiting. The four pillars of the strategy are security, distribution, communications, and compliance.

Counterfeiting in Canada peaked in 2004 and has declined for the past two years.



Despite this reduction, however, counterfeiting levels remain very high by historical and international standards.



\* The above chart was compiled from information made publicly available by the central banks of various countries. The information reported varies in the calculation of fiscal years and is therefore not directly comparable in many cases.

## The Compliance Strategy in Action

The Bank has worked to ensure that the law-enforcement community has the information it needs to understand the social and economic impact of counterfeiting. To this end, legal resources, which include a victim-impact affidavit, sentencing summaries, and a prosecution manual, have been created and are being promoted at various conferences and workshops, including the recent Ontario Crown Attorneys' Association Spring 2007 Educational Conference.

In co-operation with the Canadian Association of Chiefs of Police, the Bank has also created a Law Enforcement Award of Excellence for Counterfeit Deterrence.

New initiatives over the next three years include the

- design and promotion of new educational products and programs, including anti-counterfeiting displays, educational modules for high school students, and specialized training for police officers; and
- development and production of a short video and flyer for police roll-call briefings that will be distributed to all Canadian law-enforcement agencies.

## Conclusion

The Bank will continue to implement its compliance strategy as part of its efforts to ensure that Canadians have safe and secure bank notes that they can use with confidence.

## What's New ?

*The Department of Banking Operations has announced the creation of a compliance unit, to reflect the growing importance and impact of its compliance strategy. Michael Duncan has been appointed Program Manager and Marie Terrien has joined the unit as Senior Analyst.*

*The compliance unit's objectives are clear: To pursue ongoing initiatives and develop new ones that will encourage and facilitate deterrence efforts by police officers, Crown prosecutors, and judges.*

## RCMP Integrated Counterfeit Enforcement Teams Established

Stockwell Day, Minister of Public Safety; David Dodge, Governor of the Bank of Canada; and RCMP Commissioner Bev Busson were in Toronto on 14 May 2007 to officially announce the establishment of the RCMP's Integrated Counterfeit Enforcement Teams (ICETs).

Responding to the increasing threat posed by bank note counterfeiting as a result of technological advancements and easy access to computer technology, the Government of Canada, in its Budget for 2006, provided \$9 million over two years for the RCMP to crack down on the production and distribution of counterfeit money.

The ICETs work closely with the Bank of Canada, other government agencies and domestic and international policing partners to combat organized crime's counterfeiting activities. Established in Vancouver, Toronto, and Montréal, these teams are strategically located in provinces where the highest percentage of counterfeit bank notes have been detected. Counterfeit specialists will also be in place in Calgary and Halifax, thus ensuring the ability to respond to counterfeiting problems anywhere in Canada.

*"The Bank of Canada strongly supports the implementation of the ICETs. We believe that they will prove to be a critical step in the fight against the serious threat posed by currency counterfeiting," said Governor Dodge.*

The ICETs include specialists not only in counterfeiting, but in computer technology and forensics.

In addition to investigating counterfeiting activities, the RCMP works with the Bank of Canada at the regional and national level to develop and deliver public education and awareness programs. In doing so, the RCMP is investing in both counterfeit prevention and deterrence initiatives.



Stockwell Day, Minister of Public Safety, Bev Busson, Commissioner of the Royal Canadian Mounted Police and David Dodge, Governor of the Bank of Canada, attend the official launch of the Integrated Counterfeit Enforcement Teams (ICETs).



The joint efforts of law-enforcement agencies, prosecutors, and the Bank of Canada will significantly affect counterfeiting rates in Canada. Major anti-counterfeiting operations, involving the ICETs, as well as other Canadian law-enforcement agencies, have successfully dismantled major counterfeiting operations in British Columbia, Quebec, and Ontario.

The Bank is confident that these teams will further the Bank's efforts to deter counterfeiting. We welcome them and wish them continued success.

## Recent and Upcoming Events

### **Ontario Crown Attorneys' Association Spring 2007 Educational Conference**

On 30 May, the Bank of Canada and the Department of Justice made a presentation on counterfeiting to the Ontario Crown Attorneys' Association annual educational conference in Collingwood. The presentation provided background information on the Bank's strategy to respond to counterfeiting, an outline of current and future legal tools, and an overview of the high school education initiative.

### **2007 Law Enforcement Award of Excellence for Counterfeit Deterrence**

This year's winners have been selected. The winners will be announced and their prizes awarded at the Canadian Association of Chiefs of Police annual conference in Calgary later this summer. An article on the award winners' successful investigation will appear in the September newsletter.

*Do you have any news?*

Interested in submitting  
an article for our  
Fall 2007 issue of  
*Anti-Counterfeiting Connections?*

Email them to  
[mduncan@bankofcanada.ca](mailto:mduncan@bankofcanada.ca)