$4.9 million

..... AND ALL

COUNTERFEIT!

ON 11 August 1983, a large squad of State and Federal Police officers raided premises at various locations in and around Melbourne and found a quantity of printing equipment and some $4.9 million face value in $50 notes.

The notes were identified as forgeries. Two printers, an artist, a solicitor and an estate agent were arrested. A sixth man was found to have $27,000 worth of the notes on him and he, too, was arrested, All have been committed for trial in Victoria.

For Detective Inspector Ray Cooper and members of the AFP Currency Squad in Melbourne, the huge haul was the climax to two years of extensive investigations. It is one of a number which the Squad has brought to a successful conclusion in nearly 10 years of operations.

It all began in 1966–67 when a group of Melbourne criminals printed what is known as the 1966 series $10 note.

"A number of Commonwealth and Victoria Police were formed into a Currency Squad and operated out of the Note Printing Works of the Reserve Bank which was then in Fitzroy," Detective Inspector Cooper said.

As the years passed, the Currency Squad came to be staffed by AFP members — a Detective Inspector, a Detective Senior Sergeant, a Detective Sergeant and two Constables.

"The Squad is now located at the Reserve Bank Note Printing Works, in Craigieburn, Victoria, to give members immediate access to the Bank's technical staff and cash management areas," Detective Inspector Cooper said.

"The Squad liaises closely with the printing industry, coin dealers, police throughout Australia, paper manufacturers, Interpol, the United States Secret Service, the banking industry, travellers cheque issuers, and many other areas involved in currency transactions.

Detective Inspector Cooper said that in the past two years the Squad had been involved in investigating several major counterfeiting cases. Prosecutions were at present pending in Victoria and New South Wales.

He said the biggest case was the one involving the counterfeit Australian $50 notes.

In 1981 the Victoria Police Bureau of Criminal Investigations had approached the Currency Squad about a group of men who had discussed printing some American Travellers Cheques. That proposal did not go ahead.

However, in July 1983, the same group of men met again with plans to counterfeit drivers licences, bank cheques, Australian currency, Government Bonds and marriage certificates. The Currency Squad, Reserve Bank and Victoria Police made their own plans.

A BCI member later received 40 blank Victorian drivers licences and was shown a $50 Australian note described as counterfeit.

A major Victoria Police surveillance operation located premises used by the group in and around Bendigo and in Melbourne suburbs. It was these premises which were raided shortly after and the group arrested.

"It was the biggest counterfeiting of Australian currency ever committed and co-operation between all parties involved in the investigation was exceptional," Detective Inspector Cooper said.

An electronic monitoring of all $50 notes by the Reserve Bank has not located any of those notes in circulation, indicating they may have been intercepted before any could be released.

But it's not only paper money that the Squad has to worry about.

In November 1983, Victoria Police contacted the Squad about a person they had arrested who had access to some counterfeit Russian 10 Rouble coins. Altogether, 99 of these coins were seized and background inquiries began.

A month later, a Russian man and woman allegedly from a Russian ship offered for sale two 10 Rouble coins to a Melbourne coin dealer. They later returned and discussed selling to the dealer 1,500 of the coins.

After negotiations, a locked bag was taken to the dealer's home and his daughter handed over $71,250 in cash for it. When the bag was opened it contained 750 counterfeit Russian coins.

Further inquiries with NSW Police located a further 100 of these coins which had been bought from a Russian man and woman for $6,500 in cash.

Inquiries with police in the United States, United Kingdom and Europe produced countless similar cases where counterfeit coins, including identical Russian coins, had been sold.

Detective Inspector Cooper said that in 1980 a new type of counterfeit 100 Deutschmark banknote was detected in Sydney.

"Only one of these notes had been seen anywhere in the world up to 1983," he said.

"But shortly after, over 500 were detected in banks mainly in NSW and Victoria, and a few in West Germany. Three people uttering some of these notes were arrested."

The Currency Squad began inquiries which eventually located the premises used to make the lithographic plates, and identified the people involved in printing the notes.

As Federal Legislation to cater for foreign banknote printings (the Crimes (Currency) Act 1981) had not yet been proclaimed, Squad members fully briefed NSW Drug Squad detectives and detectives at Coffs Harbour.

In September last year, premises in Sydney suburbs and Coffs Harbour were searched, four people charged, and others have subsequently been charged, over their involvement in producing counterfeit West German currency.

Detective Inspector Cooper freely admits that, as in all police work, luck has played some useful tricks to help the Currency Squad.

In August last year, a traffic car working in St. Kilda stopped a motor van for a minor offence. A sock was seen being thrown from the van. It contained 11 $100 banknotes and nine caps of heroin. When examined, the notes were found to have the letters DBR printed on them instead of a serial number commencing with 'Z'.

"The $100 Australian note was released only on 26 March 1984 and we had already anticipated that a counterfeiting of the attractively valued note would soon be attempted," Detective Inspector Cooper said. "The 11 notes were examined and found to be counterfeit."

A short time later, a briefcase was located in West Melbourne containing 2,906 $100 notes.

Members of the Currency Squad, with a Victorian Detective, AFP members in Queensland and Queensland Police searched a print-shop on the Gold Coast but no evidence was found to prove the premises were those at which the $100 counterfeit notes were printed.

Samples of the counterfeit $100 notes are still appearing in NSW. One man has been charged over 14 of them at Coffs Harbour, and men and women have been charged with single note uttering offences in NSW.

The counterfeit notes all bear serial numbers from DBR42950 to 54. This serial number is larger than the genuine numbers, with both numbers in black. The genuine note carries the bottom right number in blue.

Detective Inspector Cooper said that in September last year the Squad received information that two men were considering printing $600,000 worth of $20 Australian banknotes. Investigations identified the men, their vehicles, and a printing works in Cheltenham, Victoria.

Four days later, Currency Squad members with a team of AFP members and a Reserve Bank officer, searched the printing works and found a quantity of $20 notes bearing serial numbers VJC826044, VKD370792 and VJVO25746, nine lithographic plates (one for each colour, watermark, security thread) and the photographic artwork, along with some ash containing 'spoils' from the printing.

Two printers were arrested and have been committed for trial in Victoria.

He said Squad members found some consolation in the fact that it took Australian counterfeiters five months to produce their first Australian $100 note.

"Feel sorry for the US Secret Service which, as at 22 April this year, had some 5,049 counterfeit variations on the US $100 note alone to investigate," Detective Inspector Cooper said.

"During the past year, the Reserve Bank has received a number of composite banknotes that have been cut horizontally," Detective Inspector Cooper said.

"In May this year the Currency Squad had seen 561 $50 and three $20 horizontally cut composite notes."

He said that until 1984, composite notes were made up by cutting a note vertically several times and then, from these pieces, making up an extra note from a minimum of 10 or more notes. This gave an 11 for 10 ratio.

"Special electronic machines in Reserve Bank branches can usually detect that a note is 10 per cent short and reject it," he said. "When the horizontally cut note first turned up it was visually harder to identify as a composite, as the sliced section was very straight and disguised with an opaque tape.

"The electronic equipment had to be adjusted to read the horizontal width difference in the note."

Detective Inspector Cooper said the squad had built up some intriguing facts relating to counterfeiting.

Detective Inspector Cooper said that the Crimes (Currency) Act 1981, when proclaimed, would give the AFP the power to operate and investigate in the vital area of counterfeiting of foreign banknotes and enable Australia to become a signatory to the International Convention for the Suppression of Counterfeiting Currency.

A mixed sample of the counterfeit notes and coins which the Currency Squad keeps on hand for identification and comparison purposes.