



Collector and counterfeit coin expert Mike Marshall (left), of Quinte West, Ont., shows his MP Neil Ellis (right) several markers on suspected fake \$2 circulation coins.

Photos by Bernard Auger.

Surge of suspected fakes hits cities across Canada since fall, collector finds

Law enforcement slow to investigate, RCM has 'no law enforcement authority'

By Jesse Robitaille

Counterfeit coin expert Mike Marshall has been fighting fakery in Canadian numismatics for nearly 15 years.

In recent months, his sights have been set on a string of suspected counterfeit \$2 coins reported in cities and towns, big and small, across the country.

Marshall, a resident of Quinte West, a city just west of Belleville, Ont., has been collecting data on counterfeit toonies since last summer, when dozens of fakes hit Toronto businesses ("Dozens of counterfeit toonies allegedly passed in Toronto," CCN Vol. 58 #10).

Last July, a Toronto supermarket employee reportedly found 75 counterfeit \$2 circulation coins, ranging in date from 1996-2011, in one cash register. The employee didn't identify themselves to CCN, communicating only through a private chat on the online forum Reddit, in fear of retaliation from the counterfeiters.

Based on his findings since last summer, Marshall now estimates about two per cent of the \$2 coins in circulation are counterfeit. He said he has checked hundreds of toonie rolls – tens of thousands of

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RCNA cancels convention, planning virtual program

By Jesse Robitaille

For the second consecutive year, the annual convention of the Royal Canadian Numismatic Association (RCNA) has been cancelled due to COVID-19.

Planned for July 20-25 in Ottawa, this year's in-person convention was cancelled in late February, when the RCNA's executive committee met to make a decision in light of the ongoing pandemic. Unlike last year, however, organizers are now planning a virtual program – much like their coin-collecting counterparts in the Ontario Numismatic Association (ONA).

"This is going to take some time. There's a bit of work here to get it all sorted out," said RCNA Executive Secretary Paul

Johnson, who added planning for that association's virtual convention should be finalized by the end of March.

Like the ONA Convention, which will also be held virtually this April ("First virtual ONA Convention open to everyone," CCN Vol. 58 #25), the RCNA's annual show will move some of its program, including its annual general meeting, club and society meetings and educational symposium, to a Zoom-based format.

"Most of the clubs I've spoken with have said they want to participate – they want to be a part of the convention – so that's a good thing," added Johnson.

This year's in-person Royal Canadian Numismatic Association (RCNA) Convention, slated for July 20-25 in Ottawa, is cancelled because of the ongoing COVID-19 pandemic. The show will move to a virtual program with details to be announced by early April.

Convention's chair Steve Woodland negotiated with the venue, the Delta Hotel Ottawa City Centre, to move this year's in-person convention to 2022.

The decision was confirmed on March 5, about a week before Ontario's hospital association and its COVID-19 science advisory table said the province entered a "third wave" of the pandemic. The so-called "variants of concern" – expected to account for the majority of Canada's COVID-19 cases by the end of March – are "essentially out of

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Toonie designer wins Governor General's Award

By Jesse Robitaille

Nunavummiut artist Germaine Arnaktauyok, the designer of Canada's first \$2 commemorative circulation coin, has received one of eight Governor General's Awards in Visual and Media Arts (GGArts Awards).

Announced in February, Arnaktauyok's honour comes 25 years after the first "toonie" was issued on Feb. 19, 1996, to replace Canada's since-withdrawn \$2 banknote. While the first circulation toonie featured the now-iconic polar bear design

by Toronto artist Brent Townsend, Arnaktauyok's stylized drum-dancer depiction graced that denomination's first commemorative circulation issue, 10 million of which were struck, in April 1999.

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Yellowknife-based artist Germaine Arnaktauyok, who designed Canada's first \$2 commemorative circulation coin in 1999, received a Governor General's Award in Visual and Media Arts this February. Photo by Canada Council for the Arts via YouTube.

Toonies...

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coins altogether – and found several readily visible “markers,” including a major one, the polar bear’s right paw, on the reverse. Like the original horde discovered in Toronto, most of the fakes are being passed at unaware small businesses or redistributed in rolls from local banks, he added.

“I believe there are more counterfeit toonies out there right now than there is counterfeit paper money in history combined,” said Marshall, who has found several complete sets of the five known dates, including 1996, 2002, 2004, 2005 and 2006. “What that tells me is they have a network along the (Highway) 401.”

At the time of printing, the latest fakes Marshall found – on March 16 – had “full mint lustre, and yet it was in a circulated roll.”

“It’s targeted, it’s specific and they’re good at it.”

The fakes are reportedly focused in Vancouver, B.C., Gatineau, Qué., plus Ottawa and North York in Ontario; however, they’re also reported in more rural areas, including Wakefield, Qué., a village of about 2,000 people, and Bridgenorth, Ont., a hamlet of about 3,000 people.

“Even these little out-of-the-way places have them, but Gatineau, Qué., has got the deepest supply of them outside of North York,” said Marshall, who added people are being “very, very delicate” because of concerns about who is making the fakes.

Both major busts in recent years have had ties to organized crime, Marshall added.

“People are being very reserved.”

Over 10 days earlier this year, Marshall’s coin collecting



colleague checked “2,000 random toonies” in Gatineau and found one per cent were counterfeit.

“That’s a big number.”

More recently, on March 3, he met with a reporter from his local newspaper, the *Belleville Intelligencer*, at a bank in Trenton, Ont. Marshall exchanged \$300 in banknotes for six toonie rolls, each with 25 \$2 coins, and then opened them with the reporter behind the bank. Three “newly minted” fakes were among the 150 coins in the rolls – a rate of two per cent.

A few days later, on March 8, Marshall once again visited his local bank, where he exchanged cash for six rolls of toonies, he said.

“I didn’t even get out of the bank and I had a counterfeit already because there was one right on the end of the roll,” he added. “Just ludicrous.”

IDENTIFYING THE FAKES

The suspected fake \$2 coins have a different appearance, weight and typeface compared to genuine examples. “I can identify the markers to you in seconds,” said Marshall, who added there are “at least four reverse dies being used.”



The most glaring counterfeit marker on a recent spate of fake \$2 circulation coins (left) is the polar bear’s right paw. On genuine toonies (right), the bear’s paw is more uniform.

He said he found several examples with obverse die cracks plus two examples with “retained broken dies” on the reverse.

“The crack starts at the rim, comes down through the devices – or the legend in this case – moves across to the letter beside it and then back up to the rim again,” Marshall said, adding that die “is not long for this world.”

As mentioned, the mostly realistic-looking fakes have a noticeable flaw in the polar bear’s right paw, which includes a deep split in the middle.

A suspected fake 2006-dated toonie sits atop a roll of 25 \$2 coins Marshall acquired from his local bank on March 8.

Genuine \$2 coins have a less pronounced separation between the paw’s middle toes.

The suspected fakes are also incorrectly weighted and sometimes have an oily appearance compared to genuine examples.

“The six I got today look freshly struck, but real,” Marshall told CCN on March 16. “They still have lustre, and only one has a scuff.”

The weights are also incorrect. The suspected fakes weigh between 6.99 and 7.1 grams – nearly a third of a gram less than the official 7.31-gram weight of genuine toonies from 1996-2012.

Since 2012, Canada’s \$2 circulation coin has weighed 6.92 grams.

While the alleged counterfeits’ typeface appears correct on some examples, the ones dated 2006 feature an incorrect “straight tail” on the “6” of the year-date. The year-date of genuine 2006-dated toonies feature a “curved tail.” Other coins have misaligned dates, including a higher “2” on 2002 and double-dated 1952-2002 examples.

On the obverse of the 2004-, 2005- and 2006-dated fakes, the maple leaf symbol at the top centre is “too high,” Marshall said, adding the leaf should be “centred in the ring.”

Since 2012, Canada’s toonie has featured several updated security features, including two laser marks of maple leaves, each within a circle, at the bottom of the coin’s reverse. A virtual image of two maple leaves



The year-date of a genuine 2006-dated \$2 coin (left) features a ‘curved tail’ on the ‘6.’ The suspected fakes feature a ‘straight tail’ and a high maple leaf, both on the obverse (right).

also appears at the top of the coin, and a different image is produced as the coin is turned from side to side. Edge-lettering of the words “CANADA” and “2 DOLLARS” are also engraved along the current coin’s outer edge.

RCM RESPONSE

On March 16, senior manager of public affairs Alex Reeves told CCN the Mint is aware of Marshall’s claim of counterfeit \$2 circulation coins.

“We have an established process for assisting law enforcement investigations into suspected coin counterfeiting. Such investigations are always initiated by local police or the RCMP, as the Mint has no law

enforcement authority,” Reeves said.

“As part of that process, the Mint can examine suspect coins before determining whether or not they are counterfeit. We have not yet received a speci-

men of a suspected counterfeit \$2 coin.”

Reeves added he’s unaware of any current investigations into the suspected fakes.

“We have not received any indication at this point that this matter is being investigated. We also cannot share information on our process for analyzing suspected counterfeit coins.”

If someone suspects circulation coins are being counterfeited, “we recommend that individuals contact their local law enforcement,” Reeves added.

Marshall, however, said he has contacted both the Royal Canadian Mounted Police (RCMP) and Ontario Provincial Police to no avail.

“I’ve reached out to police forces, and they won’t even return phone calls,” Marshall said.

His only recent success has been with his local MP Neil Ellis, the representative for the Bay of Quinte, who agreed to a 30-minute in-person meeting with Marshall on March 17. Marshall showed Ellis the data, photographs and physical examples of the fakes while explaining the counterfeit markers.

“It took literally minutes before he was able to identify the counterfeits,” said Marshall. “He agrees that this is an incredibly serious problem.”

Marshall left a complete set of fakes – all five dates – with Ellis, who will now contact the appropriate minister.

“He’s going to pursue it that way,” said Marshall.

“If it was a counterfeit bill, the RCMP would be putting out a press release bulletin, but since it’s coins, they don’t care,” said Marshall, who added he’s eager about Ellis’ response.

“(It’s) definitely a concern,” Ellis told CCN on March 18.

HOW BAD IS TWO PER CENT?

In light of his recent findings about suspected fake \$2 coins in Canada, collector Mike Marshall recalled another counterfeiting situation in the United Kingdom, where the Royal Mint was forced to recall all of its round £1 coins. “By the time they realized they had a counterfeiting problem, 10 per cent of circulation £1 coins were counterfeit,” Marshall told CCN. “The only fix for that is to pull them all out of circulation, redesign the coin and start over.” In 2010, the Royal Mint estimated one in every 36 £1 coins was fake (a rate of 2.78 per cent). By 2016, that number grew to one in 10 (10 per cent). “If they’re running at even half a per cent or one per cent, the market is being glutted,” said Marshall. The so-called “round pound” lost its legal-tender status on Oct. 15, 2017, and was replaced by a 12-sided £1 coin.



The obverse maple leaf at the top centre of the 2004- (shown), 2005- and 2006-dated fakes is too high, Marshall said.

Counterfeit coins can also negatively impact the public's trust in Canadian currency.

"If enough people get stuck with bad coinage, merchants may become more cautious about accepting coins, possibly accelerating even faster the move to a cashless society," added Forbes. "And of course, as the quality of currency counterfeiting improves, as seems to be happening here, collectors of serious coins will become even more cautious about purchasing coins, especially coins that have not been third-party graded."

Marshall agreed the main victims in this situation are the owners of independent small businesses.

"If it's a corner store and they happen to lose \$100, that could be their day's profit. In these trying times, that's a lot – so once again, it's the little guy that's going to take the beating, not the big stores."

"I'm not an expert on the subject matter, but when shown by Mr. Marshall the coins, they're definitely circulating along the 401 corridor. It's something that's been brought to my attention and (is) very concerning."

Ellis said he will now prepare a memo to share, along with the fake coins, to the federal finance department.

"Mike has done the right thing. He's contacted the Mint, he's contacted the RCMP," Ellis told CCN, adding MPs are more policy focused "but this issue is something I'm looking into and forwarding the information to finance. The ministry that's in charge is finance."

RCNA RESPONSE

While counterfeit circulation coins might not directly impact the collecting community, they represent a "serious" legal matter, Bob Forbes, the president of the Royal Canadian Numismatic Association, told CCN.

"I don't think that these counterfeits will have any direct effect at all on the collecting community, as the coins being counterfeited are not collector coins, and thus will not fool collectors in their areas of collecting," said Forbes, who has been at the helm of Canada's national coin club since 2019.

"However, this appears to be serious counterfeiting, and is certainly an indictable offence under the Canadian Criminal Code, and something that should concern the Canadian Treasury."

PAST COUNTERFEITING RINGS IN 2006, 2010

A counterfeiting ring uncovered in 2006 marked the first time fake \$2 circulation coins were found in Canada.

That year, the RCMP worked with Québec police to put an end to the coin-counterfeiting operation in Repentigny, northeast of Montréal, where high-quality fakes were being manufactured.

"Those were the 2004 and 2005 toonies," said Marshall, who added the latest run of counterfeits now hitting Canada "are a lot better, but they're not that much better."

"The only thing they've done better this time is the rims, but that was a dead giveaway on the original run of the fakes." 🍁



Some of the suspected fakes still have lustre despite year-dates stretching back more than 15 years.

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