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Mint downplays StatCan, expert's reports on recent proliferation of fake toonies

By James Risdon

Counterfeit toonies are cropping up in Canada at a rate that is more than doubling every year, Statistics Canada data show.

From 1,300 fake \$2 coins reported in 2019, there were 28,666 last year. That's a 22-fold increase over four years in the number of counterfeit toonies deemed to have passed into circulation or been seized before they made it into general circulation.

Counterfeit coins expert Mike Marshall says this is only the tip of the iceberg. The reality of counterfeit coins in Canada is much, much worse, he maintains.

"That is only a drop in the bucket," he says. "Over a 12-month period in the province of Ontario, we were doing reams of coin roll searches all over the province. We went to banks, purchased rolls of toonies, and checked them for counterfeits. We were running between seven and nine per cent counterfeit."

That estimate, if correct, would mean there are roughly 10 million counterfeit toonies in Canada.

The Royal Canadian Mint maintains there are relatively few counterfeit coins in circulation.

In Canada, the mint makes all of Canada's circulation coins and manages the national coin supply. That includes weekly forecasting, production, recycling and eventual retirement of coins across the country.

"As part of operating the coin management system, the mint conducts regular sampling of its circulation coins to ensure the integrity of Canada's coin ecosystem," noted Alex Reeves, a spokesperson for the Royal Canadian Mint. "That includes roughly one billion \$2 coins that have entered circulation since 1996.

"The mint works with its coin distribution partners and gathers physical evidence and empirical data to monitor the state of coins circulating around the country. This expert monitoring indicates that the presence of counterfeit \$2 coins remains very low."

Not so, maintains Marshall.



The rim, legend, and leaf of this 2015 \$50 Gold Maple Leaf should have a mirror finish. The radial lines are also too pronounced.

Marshall also quickly identified an offering on Etsy described as an 1884 Victoria 10 cents, priced at \$28.31, as a counterfeit. Despite repeated attempts to contact Etsy, it did not respond to a request for comment about that coin for this story by deadline.

An international journal on the use of intelligent computer systems in industry, government and universities, *Systems with Applications*, describes in its September issue how a technological solution could help identify counterfeit coins and take them out of circulation.

In that paper, Concordia University artificial intelligence researcher Maryam Sharifi Rad, NexaDeeds CEO Saeed Khazaee, and Ching Yee Suen, a co-director of the Centre for Pattern Recognition and Machine Intelligence at Concordia University, propose that tech could pick out features in coins and better detect counterfeits.

"Within the counterfeit coin detection community, there is a growing interest in applying image mining techniques to enhance the efficacy of detection methodologies," they wrote in their paper, *A Framework for Image-Based Counterfeit Coin Detection using Pruned Fuzzy Associative Classifier*. "By leveraging image mining techniques, researchers aim to exploit the potential offered by these advanced methods in addressing the



The toonie on the right has an Mint mark and an oversized Queen's nose. On the left, "CANADA" should say "DOLLARS," and the "\$" should be "2."

(Photos submitted)

The fake coins expert describes the use, sale and collecting of counterfeit coins in Canada as ubiquitous, claiming even such well-known and reputable online retailers as Walmart Canada and Etsy regularly offer counterfeits for sale.

During a quick online search of the Walmart Canada website, Marshall identified a 2015 Gold Maple Leaf and 2022 Silver Maple Leaf as counterfeits, although the descriptions on the site were much wordier. The giant retailer took those coins off its website within days of being contacted for comment by *Canadian Coin News*.

"Thank you for bringing this to our attention," replied Walmart Canada spokesperson Stephanie Fusco. "These items were offered by thirdparty sellers on our marketplace platform and have been removed."

complex nuances associated with counterfeit coin detection. Image mining has the potential to revolutionize the field and provide valuable insights into the identification and classification of counterfeit coins, thereby contributing to the enhancement of security measures and the preservation of societal interests.”

As promising as such an artificially intelligent, high-tech detection system might be, it’s unclear how and where it would be deployed in practice, and whether there is even the political will to spend the money to buy and install it in Canada, says Marshall.

“Companies like Walmart and Etsy and all of these companies make money off of it and the government won’t stop it,” he says. “Why isn’t the Royal Canadian Mint doing something about it? Part of their mandate is to protect the heritage and trademarks of Canadian coins – and copyrights – and they do shit.”

Marshall says the same government officials who would “go bananas” if they came across 100 counterfeit \$20 bills are quite willing to just shrug off counterfeit toonies as a harmless crime.

It’s not at all harmless, he says.

A small store owner can wind up losing significant revenues when making a deposit that includes counterfeit toonies that were in circulation because the banks do not provide any recompense to the person handing in the counterfeit money when it is taken out of circulation.

An investor collecting bullion coins can likewise wind up with a batch of worthless metal tokens when these are found to be counterfeit and not containing the supposed amount of precious metal noted on the face of the coin.

Despite these financial losses to businesses and collectors, Marshall alleges the government isn’t taking the issue of counterfeit coins seriously.

“Here’s how bad it is,” he says. “When I was trying to get the government to recognize the counterfeit toonies, I took a complete set, during COVID-19, to my member of Parliament. I showed them to him. I showed him how to identify them. I gave them to him to pass on.”

The result was nothing more than a nice letter thanking Marshall for his time, and the return of the toonies back to him.

“They mailed the counterfeit coins back to me, which is illegal,” says Marshall. “They not only missed the boat, they missed the complete tide going out.”

Many coin collectors are, strangely enough, part of the problem since they actually collect these counterfeit coins, which they view as novelties. Every day, Marshall shuts down people selling counterfeits toonies on Facebook Marketplace.

“There are people all over Canada who think counterfeit toonies are a novelty item and are worth collecting and try and buy them, which is against the law,” says Marshall. “I’ve known people who have paid \$20 for them. It’s crazy.”

His recommendation to coin collectors who have counterfeit coins is to permanently dispose of them.

“Destroy them. Nothing good can come of them,” he says. “If you buy them, you’re keeping it going. You’re perpetuating the cycle because once they sell one, they make another one.”



A clear sign this 2011 \$5 Silver Maple Leaf is fake, are the exaggerated veins of the leaf. They should not touch or cross each other.