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Description of document: US Secret Service (USSS) Handbook on how to handle counterfeit currency, including how to detect, report and dispose of fake bills 2022

Requested date: 05-March-2025

Release date: 12-March-2025

Posted date: 31-March-2025

Source of document: FOIA Request
U.S. Secret Service FOIA Office
245 Murray Lane Building T-5
Washington, D.C. 20223
FOIA@uss.s.dhs.gov
FOIA.gov

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DEPARTMENT OF HOMELAND SECURITY
UNITED STATES SECRET SERVICE
WASHINGTON, D.C. 20223

Freedom of Information Act Program
Communications Center
245 Murray Lane, S.W., Building T-5
Mail Stop 8205
Washington, D.C. 20223

Date: March 12, 2025

File Number: 20250580

Referring Agency: The Bureau of Engraving and Printing (BEP); 2024-BEP-00011

Dear Requester:

Reference is made to your Freedom of Information Act (FOIA) request, originally directed to the Bureau of Engraving and Printing (BEP) Case No. 2024-BEP-00011, for a copy of the handbook on how to handle counterfeit currency, including tips on how to detect, report and dispose of fake bills.

While processing your request, the above agency confirmed that all responsive records to this request fall under purview of the United States Secret Service (Secret Service). Accordingly, your request was referred to this office for processing and a direct response to you. Your request was received by this office on March 5, 2025, and was assigned the file number indicated above.

After a detailed review of all potentially responsive records, 77 pages were released and no pages were withheld in their entirety. After considering the "Foreseeable Harm" standard, outlined in Title 5 U.S.C § 552(a)(8)(A)(i) and Department of Justice guidance, exemptions under FOIA Statute Title 5 U.S.C. § 552, and/or the PA Statute Title 5 U.S.C. § 552a, have been applied where deemed appropriate.

Enclosed are documents responsive to your request. Any exemptions cited are marked in bold below.

Section 552 (FOIA)

(b) (1) (b) (2) (b) (3) Statute:
(b) (4) (b) (5) (b) (6) (b) (7) (A) (b) (7) (B)
(b) (7) (C) (b) (7) (D) **[X](b) (7) (E)** (b) (7) (F) (b) (8)

If you deem our decision an adverse determination, you may exercise your appeal rights. Should you wish to file an administrative appeal, your appeal should be made in writing and received within ninety (90) days of the date of this letter, by writing to: Freedom of Information Appeal, Deputy Director, U.S. Secret Service, Communications Center, 245 Murray Lane, S.W., Building T-5, Washington, D.C. 20223. If you choose to file an administrative appeal, please explain the basis of your appeal and reference the case number listed above.

Please be advised, in the processing of this FOIA request, no fees are being assessed.

Additionally, you have the right to right to seek dispute resolution services from the Office of Government Information Services (OGIS) which mediates disputes between FOIA requesters and Federal agencies as a non-exclusive alternative to litigation. Please note that contacting the Secret Service's FOIA Program and/or OGIS **is not** an alternative to filing an administrative appeal and **does not** stop the 90-day appeal clock. You may contact OGIS at: Office of Government Information Services, National Archives and Records Administration, 8601 Adelphi Road-OGIS, College Park, Maryland 20740-6001. You may also reach OGIS via e-mail at ogis@nara.gov, telephone at 202-741-5770/toll free at (877) 684-6448, or facsimile at (202) 741-5769.

If you need any further assistance, or would like to discuss any aspect of your request, please contact our FOIA Public Liaison Kevin Tyrrell, at (202) 220-1819. Alternatively, you may send an e-mail to foia@uss.s.dhs.gov.

FOIA/PA File No. 20250580 is assigned to your request. Please refer to this file number in all future communication with this office.

Sincerely,



Kevin L. Tyrrell
Freedom of Information Act Officer
Office of Intergovernmental and Legislative Affairs

Enclosure:
FOIA and PA Exemption List

United States Secret Service
Directives System

Manual : Investigative
RO : CID

Section : CID-11
Date : 08/30/2015

From: INV
Sent: Tuesday, June 30, 2015 2:25 PM
To: USA
Cc: INV; CID; FSD
Subject: Cancellation / Forwarding Procedures for Submitting Split, Pieced,
Raised, Transfer and Bleached U.S. Currency Paper

//ROUTINE//

FROM: Headquarters (AD - Investigations)
TO: All Supervisors and Holders of the Investigative Manual
SUBJECT: Cancellation / Forwarding Procedures for Submitting Split, Pieced,
Raised, Transfer and Bleached U.S. Currency Paper

This directive should be reproduced locally and filed in front of the following Investigative Manual sections:

DCP#: I 2015-25 CID-11, Redemption of Currency
DCP#: I 2015-26 CID-22(15), Monthly Report
DCP#: I 2015-27 FSD-28, Contraband/Evidence Control
DCP#: I 2015-28 INV-14, Inventory, Control, and Disposition of Seized
Property

This directive is in effect until superseded.

Bleached notes - Effective 07/01/2015, all counterfeit notes printed on bleached genuine U.S. currency paper, received in field offices, resident offices and resident agencies are to be classified appropriately in the Counterfeit Tracking Application (CTA), and retained in the field office. These notes will no longer be forwarded to Headquarters for redemption. Counterfeit notes printed on bleached genuine U.S. currency paper will be classified appropriately as counterfeit circulars or digital notes. In addition, notes produced on bleached genuine currency paper must continue to be documented in CTA as such by selecting "bleached note" under the "special conditions" box. All counterfeit notes processed in the field will remain in the office either as In-Evidence (IE), in a counterfeit investigation, or Not-In-Evidence (NIE), unless requested as an "Additional Specimen," or requested by the Treasury Obligation Section. To reiterate, counterfeit notes printed on bleached genuine currency will no longer be handled differently than counterfeit notes printed on non-bleached paper. All counterfeit notes, whether on bleached paper or non-bleached paper, will be retained as IE or NIE as needed, and subject to the retention procedures as defined by Investigative Manual sections INV-14 (for IE), or CID-22(15) (for NIE).

Split, pieced, raised and transfer notes - Also effective 07/01/2015, all Raised Notes, Pieced Notes, Split Notes and Transfer Notes will be retained by the field offices, resident offices, and resident agencies as either IF or NIE, and held in the field office according to the appropriate retention timeframes (for IF refer to INV-14, for NIE, refer to CID-22(15)). After the retention time has expired (see FSD-28), the Raised, Pieced, Split and Transfer notes will be destroyed by the field office per DCP#: I 2014-06; DCP#: I 2014-07; and DCP#: I 2014-08 filed under section FSD-28.

In summary, split notes, pieced notes, raised notes, transfer notes and counterfeit notes printed on bleached U.S. currency paper will no longer be forwarded to headquarters for redemption. Per section CID-11, Redemption of Currency, these types of counterfeit currency cannot be redeemed by a private citizen or any USSS employee; they are contraband and subject to forfeiture.

Questions regarding this message should be directed to the Criminal Investigative Division at 202-406-9330.

Headquarters (AD - Investigations)

Jenkins

United States Secret Service
Directives System

Manual : Investigations
RO : CID

Section : CID-11
Date : 11/12/2013



Subject: Redemption of Currency

To: All Supervisors and All Manual Holders of the Investigative Manual

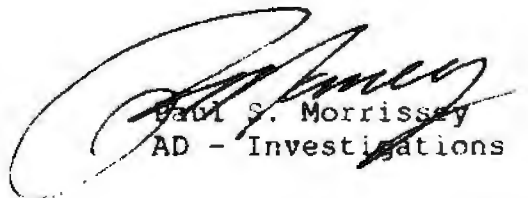
Filing Instructions:

- Remove and destroy section CID-11, Redemption of Currency (dated 06/15/2007), in its entirety, and replace with the attached revised section.
- File this Policy Memorandum in front of this section.
- This directive is in effect until superseded.

Impact Statement: This directive has been updated to advise that U.S. currency and/or coins that have been altered or mutilated in violation of the United States Code, **will not be redeemed (by a private citizen or the U.S. Secret Service)** as it is deemed contraband, and is subject to forfeiture under the provisions of Title 18, U.S. Code, Section 492.

Mandatory Review: The Responsible Office will review all policy contained in this section in its entirety by or before November 2016.

Questions regarding this policy should be directed to the Criminal Investigative Division at 202-406-9330.


Paul S. Morrissey
AD - Investigations

DCP#: I 2013-32

REDEMPTION OF CURRENCY

The nature of the jurisdictional responsibilities of the U.S. Secret Service often results in inquiries regarding the redemption of altered, mutilated, or unfit genuine U.S. currency or coins.

U.S. currency and/or coins which have been altered or mutilated in **violation of the United States Code cannot be redeemed (by a private citizen or the U.S. Secret Service)**. They are deemed contraband, and are subject to forfeiture under the provisions of Title 18, U.S. Code, Section 492.

Exchange of Currency

The Treasury Department will exchange lawfully held coins and currency of the United States, dollar for dollar, for other coins and currency which are legal tender for public and private debts.

The following regulations are noted:

- There is no distinction made between the various issues of coin and paper currency of the United States.
- Notes issued by the Confederate States during the Civil War, and by other various states or state banks, are not redeemable.
- Foreign currency (either coin or paper) is neither receivable nor redeemable by the United States, except that foreign gold coins may be receivable at the gold bullion value.

Unfit Currency

Paper currency that is deemed unfit (not suitable for further circulation because of its physical condition such as currency that is torn, dirty, limp, worn, or defaced) will be withdrawn from circulation by the Federal Reserve Banks and their branches. Unfit currency in denominations of \$1 through \$100 is destroyed at the Federal Reserve Banks. Currency in denominations of \$500 and higher (fit and unfit) is withdrawn from circulation by the Federal Reserve Banks, and forwarded to the Bureau of Engraving and Printing, Office of Currency Redemption and Destruction Standards.

Holders of unfit currency should contact their local commercial banks.

Mutilated Currency

Lawfully held paper currency of the United States which has been mutilated **will be redeemed** at full value according to the following criteria:

1. **More than 50 percent** of a note identifiable as United States currency is present; or
2. **Fifty percent or less** of a note identifiable as United States currency is present **and** the method of mutilation, along with supporting evidence, demonstrates that the missing portions have been totally destroyed.

No redemption payment will be made when:

1. Fragments presented cannot be identified as United States currency; or
2. Fragments presented which represent 50 percent or less of a note are identifiable as United States currency, but the method of destruction and the supporting evidence does not demonstrate that the missing portions have been totally destroyed; or
3. Currency has been totally destroyed.

Holders of mutilated notes may be advised to forward the notes, along with any supporting evidence of destruction, directly to:

Department of the Treasury
Bureau of Engraving and Printing
OCS/BEPA Room 344
P.O. Box 37048
Washington, D.C. 20013

Unfit and Mutilated Coins

Mutilated, worn, and unfit coins will be withdrawn from circulation by the Federal Reserve Banks and their branches. Such coins will be forwarded to the United States Mint for disposal.

Mutilated coins will be exchanged depending on the type and extent of mutilation. Redemption will be made by:

United States Mint
P.O. Box 400
Philadelphia, PA 19105

Holders of mutilated, worn, or unfit coins should contact their local commercial banks.

COUNTERFEIT INVESTIGATIONS

Introduction

U.S. Secret Service (Secret Service) investigations of suspect counterfeit Federal Reserve Notes (FRNs) should be documented in the Field Investigative Reporting System (FIRS) Counterfeit Tracking Application (CTA), Incident Based Reporting (IBR), and the Evidence (EVID) application as appropriate. Reference should be made to Investigative Manual chapter INV-13, Evidence, for processing, control, disposition, and retention of evidence and Not-in Evidence (NIE). Investigative inquiries (runouts) should be documented using the FIRS Field Intel Intake (FII) application.

Suspect counterfeit FRNs not associated with Secret Service investigations should be tracked in FIRS/CTA.

For the purposes of this policy, the term Secret Service field office includes resident office and resident agency.

Roles and Responsibilities

Criminal Investigative Division (CID)

The CID's Counterfeit Branch is responsible for counterfeit forensics, NIE counterfeit currency processing and analysis, supporting counterfeit investigations in the field, currency development, currency training and outreach efforts.

Counterfeit Currency Processing Facility (CCPF)

On January 2, 2019, CID opened the CCPF within renovated space at Bureau of Engraving and Printing (BEP) in Washington D.C., which was a transformational effort by CID to centralize processing of all NIE counterfeit currency received by the Secret Service. The CCPF will receive, process, analyze and store all NIE counterfeit FRNs as CID continues initiatives to convert the banking industry to electronic data submissions via the USDollars website (<https://www.usdollars.usss.gov>). The information collected by the CCPF generates leads and supports investigative activities in the field with a focus on large scale counterfeit investigations.

Counterfeit Operations Section

The Counterfeit Operations Section coordinates investigations and intelligence gathering to suppress and disrupt the counterfeiting of U.S. obligations worldwide. The Counterfeit Operations Section also addresses specific strategic international and domestic counterfeit cases and supports investigative initiatives in the field and at the Headquarters level through various link analysis and database programs. Counterfeit Operations collects and organizes counterfeit currency data for Secret Service field offices, Secret Services Headquarters units, outside agencies, and financial institutions. Additionally, the Counterfeit Operations Section maintains close relationships with domestic and foreign law enforcement agencies and intelligence agencies and liaises with the Department of the Treasury, BEP, the U.S. Mint, the Federal Reserve System, Federal Reserve Board (FRB), and other public and private sector entities.

Counterfeit Forensic and Currency Development Section (CFS)

CFS conducts forensic examinations and classifies all counterfeit currency and U.S. Treasury obligations. CFS is the final authority on the authentication of U.S. currency. Document Analysts assigned to the CFS provide technical expertise to the field in counterfeit investigations, expert testimony, and technical training to Secret Service employees and personnel from domestic and foreign agencies. In addition to determining the authenticity of U.S. currency and other Treasury obligations, the CFS conducts adversarial analysis on proposed security features and new currency designs. CFS collaborates with the Treasury Liaison of the Secret Service, FRB and BEP to recommend currency design modifications and security feature updates.

Field Offices

Secret Service field offices are responsible for counterfeit investigations, counterfeit deterrence through public education and working with local law enforcement in counterfeit investigations and evidence handling.

Definitions

Accelerated Counterfeit Tracking application (ACT) - The enterprise application, within the Secret Service FIRS, that is responsible for managing data with regards to counterfeit obligations of the United States, foreign nations and/or their central banks, as outlined in Title 18 of the United States Code. It is an additional front-end application that works in concert with the CTA. ACT is also referred to as CTA2.

Accountable mail - Mail for which a service provider (e.g., United States Postal Service (USPS), FedEx, UPS) and the mail center must maintain a record that shows where the mail piece is at any given time, and when and where it was delivered.

Allied Note - A counterfeit FRN that has been forensically associated with a counterfeit FRN previously of record. The association is made if the notes have one or two printing plate images in common, but not all three. Classification as an allied note is made independently from the note's identifier description. An

allied note is assigned the next available circular number and an additional reference is made to the parent note.

Back Plate (BP) Number - The number that appears on the back of the FRN and identifies the multi-subject intaglio plate used to print the back plate image.

Batch - A group of suspected counterfeit FRNs that are delivered together from USDollars, a cash vault, or a Federal Reserve Branch.

Bleached Genuine Note - A genuine FRN from which the ink(s) are partially or fully removed or "bleached". While bleaching currency can remove inks, many paper based security features remain. A counterfeiter may take this approach using, for example \$1, \$2 or \$5 FRNs, and then print their counterfeit image on the resulting blank genuine currency paper. This is not a classification type and refers to the type of paper that was used to produce the counterfeit FRNs.

Check Letter/Quadrant Check Letter - Outdated term, see "Note Position Letter."

Circular Notes – A counterfeit FRN printed entirely using a traditional print process(es) or a combination of a traditional print process(es) and a digital print process(es). These notes are circularized and given a "C-" number as a means of cataloging and associating it to other counterfeit.

Circular Number - The classification number assigned by the Counterfeit Forensic Section to a new counterfeit FRN based on the note's identifiers, print process(es), printing defects, and any existing relationships to other known circulars of record. This number is a sequentially generated number by CTA database, beginning with "C-" for traditionally printed counterfeit or "D-" for digitally printed counterfeit. Each number is only used once.

Circularization - Creation of a new counterfeit note record, through the assignment of a circular number within CTA.

Classification - Assignment of a counterfeit note to a known circular number.

Counterfeit Tracking Application (CTA) - The enterprise application, within the Secret Service FIRS, that is responsible for managing data with regards to counterfeit obligations of the United States, foreign nations and/or their central banks, as outlined in Title 18 of the United States Code.

Digital Circular - A counterfeit FRN printed entirely using a digital print process(es), to include toner technology or inkjet technology. Digital notes are circularized and given a "D-" number. Digital circulars are digitally printed notes that are of interest to the field and/or CID, those that are not classified under the PRJT classification system.

Defect - Reproducible printed defect appearing on a counterfeit FRN. The defect could be caused by feathering, original writing, creasing, or other markings on the pattern note, a scratch or debris on the printing plate, etc.

Digital Note - A counterfeit FRN produced using an office machine system that utilizes inkjet or toner technology. These notes are identified and classified as Digital Circulars.

Digital Printing Methods - Printing methods that do not require a printing plate and rely on an office machine system that utilizes inkjet or toner technology. These methods produce Digital Notes.

Family - A group of two or more counterfeit FRNs that have been forensically allied to one another. The first counterfeit FRN to be classified in CTA is designated as the parent note.

Federal Reserve Note (FRN) - Current banknotes issued by the United States.

Federal Reserve System - The currency issuing authority for the U.S. Government.

Front Plate Number or Face Plate Number (FP) - The number that appears on the front of the FRN and identifies the multi-subject intaglio plate used to print the front plate image. For 1929 and 1996 style banknotes, the front plate number appears on the right side of the note. The same applies to the 2004 style banknotes, with the exception of the \$100, which has the front plate number on the left of the banknote.

Harvested Feature - A genuine security feature removed from a genuine FRN and placed onto a counterfeit FRN.

Identifiers - Various numbers and letters used by the BEP to identify a particular image on a multi-subject plate from which the FRN was printed. For Secret Service purposes, the following types of identifiers are also used to classify a counterfeit FRN in CTA:

- Denomination,
- Series Year,
- Note Position Letter,
- Note Position Number,
- Front Plate Number,
- Back Plate Number, and
- FRB 3-letter code (for 1929 style banknotes only).

Large Portrait Note - 1996 style FRN.

Large Portrait Note with Color - 2004 style FRN.

New Counterfeit Note - A counterfeit FRN that is not of record in CTA which has been assigned a New Counterfeit (NC) number.

New Counterfeit (NC) Number - A temporary administrative number assigned by CTA to a traditionally or digitally printed counterfeit FRNs which bear an identifier description not previously of record with the Secret Service. An NC number may eventually be replaced by a circular number.

Note Position Letter (NPL) - Alphabetical designation to identify the position of the front plate image on a multi-subject printing plate. There are two letters located on the front of the FRN, one is the Front Plate Letter and the other is referred to as the Note Position Letter. Both letters must be the same alphabetically and are located on the left side and right side of the FRN.

Note Position Number (NP#) - Small number located next to the NPL on the left side of the FRN for all denominations except for the 2004 style \$100 FRN where it is located on the right side of the note. The number identifies the position of the front plate images on a multi-subject printing plate.

Novelty Note - A type of FRN that is not a close representation/duplication of genuine U.S. currency and has not been passed (e.g., a \$30 FRN or a note displaying the image of a cartoon character).

Parent Note (PN) - A counterfeit FRN of record, which bears a forensic association to another counterfeit FRN. When an association is made between two Circulars, the Circular note with the lower number becomes the Parent Note. A parent note is the first circularized note of a family of notes. The Parent Note is referred to as "PN-" and will always follow the Circular number to show which family of counterfeit FRN's the note is associated with. For example, C-23456, PN-12345.

Pattern Note - The genuine FRN used by a counterfeiter to reproduce currency.

Pieced Note - A note consisting of multiple pieces of unrelated notes. Either a combination of different

genuine pieces or genuine and counterfeit pieces.

PRJT - Classification system used for digitally printed counterfeit FRNs that are not of interest to the field or CID.

Quadrant Number - Outdated term, see Note Position Number.

Raised Note - A genuine FRN whose counters (corner of the note bearing the denomination) have been replaced by another note of higher denomination.

Rapid Print Number (RPN) - A unique 14-digit number that represents an individual NIE counterfeit note in ACT (CTA2) and CTA. RPN is no longer in use but may appear on notes processed prior to 2022.

Series Year - The date appearing on the face of the FRN. The series year indicates the year production started after approval of a design, or when there was a major revision to the currency note design or materials, or a change in the Secretary of the Treasury. A change in the Treasurer of the United States is indicated by the addition of a suffix letter to the series year. The series year does not indicate the year the FRN was printed.

Small Portrait Note - 1929 style FRN.

Specimen Notes (Genuine) - Samples of genuine U.S. currency that contain the word "SPECIMEN" and a unique number, typically printed in red. These samples are provided to CID from BEP for the purpose of comparison and examination.

Specimen Notes (Counterfeit) - Samples of known counterfeit currency circulars (C and D) that are maintained in a reference library housed within CID's Counterfeit Forensic and Currency Development Section. These counterfeit specimens are used for the purpose of comparing new counterfeits to those counterfeits of record to determine if the incoming counterfeits are of record or are forensically linked to an existing counterfeit note family. Typically, CID requests a minimum of four (4) specimen notes for each circular (C or D) number.

Traditional Note - A counterfeit FRN produced using a traditional print process, requiring a printing plate and does not require use of digital technology. Traditional printing methods include offset lithography, screen printing, intaglio, and typography.

Traditional Printing Methods - Printing methods which require a printing plate and often do not rely on computer technology (i.e., offset lithography, screen printing, intaglio, typography, etc.).

Variation Note - A counterfeit FRN that has been forensically identified as having been printed using the same print process(es) and contain the same reproducible printing defects on the three plate images (FP, BP, and TS). All three plate images must be the same as a previous note of record. The only difference being that one or more of the identifiers have been changed. Variation notes assume the same circular number as their matching note, with a sequential alpha character added to the end (i.e., C-21191A).

Guidance for Financial Institutions, Merchants, and Law Enforcement Agencies

Detection and Reporting

Financial institutions and merchants should be provided guidance in the methods of detecting counterfeit FRNs, as well as in the most effective ways to help the Secret Service to investigate.

The following guidance should be provided to banks, merchants, and other frequent money handlers. When they receive a suspect counterfeit FRN, they should:

- Confiscate the suspect counterfeit FRN and not return it to the individual who passed it, if safe to do so;
- Contact local law enforcement or the closest Secret Service field office;
- Attempt to stall the individual who passed the suspect counterfeit FRN while police are notified, if safe to do so;
- Complete a written description of the individual who passed the suspect counterfeit FRN, to include accomplices and vehicles;
- Surrender the suspect counterfeit FRN directly, or through the local law enforcement, to the closest Secret Service field office; and
- Upon receipt of a suspected counterfeit FRN, banks or merchants should ensure each person handling the note initial and date the border area of the FRN. If the person surrendering the note has investigative information related to the suspected counterfeit FRN, they should contact the local Secret Service office and/or police immediately and hold the FRN.

Note: When providing the above guidance to banks, merchants, and other frequent money handlers prioritization of physical safety should be stressed.

Partnerships with local law enforcement are essential since they generally are the first responders when suspect counterfeit FRNs are passed. Field offices should establish and maintain liaison with appropriate local law enforcement departments to ensure that:

- The Secret Service is immediately notified of all cases investigated by local law enforcement;
- Suspect counterfeit FRNs are properly marked for identification by all persons involved, including responding law enforcement personnel; and
- Suspect counterfeit FRNs are promptly forwarded to the closest Secret Service field office.

Warning Notices

Counterfeit warning notices can be distributed to notify law enforcement agencies, financial institutions, merchants, and other money handlers of counterfeit notes that are actively circulating within an area. Warning notices can also be used for educational purposes during presentations and training sessions. Warning notices must include handling instructions, such as maintaining the notices out of the view of the general public. Warning notices that contain descriptive or investigative information regarding suspected

passers should be limited to law enforcement agencies to protect personally identifiable information.

Generic warning notices will be made available by CID, which would allow field offices to add the necessary information, such as contact, date, note descriptions and attributes, handling instructions, specimen illustrations, etc. CID may also assist in creating custom warning notices for individual field offices.

Surrender and Receipt of Suspect Counterfeit FRNs

Financial institutions, law enforcement agencies, casinos, and large cash processors are encouraged to use the USDollars website to generate the SSF 1604, Counterfeit Note Report, electronically.™ In addition, merchants that routinely deal with large volumes of counterfeit currency may be granted access to USDollars with the approval of the local field office. Merchants with smaller volumes of counterfeit are expected to submit their counterfeit through their local financial institution.

For entities that are unable to utilize USDollars, counterfeit currency should be submitted using the SSF 1604, Counterfeit Note Report, to submit suspect counterfeit FRNs without investigative leads to the Secret Service. The SSF 1604 is available both as an online (electronic) submission form, and as a printable (manual/hard copy) form via the USDollars.usss.gov website.

USDollars Website

Online Submission Form (Electronic SSF 1604)

The submission of an electronic SSF 1604 requires registration on the USDollars website (<https://www.usdollars.usss.gov>) and the approval of the registrant by CID. The benefit of using the electronic SSF 1604 is that an electronic record is generated and remains available for access and future reference by the user. Registered users can submit electronic SSF 1604s for individual suspect counterfeit FRNs or for batch surrenders. For batch submissions, the batch report generated by the system should accompany all suspect counterfeit FRNs being surrendered to the Secret Service.

The electronic SSF 1604 should be submitted along with the suspect counterfeit FRNs to the location specified on the submission report. Information about the submission remains available to the registered user or can be downloaded from the USDollars website.

Batch Numbers and Line-Item Numbers

Federal Reserve Branches and registered USDollars users are instructed to write the specific batch number and line-item number in the upper central margin on the back of each counterfeit FRN submitted. The batch number, in combination with the line-item number, represents a unique number, which is system generated. The numbers relate to a specific line of data on the corresponding submission report generated by USDollars.

Printable Form (Manual/Hard Copy SSF 1604)

As an alternative to the electronic SSF 1604, a manual/hard copy SSF 1604 can be used to surrender suspect counterfeit FRNs to the Secret Service. The manual/hard copy SSF 1604 (PDF) should be completed and submitted along with the suspect counterfeit FRNs to the Secret Service. A copy of the manual/hard copy SSF 1604 should be retained by the submitting entity in accordance with record procedures set forth in the Record Programs Management Manual.

Police Department (PD) NIE

In some instances, field offices receive large volumes of NIE counterfeit currency from local PDs representing years of evidence from a variety of cases. Due to the large volume and limited investigative information, this currency called PD NIE is inventoried on an SSF 1544, Certified Inventory of Evidence, and destroyed at the discretion of the Special Agent in Charge (SAIC) or a designee. Generally, the notes are destroyed either immediately or within 30 days. This process accounts for the volume of counterfeit currency without overburdening the office with processing and storing the large volume.

Richmond FRB Currency Technology Office (CTO)

The CTO acts on behalf of the FRB and is responsible for the following programs that require counterfeit FRNs for testing and training throughout the Federal Reserve System:

- The Vendor Outreach Program allows Banknote Equipment Manufacturers (BEMs) to use genuine and counterfeit FRNs in test decks to test the accuracy of their machines and equipment. Frequently, BEM's travel to CTO in Richmond, VA to utilize the test decks to test their systems. If their equipment is too large and not transportable, CTO representatives travel with the test decks to the BEM's location. When travel is required, the CTO coordinates with CID to schedule transport of the test decks. CID notifies affected field offices of this event and provides contact names and information if issues arise.
- The Cash Operator Training Program maintains notebooks of counterfeit FRNs that are used during training and to periodically test operators.

CTO's Test Decks

Test decks of counterfeit FRNs are supplied by CID to Federal Reserve Branches through the CTO. The CID Counterfeit Branch obtains sample counterfeit FRNs from inventory marked for destruction, NIE, or closed cases whenever possible. The counterfeit notes are selected based on their quality and quantity in circulation and sent to CTO to be inventoried on SSF 1544s. CTO is authorized to hold the counterfeit FRNs for an indefinite period.

After the test decks have served their purpose, CTO documents and destroys the counterfeit FRNs. The

local Secret Service field office has a delegated authority to audit test decks in FRB's possession. If any discrepancies are noted, the Secret Service field office is required to notify CID.

If an FRB notifies a Secret Service field office that an insufficient number of counterfeit FRNs are being detected to accommodate the testing procedure, or that there is a need for additional counterfeit FRNs for use in the testing procedure, the field office should contact the CID Counterfeit Branch for instructions.

Secret Service field offices are not authorized to provide counterfeit FRN samples to outside vendors for testing purposes. Deviations are not permitted unless approved by CID.

Transporting Contraband for Investigative Purposes

The U.S. Customs and Border Protection (CBP) has developed the guidelines for importing or exporting contraband and controlled substances, to include counterfeit FRNs, in or out of the United States for law enforcement purposes. This investigative technique is commonly referred to as a "controlled importation," "pass through," or a "controlled delivery" that transits the border. These guidelines are intended to minimize potentially dangerous situations resulting from customs personnel encountering undercover officers or operatives of other agencies, and to enhance coordination and accountability for contraband crossing the borders of the United States.

The following procedures will be followed when requesting a "pass through."

The Secret Service field office SAIC, or a designee, should notify in writing the CBP Special Agent in Charge (SAC) with jurisdiction over the specific Port of Entry, 48 hours in advance of the "pass through." This written request must include the following:

- Date and time of anticipated operation;
- Port of Entry for the arrival or departure;
- Secret Service case number;
- Name and contact information of case agent and supervisor;
- Processing instructions for CBP personnel;
- Type and quantity of contraband in question; and
- Identification of conveyance (i.e., aircraft tail number, vehicle license number and registration number, maritime vessel name and registry, container number, method of concealment, etc.).

Under exigent circumstances, the procedure outlined above, including the 48-hour notification requirement, may be waived by the CBP SAC. In these situations, a written operational plan containing the above information must be submitted to the CBP SAC within two business days of the "pass through."

Identification and Documentation of Counterfeit FRNs in Field Offices

Suspect counterfeit FRNs should be recorded in FIRS/CTA, to include a description of the note, printing

method(s), characteristics of the paper, other banknote characteristics (e.g., security features), suspected association with other notes, and investigative action taken. Personnel handling suspect counterfeit FRNs should attempt to preserve the notes for classification and fingerprint examination.

Marking of Counterfeit FRNs

All counterfeit items, except coins, should be uniquely marked for identification. Markings should not be made in the image area of a suspect counterfeit FRN. White correction tape or fluid should not be used on any part of the counterfeit FRN. The "counterfeit" classification should not be stamped or written on in any part of the counterfeit FRN. Markings shall be limited to the upper right margin on the back of the notes. Large quantities of notes given the same classification may be bundled together and marked with their classification along with a count of the total number of notes in the bundle.

Note: Coins should never be marked to avoid the possibility of damaging a genuine coin. Any necessary markings should be made on the proximal container (plastic bag or sleeve) holding the coin.

Marking of IE Counterfeit FRNs

Reference should be made to Investigative Manual section INV-13(02), Inventory of Evidence.

Genuine FRNs

If a suspect counterfeit FRN is determined to be genuine, the genuine classification should be noted on the electronic submission form or manual/hard copy SSF 1604 and the SSF 1544, if applicable. The genuine FRN will be returned to the sender with a report referencing the unique numbers assigned to the genuine notes, or in the case of a manual SSF 1604, a copy of the SSF 1604 and a SSF 1605, Genuine Note Receipt. The SSF 1605 serves as a transmittal form or cover sheet when the Secret Service returns genuine FRN to a financial institution or merchant of origin. The genuine FRN should be affixed to the report or the SSF 1605 and the corresponding SSF 1604 should be attached.

Field offices shall return these genuine FRNs via tracked carrier or certified mail with a return receipt.

Rapid Print Numbers

Each field office should have an assigned RPN numbering machine. The RPN, composed of nine digits, identifies the office, the fiscal year, and the unique sequential number.

Example: 115 7 00234 (in CTA, this RPN will be displayed as 20171157000234)

2017 - the fiscal year when the FRN was received

115 - the office three-digit code

7 - last digit of the fiscal year when the FRN was received

000234 - the six-digit unique sequential number generated by the RPN machine

This practice is to be discontinued effective January 1, 2022. Field offices are no longer required to assign RPNs as NIE counterfeit FRNs are received at CCPF.

Counterfeit Specimen Notes

NIE counterfeit FRNs submitted as specimen notes should be marked with the New Counterfeit (NC) number or Circular number and inventoried using an SSF 1544.

NIE submitted as additional specimen notes should be marked with an RPN number, or batch number and line-item number, and inventoried using an SSF 1544. Alternatively, either the additional specimen notes or the outermost package containing the notes should be marked with the SSF 1544 serial number.

Reference should be made to Investigative Manual section INV-13(02).

New Counterfeit Notes

If a counterfeit FRN is not of record in CTA, the controlling field office should determine if the note requires the assignment of a New Counterfeit (NC) number. All counterfeit FRNs which have any portion printed using a traditional printing process (i.e., offset, intaglio, typography, screen, thermography, or gravure) must be assigned an NC number, unless they are already of record in CTA. Digitally printed counterfeit FRNs of exceptional quality or volume may be assigned an NC number at the discretion of the controlling field office.

The NC number is a nine-digit number, where the first four digits denote the fiscal year, and the last five digits denote the sequential order in which the numbers were assigned by CTA.

If a New Counterfeit Note appears in large volumes, with unusual characteristics, where suspects are identified, or where there is apparent association to other known or suspected counterfeit FRNs, the field office should notify CID and include the following information:

1. NC number;
2. Pattern of appearance in large volumes;
3. Unusual characteristics;
4. Suspects identified; and
5. Known or suspected association to other counterfeit FRNs.

Circular or Classification Numbers

Circular numbers refer to the classification numbers assigned to counterfeit notes after being processed by Secret Service employees. This circular number may associate the counterfeit FRN with other known counterfeits of record with the Secret Service, represent a previously unidentified counterfeit or represent a generic number given to counterfeit notes that appear in low volume. When a suspect counterfeit FRN is not of record with the Secret Service, an NC number is established and forwarded to CID's Counterfeit

Forensic and Currency Development Section for analysis and classification.

C and D circular numbers are established by CID's Counterfeit Forensic and Currency Development Section based on the front plate, back plate and Treasury seal images and their reproducible defects, *not based on the note's identifiers*. The circular number assigned to the counterfeit FRN also helps to identify the nature of the counterfeit note as follows:

- C or D circular numbers on a counterfeit FRN may be further defined with a Parent Note (PN), for example C-23456, PN-12345.
- Once the initial C, D and PN numbers have been established in the FIRS/CTA system, they're available for use by Secret Service field offices as they encounter and process additional suspect counterfeit FRNs.

Other circular or classification numbers include PRJT numbers. The assignment of a P, R, J, or T number is dependent on the style of the note, the method of production and the denomination it represents.

Counterfeit Investigations

Criminal investigations and investigative inquiries (runouts) must be documented using FIRS.

Obtaining CFT FRNs from CCPF

Field offices requiring samples of counterfeit FRNs for prosecution should request them from CCPF. Samples are not required to initiate investigations, as all relevant information regarding counterfeit FRNs is stored in CTA.

Runout Investigations

Investigative inquiries (runouts) originate from leads provided by law enforcement, financial institutions, and merchants, or from CID. Runouts should be documented in FIRS/FII until it is determined that a criminal investigation should be established in FIRS/IBR.

Criminal Investigations

Criminal investigations should be documented in FIRS/IBR.

Receipt of Contraband (SSF 1590)

Field offices should use an SSF 1590, Receipt for Contraband, as a receipt for suspect counterfeit FRNs surrendered by entities or individuals other than law enforcement agencies, financial institutions, and merchants. The SSF 1590 should not be used for seized suspect counterfeit FRNs. The original should be provided to the individual surrendering suspect counterfeit FRNs and the duplicate should be kept with the suspect counterfeit FRNs at the field office. If the suspect counterfeit FRN is inventoried as IE (SSF 1544), the SSF 1590 should remain with the suspect counterfeit FRN to document the receipt and chain of custody.

Analysis of Notes

Only items that purport to have been issued by the U.S. Government are to be submitted to CID for analysis. Requests for analysis should be submitted to CFS. Completion of the SSF 3115CFS, Counterfeit Forensic and Currency Development Section (CFS) Request for Laboratory Service, is required for all CID-related forensic requests. The evidence and affiliated SSF 1544s should accompany the SSF 3115CFS upon submission to CID-CFS.

The requested examinations will be conducted by a qualified Document Analyst. Upon completion of the requested examinations, the CFS will return all submitted evidence, affiliated SSF 1544s, and a forensic report to the submitter.

Any other items, such as credit cards, travelers' checks, driver's licenses, not purportedly issued by the U.S. Government are to be forwarded to the Forensic Services Division (FSD) for analysis. Reference should be made to Investigative Manual chapter INV-13, Evidence.

Testimony

Special agents have the education necessary to provide testimony on the authenticity of U.S. banknotes. CFS can be requested to provide testimony on the analysis conducted by the section. For CFS to testify in a case, the evidence must have been submitted and analyzed by CFS. The section issues forensic reports to describe the analyses conducted and results obtained.

Notification of upcoming testimony should be made to the Document Analyst and the CFS supervisor. A subpoena shall be provided to the Document Analyst, as well as any relevant court related information.

Requests for Deviation from this Policy

Authorization for deviation from this policy must be received from the SAIC of CID or a designee.

Questions regarding this policy may be directed to CID.

UNITED STATES OBLIGATIONS, REPRODUCTIONS, AND OTHER CONTROLLED IMAGES

Per 18 United States Code (U.S.C.) § 8, "The term 'obligation or other security of the United States' includes all bonds, certificates of indebtedness, national bank currency, Federal Reserve notes, Federal Reserve banknotes, coupons, United States notes, Treasury notes, gold certificates, silver certificates, fractional notes, certificates of deposit, bills, checks, or drafts for money, drawn by or upon authorized officers of the United States, stamps and other representatives of value, of whatever denomination, issued under any Act of Congress, and canceled United States stamps."

To identify an instrument as an obligation or security of the United States within the limits of 18 U.S.C. § 8, the obligation or security should meet two criteria:

First: The obligation or security must be drawn by or upon an authorized officer of the United States or issued under an Act of Congress, and;

Second: The obligation or security must be one which the United States is directly responsible for, not merely guaranteed by the United States.

The two criteria have significance relative to the determination of instruments issued by Government Sponsored Enterprises (GSE). GSEs are Government sponsored private organizations or corporations whose loans and public outlays may be backed by the Federal Government through a guarantee, but do not represent a direct obligation of the United States.

The Financial Institutions Reform, Recovery, and Enforcement Act of 1989, Public Law No. 101-73, section 1404, Aug. 9, 1989, 103 Stat. 187 (12 U.S.C. 1811 note), defines GSEs as the following:

"(A) The Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Home Loan System, the Farm Credit Banks, the Banks for Cooperatives, the Federal Agriculture Mortgage Corporation, the Student Loan Marketing Association, the College Construction Loan Insurance Association, and any of their affiliated or member institutions; and

"(B) any other government-sponsored enterprise, as designated by the Secretary [of the Treasury]."

Changes within the monetary system make it impossible to provide a complete list of all obligations of the United States.

The following is a list of the obligations or securities of the United States which are most often dealt with by the U.S. Secret Service (Secret Service):

- Federal Reserve Notes;
- Gold Certificates;
- National Currency;
- Silver Certificates;
- Treasury Bills;

- Treasury Bonds;
- Treasury Notes;
- United States Coins;
- United States Notes; and
- United States Savings Bonds.

Numerous other items fall within the definition of an obligation or security of the United States, and the jurisdictional responsibilities of the Secret Service include all such obligations or securities.

If a question arises as to whether a particular item is an obligation of the United States:

1. Confer with the local U.S. Attorney's Office (USAO).
2. Confer with the Criminal Investigative Division (CID), requesting a determination through the Office of the Chief Counsel (LEG) and the U.S. Department of Justice.

Manufacture of Paper Similar to Distinctive Paper

The paper used in the manufacture of genuine United States obligations is specifically covered by statute. 18 U.S.C. § 474A, Deterrents to counterfeiting of obligations and securities, reads in part:

"Whoever has in his control or possession, after a distinctive paper has been adopted by the Secretary of the Treasury for the obligations and other securities of the United States, any similar paper adapted to the making of any such obligation or other security, except under the authority of the Secretary of the Treasury, is guilty of a class B felony." "...the term 'distinctive paper' includes any distinctive medium of which currency is made, whether of wood pulp, rag, plastic substrate, or other natural or artificial fibers or materials..."

Paper that closely resembles genuine distinctive paper, specifically with respect to the appearance of fine red and blue lines or fibers similar to those which appear in genuine currency paper, may violate Federal law.

Reference should be made to Investigative Manual section CID-04, Production and Features of Genuine U.S. Currencies.

In matters involving paper that resembles genuine distinctive paper, the USAO in the jurisdictional area should be consulted. Every effort should be made to obtain voluntary discontinuance of the manufacture of the similar paper.

No seizure of any paper shall be made from a reputable manufacturer, nor any reference made to the possibility of prosecution, except after consultation with the appropriate USAO, CID, and LEG.

Legal and Illegal Reproductions

Definition and Authority for Illegal Reproductions

The Secret Service defines an illegal reproduction as any engraving, photograph, print, or impression in the likeness of a genuine obligation of the United States or of a foreign government made without the authority of a proper officer of the United States or of the foreign government.

Illegal reproductions are those that do not conform to the specifications set forth in 31 Code of Federal Regulations (C.F.R.) § 411.1, Color illustrations authorized and 18 U.S.C. § 504. Printing and filming of United States and foreign obligations and securities.

Secret Service investigations concerning illegal reproductions are conducted pursuant to 18 U.S.C. § 3056 and violations listed in 18 U.S.C. § 474, Plates, stones, or analog, digital, or electronic images for counterfeiting obligations or securities; § 475, Imitating obligations or securities; advertisements; and § 481, Plates, stones, or analog, digital, or electronic images for counterfeiting foreign obligations or securities.

Currency and Other Obligations

Secret Service personnel examining banknotes should make an individualized, fact-based determination that specific banknotes are counterfeit due to similitude in features, size, if printed on both sides, and if intended to deceive an individual of ordinary observation.

If the specific banknotes in question meet the definition of counterfeit reproduction of genuine currency, they are subject to forfeiture pursuant to 18 U.S.C. § 492, Forfeiture of counterfeit paraphernalia. They are not subject to administrative forfeiture.

Additionally, counterfeit currency is considered per se contraband, meaning that it is intrinsically illegal in character.

Advertisements

Currency and other obligations can appear in commercial advertisements, provided they conform to the terms of 31 C.F.R. § 411.1 and 18 U.S.C. § 504.

Photographic Reproductions

Photographic reproductions include nearly duplicate images of currency that could be produced through photographic means. Online or electronic reproductions are not legal reproductions of currency if these reproductions are used or intended to be used for the production of counterfeit currency.

Other Likenesses

Other likenesses include all artistic renditions, regardless of the means used to produce the image, which vary from almost perfect duplications to those deemed to be not in similitude to obligations.

LEG may provide guidance concerning these images; however, the guidance is not furnished to members of the general public.

Other Images

Although the following are not technically reproductions of obligations, they are presented in this section to clarify Secret Service policy.

Seals of the President, Vice President, and the Great Seal of the United States

Reproductions of these seals are controlled by 18 U.S.C. § 713, Use of likenesses of the great seal of the United States, the seals of the President and Vice President, the seal of the United States Senate, the seal of the United States House of Representatives, and the seal of the United States Congress, a statute within the enforcement jurisdiction of the Federal Bureau of Investigation (FBI).

However, if the Great Seal of the United States (as depicted on a \$1 Federal Reserve Note) were reproduced on items in similitude of genuine obligations, then this activity would fall within the purview of the Secret Service.

Secret Service Star, Badge, Insignia, and Seal

The reproduction of the Secret Service Star, badge, and the like are protected through 18 U.S.C. § 506, Seals of departments or agencies and through § 701, Insignia. Further, unauthorized use of the Secret Service or Uniformed Divisions names may also be prosecuted under 18 U.S.C. § 709, False advertising or misuse of names to indicate Federal agency.

The Office of Communication and Media Relations (CMR) has the authority to approve manufacturing of Secret Service insignia and the like as well as to authorize the use of agency names and acronyms.

CID will coordinate all investigations concerning the misuse of Secret Service insignia designs. Special attention will be directed towards those cases involving potential fraudulent impersonations.

Authorized Reproductions

Color and/or size restrictions can be waived for certain authorized reproductions. As set forth in 18 U.S.C. § 504(2), the procedures and requirements below ensure that that the legitimate use of certain

reproductions is not unduly restricted. Specifically, authorized reproductions and enlargements can be used by other Government agencies, banks, financial institutions, members of established stock exchanges, or others who, in the ordinary course of business, handle securities, checks, and warrants of the United States. Authorized reproductions and enlargements can also be used for law enforcement purposes by the Secret Service and other law enforcement agencies. The authorization processes below apply to "the reproduction of illustrations of obligations or other securities by or through electronic methods used for the acquisition, recording, retrieval, transmission, or reproduction of any obligation or other security ..." 18 U.S.C. § 504(2).

Requests by Other Agencies

Special agents in charge (SAICs), or their designees, may authorize the reproduction of currency and other obligations and securities of the United States for law enforcement purposes (e.g., recording flash rolls and ransom monies). The requesting agency must make the request in writing via a memorandum or a business email and must cite the intent of the reproductions and the duration of need.

Permission, if granted, must also be in writing via a memorandum or a business email, and must advise the requesting agency that the reproductions must be destroyed after serving the purpose for which they are being produced. Reproductions must be black and white office machine copies produced for record keeping purposes only. Offset, color copies, or inkjet manufactured notes are not allowed.

For the purpose of this policy, electronically stored images are not considered reproductions.

Circumstances may, in exceptional cases, permit simultaneous or after-the-fact notification of the reproduction of currency.

Whenever it comes to the attention of Secret Service personnel that an authorization is being abused, the authorization should immediately be rescinded in writing, and the reproductions seized and destroyed.

Offices must maintain all correspondence on this subject in office Administrative Files in accordance with procedures set for in the Record Programs Management Manual.

Internal U.S. Secret Service Use

Secret Service personnel have blanket permission to reproduce currency in black and white on office machine copiers, provided the reproductions are required for official business. Formal documentation is not required.

Prints or Enlargements of Imaged Records

SAICs, or their designees, may authorize the production of prints or enlargements from imaged records for law enforcement purposes, and for banks, financial institutions, members of established stock exchanges, or others who, in the ordinary course of business, handle securities, checks, and warrants of the United States. The requesting entity must make the request in writing via a memorandum or a business email and must cite the intent of the reproductions and the duration of need.

Permission, if granted, must also be in writing via a memorandum or a business email, and must advise the requesting entity that the prints or enlargements must be destroyed immediately after serving the purpose for which they are being produced. Any requests that deviate from the established policy should be referred to CID prior to granting authorization.

Offices must maintain all correspondence on this subject within the appropriate office Administrative Files in accordance with procedures set forth in the Record Programs Management Manual.

U.S. Savings Bonds

As set forth in 31 C.F.R. § 405.1, reproductions of U.S. Savings Bonds may be in color, provided the size restrictions contained in 18 U.S.C. § 504 are met and that these color reproductions are used for publicity purposes in connection with the campaign for the sale of such bonds.

Authority to Confiscate U.S. Obligations

The authority to confiscate counterfeit obligations by the Secret Service, or to surrender to the Secret Service is derived from 18 U.S.C. § 492. This authority further extends to other law enforcement agencies.

Bank, Postal, and Disbursing Officer Authority to Confiscate

Per 31 C.F.R. § 403.1, "Authority is hereby given to all banks and banking institutions of any nature whatsoever organized under general or special Federal or State statutes, to all U.S. Post Offices, to all disbursing officers of the United States and their agents, to take possession of and deliver to Treasury through the Secret Service all/ counterfeit obligations and other securities and coins of the United States or of any foreign Government which shall be presented at their places of business."

Merchant Authority to Confiscate

At the request of the Secret Service, merchants may confiscate counterfeit obligations and contact the nearest Secret Service office for surrendering.

Assessment and Investigation

Documenting Assessments and Investigations

Reproductions should be recorded in the Field Investigative Reporting System (FIRS) Counterfeit Tracking

Application (CTA). Additionally, reproductions should be checked through FIRS/CTA to verify that the notes are not associated with known counterfeit notes. If an association is made, the CID Counterfeit Branch should be notified.

Investigations should be documented in FIRS Incident Based Reporting (IBR).

Headquarters

Headquarters regularly receives inquiries about reproductions. CMR furnishes the public with general background material and refers specific proposals of reproduced obligations to LEG for review.

Concerning specific proposals of reproduced obligations, LEG replies to persons seeking guidance by sending standard letters, which cite the applicable Federal statutes. The letters do not furnish the general public with advisory opinions regarding whether or not a reproduced obligation is violative. Instead, the individuals receiving the letters must review the law and act accordingly.

If LEG views a reproduction to be violative, guidance is furnished only to CID. Subsequently, CID refers only violative reproductions to the field for presentation to the USAO and subsequent investigation.

If LEG and CID assess a reproduced obligation to be non-violative, no investigation will be requested.

Field

Secret Service personnel should exercise caution and never make statements appearing to approve or endorse a design. Inquiries concerning reproduction should be addressed by referring the inquiring party to 31 C.F.R. § 411.1 and 18 U.S.C. § 504, § 474, § 475 and § 481.

Reproductions that have already been produced should be assessed to determine whether the reproduction is in violation of the Federal statute.

Non-Violations

For obvious non-violations, reporting to CID or a USAO is not required. This can include notes that were not passed as counterfeit, or notes designed in a manner that obviously do not appear deceptive.

Questionable Violations

Samples of questionable reproductions should be acquired first for a formal determination of legality before the remaining stock is seized.

Original reproductions should be forwarded to CID for determination, while copies of the reproductions should be retained by controlling office. Unless otherwise requested by controlling office, original reproductions will be retained in CID.

If a reproduction is deemed to be in violation of Federal statute, the controlling office should commence a criminal investigation and seize remaining stock in consultation with a USAO.

Obvious Violations

Reproductions that appear to be in obvious violation of Federal statute should be investigated in consultation with a USAO. Samples and available stock of reproductions should be seized simultaneously.

Reproductions that have been passed on to the public will be considered to be obvious violations. If the reproduction was passed, the original should be forwarded to CID, as described in Investigative Manual section INV-13(03), Control and Disposition of Evidence.

When practical, offices should acquire two samples of individual illegal reproductions. One sample should be forwarded to CID, while the second should be retained by controlling office. If an office can only acquire one reproduction, the office should forward the original to CID and should retain a copy.

Questions regarding this policy may be directed to CID.

PRODUCTION AND FEATURES OF GENUINE UNITED STATES CURRENCY

Introduction

This policy is an overview of the production and features of the genuine U.S. currency and should be used as a guide to assist in detecting and classifying counterfeit U.S. currency.

Definitions

Bell in the Inkwell - A security feature on the 2004 style \$100 that incorporates color shifting ink. Tilting the Federal Reserve Note (FRN) will result in the color-shifting bell in the copper inkwell change from copper to green.

Blanket - The rubber mat mounted on an offset press; the image is transferred from the print plate to the rubber blanket and then onto the substrate.

CMYK - Process colorants used in combination for full color reproductions. Cyan (light blue), Magenta (pink), Yellow and Black.

Counter - Large numeral located in each of the four corners of the face and back of a FRN which identify its denomination.

Covert Security Feature - A security feature that is hidden in the FRN and is not intended to be made public; used by the Federal Reserve Banks (FRBs) for authentication and by law enforcement for forensic purposes.

Feathering - A characteristic of the intaglio print process seen as small protrusions of ink around the edge of a printed image. Feathering is unique in each genuine U.S. banknote. The Bureau of Engraving and Printing (BEP) refers to this characteristic as "mashing."

Federal Reserve Bank Seal - Black seal on the left side of the FRN.

FW Indicator - A small "FW" found next to the note position letter/front plate # on 2004 style notes indicating the FRN was printed at the BEP's Fort Worth facility. If the FRN does not have an "FW" indicator, it was printed in Washington D.C. This "FW" indicator is not considered part of the identifier set.

Halftone Offset - An imaging process that breaks a solid image into an ordered series of dots. With respect to counterfeit currency, this imaging process is used in conjunction with the offset print process. The size of the dots is dependent upon the darkness of the original image and is used to create the illusion of varying shades of gray and color.

Indirect Print Process - A process where the image is transferred to an intermediate surface for subsequent transfer to the paper. Plates are "right-reading." Offset is the most common example of an indirect print process.

Inkjet - A digital print process. The office machine system emits droplets of water-soluble inkjet inks onto the substrate.

Intaglio - A traditional print process where the image is etched or engraved below the surface of the printing plate. This is an example of a direct print process.

Lathework - The intricate pattern found within the border of an FRN.

Lithography (Offset) - A traditional print process where the image is rendered on a flat surface plate, such as zinc or aluminum, and treated to retain ink while the non-image areas are treated to repel ink. The image is transferred from the printing plate onto an "offset" rubber blanket and then transferred onto the substrate.

Microprint - Very small text printed on the FRN which is not easily visible with an un-aided eye.

Optically Variable Ink (OVI) - A color shifting security ink that contains thin-film interference filter pigments that produce an iridescent reflection that changes color as the viewing angle changes. The feature is present on the face of the 1996 style and 2004 style FRNs and is generally located in the lower right counter. OVI may also be found in the bell in the inkwell feature on the 2004 style \$100. This is an overt security feature.

Optically Variable Thread (3-D Ribbon) - The 2004 style \$100 FRN is the only FRN to have a 3-D security ribbon, also referred to as the Optically Variable Thread (OVT) incorporated into the substrate during the papermaking process. It is a blue vertical blue micro-optics lens thread that incorporates motion and is visible on the face of the FRN. When the FRN is tilted back and forth, the liberty bells and "100" icons move side to side. When the FRN is tilted side to side, the icons move up and down.

Overt Security Feature - A security feature made public that is visible or apparent without requiring special instrumentation.

Plates/Printing Plates - A flat sheet of metal, commonly made of aluminum that contains an image to be printed. Printing plates are used to transfer the image onto the substrate.

Register - Graphic arts term referring to the position of an image on a sheet, or the position of one color in reference to another.

Screen - A traditional print process where a screen material is used to transfer the image onto the desired substrate. This is an example of a direct print process.

Security Fibers - Red and blue fibers, which are imbedded in the paper during the paper making process. These fibers are morphologically unique and identifiable. Security fibers are observed in all styles of U.S. FRNs. This is an overt security feature.

Security Thread - Polyester thread, bearing microtext and/or images, that is embedded in the paper during the paper making process. An embedded security thread is observed in 1929 style (1990 series and onward), as well as 1996 style and 2004 style FRNs. This is an overt security feature.

Sheet-fed Press - A press that prints on pre-cut sheets of paper inserted from stacks and fed one at a time through the press.

Substrate - A general term used for the object material on which printing is done (i.e., paper, polymer, etc.).

Toner - A digital print process that uses a dry, fine powder that is electrostatically applied and then fused to substrate using heat and/or pressure.

Traditional Printing Methods - Printing methods which require a printing plate and often do not rely on computer technology (i.e., offset lithography, screen printing, intaglio, typography, etc.).

Treasury Seal - The green seal currently located on the right side of the banknote. Historical currency may have Treasury seals of different colors.

Typography - A traditional print process where the image area is raised above the surface of the printing plate. This is an example of a direct printing process.

Watermark - A localized modification of the structure and opacity of a sheet of paper so that the pattern or design can be seen when light passes through the sheet from behind. A watermark is incorporated into the paper during the papermaking process. Areas of greater paper fiber concentration will cause the watermark to appear darker and areas of less paper fiber concentration will cause the watermark to appear lighter than the surrounding paper. This is an overt security feature.

Web Press - A press that prints on paper fed from a continuous roll.

Distinctive U.S. Currency Paper

The paper used in the manufacturing of genuine U.S. currency is protected by statute. 18 United States Code (U.S.C.) Section 474, allows the Secretary of the Treasury to adopt a distinctive paper for the obligations of the United States. Reference should be to Investigative Manual section CID-03, United States Obligations and Authorities.

The distinctive currency paper is produced according to Government specifications under strict Government control. The manufacturer is required to keep a strict accounting of the distinctive paper produced. Crane Currency of Dalton, Massachusetts, has been the primary supplier of U.S. currency paper since the late 1800s.

Genuine U.S. currency paper consists of 75% cotton and 25% linen. Security features incorporated into the paper during the papermaking processes include security fibers, security threads, security watermarks, and an optically variable thread.

Design

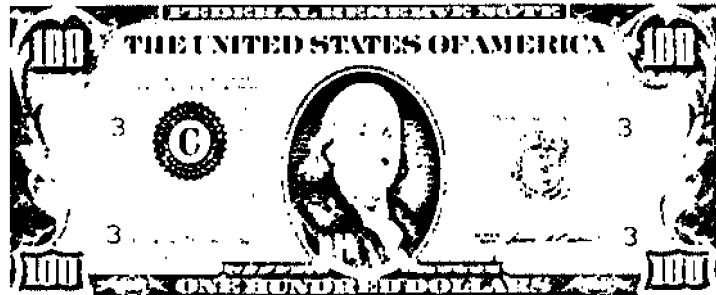
The modern-size banknote is 2.61 inches by 6.14 inches. The thickness may vary slightly depending on the ink and moisture content of the paper. These dimensions were adopted in 1928 to replace large-sized banknotes which had been in use for many years.

By an Act of Congress on July 11, 1862, the Secretary of the Treasury was authorized to execute currency bank notes. Since that time, bank notes of varying size and design have circulated. The United States Department of the Treasury honors all banknotes issued by the U.S. Government at the face value of the

banknote. There are three main designs, or "Styles" of U.S. currency in circulation. Delineation between the different designs/styles is important when assessing the security features.

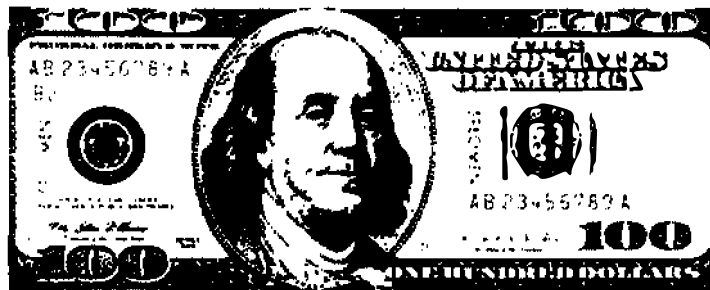
The **1929 Style** banknote is often referred to as the "small portrait" banknote. This banknote design has a small portrait on the face. This banknote design contains no color background and was approved in 1929.

1929 Style Design



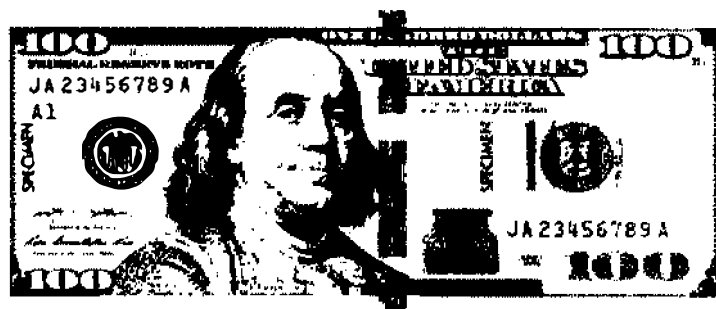
The **1996 Style** FRN is often referred to as the "large portrait" banknote. This banknote design has a large, off-center portrait on the face. This design contains no color background and was approved in 1996.

1996 Style Design



The **2004 Style** FRN is often referred to as the "large portrait with color" banknote. This banknote design has a large, off-center portrait on the face and contains a color background on both sides. This design was approved in 2004.

2004 Style Design



Types of Notes (Modern-Sized)

Federal Reserve Notes

A majority of all genuine U.S. currency in circulation is in the form of FRNs. Per 12 U.S.C. § 411, "Federal reserve notes, to be issued at the discretion of the Board of Governors of the Federal Reserve System for the purpose of making advances to FRBs through the Federal Reserve agents as hereinafter set forth and for no other purpose, are authorized. The FRNs shall be obligations of the United States and shall be receivable by all national and member banks and FRBs and for all taxes, customs, and other public dues. They shall be redeemed in lawful money on demand at the Treasury Department of the United States, in the city of Washington, District of Columbia, or at any Federal Reserve Bank."

Banknotes in denominations of \$500 and higher have not been printed since 1945, and the issuance of these denominations was discontinued in 1969. FRNs are currently issued in denominations of \$1, \$2, \$5, \$10, \$20, \$50, and \$100.

Federal Reserve Bank Notes

Unlike FRNs, Federal Reserve Bank Notes were not obligations of the United States. These 1929 Style banknotes were obligations of the specific FRB named on the front of the banknote. These Federal Reserve Bank Notes were issued in denominations of \$5, \$10, \$20, \$50, and \$100. The issuance of these banknotes was discontinued in 1935.

United States Notes

United States Notes were issued in denominations of \$1, \$2, \$5, and \$100. The issuance of these banknotes was discontinued in 1971.

Silver Certificates

Silver Certificates were issued in denominations of \$1, \$5, and \$10. The issuance of these 1929 Style banknotes was discontinued in 1964.

National Currency

National Currency notes were issued in denominations of \$5, \$10, \$20, \$50, and \$100. The issuance of these bank notes was discontinued in 1935.

Gold Certificates

The 1928 and 1928A series Gold Certificates were issued in denominations of \$1, \$5, \$10, \$20, \$50, \$100, \$500, \$1,000, and \$5,000. The issuance of these 1929 Style banknotes was discontinued in 1933.

The 1934 series Gold Certificates were not issued into circulation and were issued only to FRBs against credits established with the United States Department of the Treasury for issuance of FRNs. 1934 series Gold Certificates were issued in denominations of \$100, \$1,000, \$10,000, and \$100,000. As of September 30, 1980, per Federal Reserve Board of Governor's legal counsel, there are no 1934 series \$100,000 Gold Certificates left outstanding.

Features

"IN GOD WE TRUST"

The "IN GOD WE TRUST" motto was first printed in 1955 on \$1 Silver Certificates of 1935G series and 1935H series. It appears on all genuine U.S. banknotes with 1963B series or later.

Treasury Seal and Serial Number Color

Federal Reserve Notes	Green
Federal Reserve Bank Notes	Brown
United States Notes	Red
Silver Certificates	Blue (Brown, Yellow WWII issue)
National Currency	Brown
Gold Certificates	Gold

The 1969 series FRNs featured a redesigned Treasury seal with an English inscription replacing the Latin version. The English Treasury seal appears on all FRNs of the 1969 series or later.

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United States Secret Service
Directives System

Manual : Investigative
RO : CID

Section : CID-06
Date : 2/11/2022

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DETECTION, HANDLING, AND EXAMINATION OF COINS AND GOLD CERTIFICATES

Authority

18 United States Code (U.S.C.) § 3056 (b)(2), Powers, authorities, and duties of United States Secret Service, the Secret Service retains the authority to detect and arrest those who violate U.S. law relating to counterfeit coins.

31 Code of Federal Regulations (CFR) § 100.19, Disposition of counterfeit notes and coins, assigns Secret Service the responsibility for disposing of counterfeit coins. A special agent of the Secret Service may take custody of counterfeit coins and authorize destruction consistent with Secret Service policies and procedures.

All genuine coins minted by the U.S. Mint are U.S. obligations and retain their face value, regardless of when the coin was minted, its intrinsic or numismatic value.

Suspected Counterfeit Coins

Field Examination of Suspected Counterfeit Coins

Offices should make an effort to examine suspect coins in the field, and if necessary, in consultation with numismatists that are certified by the American Numismatic Association (ANA). The CID Counterfeit Branch will assist the field by providing information on local reputable individuals upon request.

Examinations of suspect coins should be made in comparison with a known genuine coin of like issue, if possible. Particular attention should be paid to the field area (blank area containing no letters or image) and the area between the staffs of the lettering. These locations on counterfeit coins frequently show raised areas or imperfections. In most cases the weight of the counterfeit coin can be significantly different than the specifications of the genuine minted version.

Field offices may also receive inquiries from state or Federal law enforcement regarding suspected counterfeit coins. For example, U.S. Customs and Border Protection may contact a field office if it believes it has seized counterfeit coins at a U.S. Port of Entry. In such instances, offices should contact the CID Counterfeit Branch for guidance.

Secret Service employees should never scratch initials or dates on any suspect coins. Suspected counterfeit coins should be individually placed in containers or envelopes, which should be initialed and dated. Further reference should be made to Investigative Manual section INV-13(03), Control and Disposition of Evidence.

CID Examination of Suspected Counterfeit Coins

In cases where an examination in the field is not conclusive, suspect counterfeit coins may be submitted to the Criminal Investigative Division (CID) for examination. Field offices should contact the CID Counterfeit Branch and provide case facts prior to submitting suspect coins for forensic examination. Requests for examination of suspect counterfeit coins will be considered by CID under extenuating circumstances, such as suppression of coin counterfeiting plants, undercover operations, or large numbers of suspect coins.

The SSF 3115CFS, Counterfeit Forensic and Currency Development Section (CFS) Request for Laboratory Service, must be used when requesting forensic examination from CID CFS. CID CFS will examine suspect coins and/or send them for external analysis. Coins will be returned to the submitting office with a forensic report. Further reference should be made to Investigative Manual section CID-18, Counterfeit Investigations.

United States Mint Examination of Suspected Counterfeit Coins

Forensic examinations of transactional coins may be referred to the U.S. Mint in limited circumstances. Per a Memorandum of Agreement (effective August 9, 2021) between the United States Secret Service and the U.S. Mint, the Mint may render an authenticity determination with respect to coins submitted through its uncurrent and mutilated exchange programs.

Field offices should contact the CID Counterfeit Branch if they believe an authenticity determination is best rendered by the U.S. Mint, or if they are asked to authenticate coins submitted to the U.S. Mint through the uncurrent and mutilated exchange programs.

Historical or Numismatic Coins

Historical or numismatic coins are previously minted U.S. coins and have collector value above the denomination of the coin itself. Counterfeited historical coins are typically considered a theft by deception and generally involve victims who paid collector value for coins they believed to be genuine and rare. Per 18 U.S.C. § 1341 – Frauds and Swindles, these cases should be investigated as fraud cases, as they involve the higher collector value than counterfeit cases.

Bullion or precious metal coins are investment-grade coins valued by weight of the market value of the base metal upon which the U.S. Mint manufactured the coin, which is higher than the denomination of coin. The U.S. Mint manufactures such coins using silver, gold, platinum, or palladium. Counterfeited bullion coins typically involve victims who paid market value for products they believed to be genuine. Counterfeit bullion coins are typically made with a substitute base metal which does not have significant value. Counterfeit bullion coins are often produced with a very thin outer layer of the precious metal, which requires additional testing to authenticate. These cases should be investigated as fraud cases, which involve the higher market value of the precious metal than counterfeit cases.

At the discretion of a field office special agent in charge (SAIC) or their designee, an investigation of historical counterfeit U.S. coins may best be referred to state, local, tribal, and territorial (SLTT) law enforcement.

Misstruck Coins

Despite extensive quality control measures by the U.S. Mint, misstruck coins may be issued erroneously. These coins are removed from circulation when discovered by the Federal Reserve Bank. However, misstruck coins are not inherently illegal to possess. Moreover, misstruck coins may be valuable to collectors. If an examination by the Federal Reserve Bank reveals that the coins are, indeed, misstruck, they are not subject to seizure .

Altered Coins

Altered coins are those that have been changed from their original form. Alterations of genuine coins with the intent to defraud is prohibited by law. Alterations made to increase the numismatic value of a coin can often be considered counterfeit. Field offices should consult with the CID Counterfeit Branch if there are questions as to whether altered coins are counterfeit.

Mutilated Coins

Coins that have been severely damaged to the extent that their value is questionable, or a portion is partially or completely missing are considered mutilated.

Coins that are fraudulently altered or mutilated may constitute a violation of 18 U.S.C. § 331, Mutilation, diminution, and falsification of coins, and are subject to seizure. To constitute a violation, the statute requires that intent to defraud is involved. If the mutilation or alteration of a coin is not made with fraudulent intent, there is no violation, and the coins are not subject to seizure. Mutilated coins may also be counterfeit. Coins submitted to the U.S. Mint mutilated exchange program that are suspected to be counterfeit are authenticated by the U.S. Mint. The Secret Service may provide guidance to the U.S. Mint, upon request.

Coin Reproductions

Reference should be made to 15 U.S.C. § 48, Hobby Protection, which states, "The manufacture in the United States, or the importation into the United States, for introduction into or distribution in commerce, or the sale in commerce of any imitation numismatic item which is not plainly and permanently marked "copy", is unlawful and is an unfair or deceptive act or practice in commerce under the Federal Trade Commission Act [15 U.S.C. § 41 et seq.]."

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Manual : Investigative
RO : CID

Section : CID-08
Date : 5/12/2022

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DETECTION AND HANDLING OF COUNTERFEIT FEDERAL RESERVE NOTES

Introduction

This policy is an overview of U.S. currency counterfeiting and should be used as a guide to assist in detecting and classifying counterfeit U.S. currency. Reference should also be made to Investigative Manual section CID-18, Counterfeit Investigations.

Federal Reserve Notes

Genuine Federal Reserve Notes (FRN) are United States obligations, issued at the discretion of the Board of Governors of the Federal Reserve System, receivable by all national and member banks and Federal Reserve Banks and for all taxes, customs, and other public dues.

Examination of Suspect FRNs

Upon receipt of a suspect note, the following steps should be taken to determine the note's authenticity:

1. If available, obtain a genuine specimen banknote of the same design style, denomination, and series year for comparison.
2. Examine the suspect note under magnification and various angles of light.
 - a. Direct light, also known as incident light, can help to identify print processes, visualize security features, and examine print quality.
 - b. Oblique light, also known as side lighting, can help to identify the thick intaglio ink, as well as visualize any disturbance in the substrate (e.g., rough paper surface due to bleaching of the substrate).
 - c. Transmitted light allows for visualization of watermarks, the embedded security thread, and paper type and texture.
3. Direct the initial examination toward the overall appearance of the note. Focus on the print processes used to produce the suspect note. Reference should be made to Investigative Manual section CID-04, Production and Features of United States Currencies.

4. Review the security features according to the next section.

Examination of Security Features Using the WORMS or WORMS-3D Acronym

When attempting to determine if currency is genuine, use the acronym "WORMS" or "WORMS-3D". For Large Portrait (also known as 1996 style) currency, use the acronym WORMS, for Large Portrait with Color (also known as 2004 style) currency, use the acronym WORMS-3D. Each letter represents a different security feature.

W – Watermark

The Large Portrait and Large Portrait with Color FRNs have a watermark on the right side that is visible from either side when examined with transmitted light. The watermark is the same image as the portrait. The only exception is the 2004 style \$5 FRN, where there is a large "5" image on the right and three "5" images on the left.

O – OVI (Optically Variable Ink)

The Large Portrait with Color FRNs have a color-shifting ink in the lower right corner that changes copper to green when the note is tilted 45 degrees. In addition, the \$100 FRN has a color-shifting image of a bell within the image of an inkwell. The Large Portrait FRNs have a color-shifting ink in the lower right corner that shifts from green to black. The \$5, \$2, and \$1 FRNs do not have color-shifting ink.

R – Red and Blue Fibers

All FRNs have small red and blue fibers embedded throughout each note, which can be seen with an unaided eye. Genuine fibers do not fluoresce under ultraviolet (UV) energy. Counterfeit FRNs usually either lack these fibers or have printed or hand-drawn simulated fibers. Fiber locations should be considered when examining notes. Printed fibers may appear in the same location in each note, whereas genuine red and blue fibers are randomly dispersed throughout the FRN.

M – Microprinting

Microprinting must be viewed under magnification. The Large Portrait FRNs have microprinting in denomination specific locations within the intaglio ink. The Large Portrait with Color FRNs have microprinting in denomination specific locations within the offset and intaglio inks. The Know Your Money brochure (also called Know US Currency in foreign languages) has specific information of these locations.

S – Security Thread

All genuine FRNs, except for the \$1 and \$2, have a clear thread embedded vertically in the paper. This thread includes the denomination of the note and is only visible when examined with transmitted light. Additionally, each denomination has a unique thread position, and the thread fluoresces a different color when exposed to UV energy.

3D – 3D Ribbon

The Large Portrait with Color \$100 FRN has a vertical blue ribbon which is woven into the paper. This ribbon has bi-directional movement. When the note is tilted back and forth, the image moves left to right. When the note is tilted side to side, the ribbon image moves up and down.

Review Identifiers in the Counterfeit Tracking Application (CTA)

As a means of attempting to identify whether a counterfeit FRN is of record with the Secret Service, the note's identifiers should be searched in the CTA database. This will determine if a note bearing the same identifiers has previously been reported as a counterfeit. Matching a set of identifiers to a record in CTA must be followed by a comparison of the defects and print processes listed in the technical data section for the matching item. When the identifiers, defects and print processes match, the counterfeit note can be declared to be a matching circular. If the counterfeit note's identifiers are not found in CTA or the defects and printing processes do not match items in CTA, then the counterfeit is considered a new counterfeit.

Circular Numbered Notes

A Circular Number is a classification number assigned by the Criminal Investigative Division (CID) Counterfeit Forensic and Currency Development Section to a new counterfeit FRN based on the note's identifiers, print process(es), printing defects, and any existing relationships to other known circulars of record. This number is a sequentially generated number by CTA database, beginning with "C-" for traditionally printed counterfeit or "D-" for digitally printed counterfeit. Each number is only used once. Circularization is the creation of a new counterfeit note record, through the assignment of a circular number within CTA.

CID will examine all New Counterfeit (NC) notes to determine whether they relate to counterfeit notes of record with the Secret Service. If a counterfeit note is found to be manufactured by means of a traditional printing method or is a high passing digital note, CID will examine the note to identify its unique characteristics. Part of the classification examination will include an identification of reproducible print defects in the front plate, back plate, and U.S. Department of the Treasury (Treasury) seal images. CID will subsequently circularize the note by assigning a Circular (C-) or Digital (D-) number to the note. The first circularized note of a group of allied notes is designated as the Parent Note (PN).

Circularized notes will be categorized as follows:

- **New Circular** - A note unrelated to any counterfeit notes of record with the Secret Service.
- **Variation** - A note that has reproducible print defects in common with the front plate, back plate, and Treasury Seal images of a counterfeit note of record with the Secret Service, but in which the identifiers differ from that note of record. Common print defects must appear on all three plate images for a note to be classified as a variation. Each new variation of a known Circular will be designated with an alphabetical suffix (i.e., 23456, 23456A, 23456B).
- **Allied Note** - A note that has reproducible print defects in common with one or two of the front plate, back plate, or Treasury Seal images of a counterfeit note of record with the Secret Service. This note will be assigned a designation that is followed by the parent note (PN) of the family to which it's related.
- **Investigatively-Allied Note** – A note derived from the same source as another note but has no common reproducible print defects. CID personnel may investigatively-ally a note based on coordination with the controlling office.

Altered Notes

An altered note is any genuine FRN which has been changed from its original form with intent to defraud. Altered notes include, but are not limited to, bleached U.S. currency paper, pieced notes, raised notes, and split notes. It should be noted that all altered notes are to be considered contraband and, as such, are subject to seizure and forfeiture. However, not all altered notes are considered counterfeit. One example is a pieced note that is subsequently determined to be genuine (see pieced notes below).

Bleached Notes

A bleached note is a counterfeit FRN that contains a printed image on bleached genuine U.S. currency paper. Bleached notes are considered counterfeit, and cases are generally prosecuted under 18 United States Code (U.S.C.) §§ 471, Obligations or securities of United States; 472, Uttering counterfeit obligations or securities; and 474, Plates, stones, or analog, digital, or electronic images for counterfeiting obligations or securities.

Occasionally, genuine FRN paper is used as the substrate for a counterfeit note. The reason for using genuine FRN paper is to incorporate paper-based security features, including the blue and red security fibers, and depending on the denomination, watermarks, and embedded security threads. Those features and the feel of the genuine FRN paper are often used by the public to authenticate the notes. Therefore, their presence can impart a degree of public confidence in a note's authenticity.

Genuine foreign currency paper may also be used for the same reasons. The appearance of paper-based security features in foreign currency paper will differ from what is observed in FRN paper. For example, the paper may contain security fibers of varying colors that may fluoresce.

Bleached currency paper refers to genuine FRN or foreign currency paper that has had the original ink removed from the surface, while the paper-based security features (security fibers, watermarks, and security threads) remain intact. The original ink is physically removed using chemicals and abrasive techniques. This leaves counterfeiters with blank currency paper that contains the genuine paper-based security features. Counterfeiters then print an image of a higher denomination banknote onto the blank substrate.

The abrasive nature of the ink removal process (i.e., bleaching) may disturb the surface of the substrate making it rough and more porous. It may also disturb the security fibers, causing them to protrude from the substrate when examined under magnification. Examiners should look at the colors of the security fibers and determine their optical behavior (i.e., fluoresce under an Ultraviolet (UV) energy source), observe for the presence/absence of watermarks, and examine the security thread for text and optical behavior (i.e., fluoresce under a UV energy source). Genuine FRN security fibers do not fluoresce. If genuine FRN paper is used from a denomination greater than a \$1 or \$2, and from series year 1996 or later, the embedded security thread will have denomination specific text and fluoresce a specific color.

Note: In the event bleached currency paper is collected as evidence, it must be inventoried in the Field Investigative Reporting System (FIRS) Evidence (EVID) system (similarly to blank paper) rather than in CTA which requires specific identifiers.

Raised Notes

A raised note is a counterfeit FRN typically created using portions of genuine FRNs from different denominations. A raised note consists of the body of a lower denomination note that has small portions of higher denominations affixed to it to increase its perceived value. For example, an alteration of this kind may include a replacement of the counters, portrait, or other aspects of the note. This can be achieved through drawing and/or adhering pieces of a higher denomination to the note. Raised notes are considered counterfeit and cases are generally prosecuted under 18 U.S.C. § 471 or § 472.

Pieced Notes

A pieced note is a counterfeit FRN created from portions of genuine FRNs which are generally of the same denomination. The pieces are assembled to appear to be a genuine FRN. The notes from which the pieces were removed are also passed or redeemed as mutilated FRNs. Pieced notes are considered counterfeit, and cases are generally prosecuted under 18 U.S.C. § 471 or § 484, Connecting parts of different obligations.

However, if a note is determined to be pieced, but the pieces are microscopically determined to be from the same original genuine FRN, the FRN can be reclassified as genuine and shall be returned.

Split Notes

A split note is a counterfeit FRN that has two different sides. A split note is made from two genuine FRNs of different denominations. Usually, a \$1 FRN and an FRN of a higher denomination are used. Both notes are split, or peeled, apart so that the front and back are separated. The face of the higher denomination note is then pasted to the back of the lower denomination note, and the front of the lower denomination note is pasted to the back of the higher denomination note. When the notes are passed, the side bearing the higher denomination is exposed. Split notes are considered counterfeit, and cases are generally prosecuted under 18 U.S.C. § 471 or § 484.

Mutilated Notes

18 U.S.C. § 333, Mutilation of National Bank Obligations, is a misdemeanor section which applies to the mutilation, cutting, defacing, disfiguring, or perforation of FRNs with intent to render them unfit for reissue by the Federal Reserve System. No intent to defraud needs to be proven.

A mutilated FRN is one that has been severely damaged to the extent that its value is questionable, or a security feature is partially or completely missing. If the mutilation can be removed from the note, returning it to its original state, no violation has occurred. An example would be the \$2 colorized "National Parks" FRNs. If the colorized image is a sticker which can be removed, returning the FRN to its original state, there is no violation, and the note can be returned as genuine. However, if an over-print process has been used, and the FRN cannot be returned to its original state, a violation has occurred.

This statute could also be used to prosecute for the removal of the embedded security threads, the removal of the

optically variable ink features, or the removal of optically variable threads (i.e., 3D security ribbon), as the removal of security features renders the FRN unfit for reissue.

Generally, if there is no supporting evidence of fraudulent intent, genuine notes which have portions intentionally removed to render them unfit for reissue by the Federal Reserve System should be considered mutilated and may be seized. If supporting evidence of fraudulent intent exists, genuine FRNs which have portions removed should be considered contraband and subject to forfeiture.

Currency Residue

Federal Reserve Banks destroy unfit genuine FRNs using size reduction equipment. Such equipment reduces the banknotes to shreds, particles, or fibers commonly referred to as currency residue. The possession of currency residue without fraudulent intent is not a violation of law. The piecing together of currency residue with fraudulent intent is a violation of 18 U.S.C. § 471, and/or 18 U.S.C. § 484.