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Awash in \$100 Bills That Add Up to Zero

By JIM DWYER

For eight nights in March, the Allman Brothers played at the United Palace Theater in Washington Heights, and after the shows, their fans would come steaming along Broadway. One celebratory stop was at Coogan's on 169th Street.

The crowds were good for business. They were swept into the usual tides of cops and politicians, neighborhood people and regulars from the hospital next door.

Near the end of the run, which included St. Patrick's Day, the bar owners inspected a small pile of \$100 bills that they had held out of their bank deposits. "I could tell by feeling the linen," said Peter Walsh, one of the partners. "It was this really heavily linen feeling. Whatever linen they usually have in the bills, this was triple."

They ran the currency through a machine that detects counterfeits and discovered that their takings included seven bogus \$100 bills. They had washed ashore during the revelry for the Allman Brothers and St. Patrick. "It was so busy, we couldn't figure out if they were all passed at one register, or during one shift," Mr. Walsh said.

The dim, hectic mob scene: a counterfeiter's best friend.

The rise of digital money, where the wealth sits in charged ions along the strip of a bank card, has not meant the demise of the counterfeit bill.

According to one expert on counterfeits, through the late 1990s, Treasury Department officials estimated that about \$20,000 in phony bills was passed in New York City each week. Today, it is about \$200,000 a week.

"The old way was that counterfeiters would bleach a \$1 bill and doctor it to look like \$100," said the expert, who has worked on currency issues for the federal government and for major banks and is not permitted by his employer to give interviews. "Now you have computers, and you can print them."

So thanks to cheap high-quality printers, counterfeiting appears to be one area of manufacturing where domestic sources are regaining ground that had been lost to foreign producers. "For a while, there was a lot being done in Lebanon, also in Colombia and the Dominican Republic," the expert said. "It's being done locally now, too."

Last week, the Treasury announced that it will issue new \$100 bills that contain images of bells and the number 100 that move when the bill is shifted. The point, of course, is to create new headaches for counterfeiters; outside of the United States, the phony \$100 bill is the most widely distributed piece of bogus American currency.

“It seems that there’s counterfeits floating around and no one is talking about it,” Mr. Walsh said.

Officially, there isn’t much to talk about. “There has been no surge or anything to be alarmed about,” said Todd Madison, an agent in New York with the Secret Service, which is responsible for enforcing laws against counterfeiting.

On Thursday afternoon, a Honda with Pennsylvania license plates banged into a Lexus on 179th Street, near a ramp leading to the George Washington Bridge. To the eyes of two police officers with the Port Authority of New York and New Jersey who saw the crash, it looked as if the Honda was trying to force the Lexus off the road. Both cars then crashed into a third, parked car.

By the time the police got to them, men had jumped out of the Honda and the Lexus, and were fighting, according to Jennifer Friedberg, a spokeswoman for the Port Authority. Tablets of OxyContin had spilled onto the street from one of the cars.

It appears that hard feelings and funny money had ruined a perfectly routine drug deal. The driver of the Lexus, Giovanni Castellanos, 37, was charged with possessing five pounds of pot. His antagonist in the Honda, Kevin Hernandez, 49, was accused of having 36 counterfeit \$100 bills hidden in his socks.

(Mr. Hernandez’s 18-year-old son, Joseph, was also in the car and arrested; Thursday was, after all, the annual Take Our Daughters and Sons to Work Day.)

Drugs and counterfeit money are, like salt and pepper, often found together. But plenty of legitimate businesses are getting burned. At Coogan’s, Mr. Walsh and his partner, Dave Hunt, are awaiting the arrival of authorities to collect the fake \$100s that ended up in their tills. They have posted signs at the door and around the bar announcing that they would require picture identification before accepting any \$100 bills.

“That,” Mr. Walsh said, “put an end to our counterfeit \$100s.”