

- Read each section write 3 facts from each.

12/5/2011

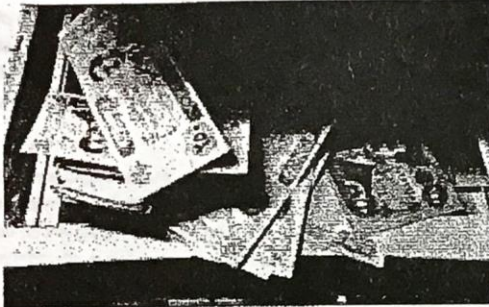
5 Successful Counterfeiters - HowStuffWorks

Write 5 sentences on why counterfeiters are illegal based on function and characteristics of money.

5 Successful Counterfeiters

by Josh Clark

Money Scams Image Gallery



A trove of fake Iraqi currency discovered by American troops in 2003. See more money scam pictures. Graeme Robertson/Getty Images

5 Successful Counterfeiters – and How They Got Caught

Anybody can steal – it doesn't take much thought. Counterfeiting, on the other hand, requires panache and finesse. Piffing goods and services from an unwitting vendor by printing and using fake currency is as much an art as it is a crime; the fraternity of counterfeiters is one that's populated by criminals with more than the average amount of daring-do. In fact, the history of counterfeiting is filled with tales of close calls, jailbreaks, Nazi plots, spectacular fraud and, of course, money.

It used to be much easier to get away with counterfeiting money than it is today. Without a central bank like the Federal Reserve in place, anyone with the means to do so and the reputation to back it up could issue notes of legal tender. With private businesses and banks issuing their own money, an estimated 10,000 different kinds of currency were in circulation in the United States in 1850 [source: Lapham].

These days, the government's determination to fight counterfeiting has made it a dying criminal pursuit. Security measures like increasingly detailed paper currency and tightened banking

restrictions make counterfeiting more difficult. The advent of desktop ink jet printers have produced a certain laziness in today's currency forgers. Counterfeiting has become what one 22-year veteran of the Secret Service calls "a lost art" [source: Lambe].

That said, the legends of those counterfeiters who were dedicated to their craft remain as enthralling as ever. What follows are the stories of some of the best counterfeiters who ever lived.



Dartmouth College in New Hampshire, circa 1819, the time and region Stephen Burroughs was busy making a name for himself as a legendary rogue. MPHulton Archive/Getty Images

5. Stephen Burroughs

Widely considered by historians as one of the most colorful characters of American history, Stephen Burroughs is also one of the least known – despite writing and publishing a memoir that remains in print today.

Burroughs was born in New Hampshire in 1765 and was raised throughout the Northeastern United States. From an early age, he showed distinct signs of acute chicanery: When he stole several watermelons from a local farmer as a boy, he joined the search party assembled to find the thief. As he grew older, Burroughs' crimes became more serious.

He was posing as a minister and had led a congregation for six months when he was first arrested for passing counterfeit money in Springfield, Mass. Fearing an escape attempt, authorities soon moved him to a prison in Northampton, Mass. Not one to be caged, Burroughs set fire to the jail where he was imprisoned and escaped. After several more escapes and apprehensions by police, he finished out his prison term, moved to Canada – and led a successful counterfeiting ring.

What's notable about Stephen Burroughs is that his criminal streak came with a solid reputation as a magnanimous citizen and humanitarian. He founded at least one library, served as a schoolteacher and retired from crime to tutor Canadian children from wealthy families. He died in 1840.



Scotland Yard investigators broke up the Lavender Hill Mob's counterfeiting ring during Operation Mermaid in the late 1990s. WireImage/Getty Images

4. The Lavender Hill Mob

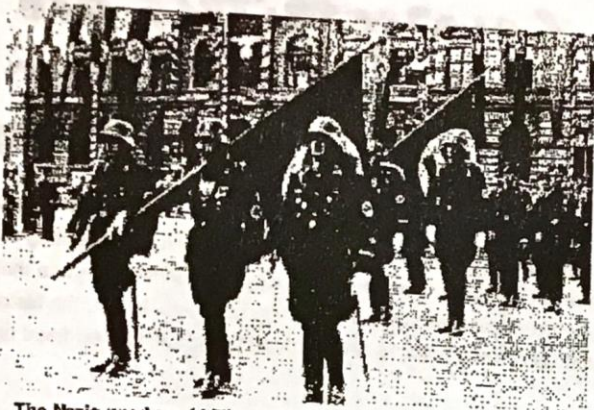
In addition to having arguably the coolest name of any counterfeiting ring, Great Britain's Lavender Hill Mob was also the most prolific. The mob was fronted by Stephen Jory and Kenneth Mainstone, an "old school rogue" and a retired printer, respectively [source: Art Fake].

In the early 1990s, Jory and Mainstone got together with several other men and began printing fake pounds sterling notes, which had a face value of around 50 million pounds [source: BBC]. The gang also made extra money by printing fake stamps and selling them.

The gang came under scrutiny after an accomplice had a run-in with police. It's reasonable to assume that they would've attracted attention regardless; Jory was already a well-known counterfeiter credited with pioneering the knock-off perfume market. Despite their demonstrated skill, Scotland Yard would take the entire gang down one by one in a sting called Operation Mermaid. Jory and three other members confessed; Jory received an eight-year prison sentence. Mainstone and another accomplice stood trial and were convicted. As a result of the Mob's exploits, the Bank of England changed the design of its 20-pound note to include more security features.

In the tradition of Stephen Burroughs, Stephen Jory wrote several books about his criminal past, including a bestselling memoir called "Funny Money" [source: Willis].

He died in 2006.



The Nazis produced billions of counterfeit British pounds sterling notes during World War II in an effort to undermine the British economy.
Hulton Archive/Getty Images

5 Successful Counterfeiters - HowStuffWorks

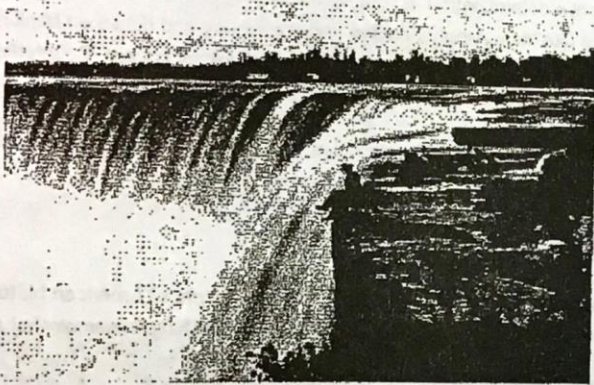
3. The Nazis

In addition to carrying out the genocide of Jews, Roma, Catholics, homosexuals and other unfairly marginalized groups, fighting the Allies in Europe, Africa and the Mediterranean and invading foreign nations, the Nazis also spent World War II counterfeiting.

The project was dubbed Operation Bernhard -- after Bernhard Kruger, the SS officer in charge of the project. The Nazis put concentration camp inmates with printing skills to work in the secret camp at Sachsenhausen producing counterfeit U.S. dollars and British pound notes. The Nazis forced the successful production of \$650 million in pound notes, equal to about \$7 billion in today's dollars [source: Malkin].

The Nazis weren't interested in making any big purchases; the motive behind Operation Bernhard was to introduce enough fake money into the British economy to undermine the inflation usually associated with a sudden influx of cash. Germany had similar plans for the American economy, but the Soviets invaded Berlin just after the forced laborers at Sachsenhausen mastered the counterfeit hundred-dollar bill.

In other words, the Nazis weren't so much caught as they were defeated in the war. The group's downfall put an end to its counterfeiting operation.



A view of Niagara Falls around the time when Charles Ulrich crossed the river just after a jail break.
Hulton Archive/Getty Images

2. Charles Ulrich

Charles Ulrich had as much of a flair for attracting women as he had for creating flawless plates for printing counterfeit hundred-dollar bills. In the 1860s, the young Ulrich made a name for himself in New York City as a gifted engraver of plates used for counterfeiting hundred dollar bills. By the time he finally gave up a life of crime and confessed during an 1868 trial in Cincinnati (receiving 12 years in a federal penitentiary), Ulrich estimated he'd produced around \$80,000 worth of phony bills, equal to nearly \$1.3 million in 2008 dollars [source: New York Times, West Egg].

His incarceration following his Cincinnati trial was hardly his first. In the daring tradition of counterfeiters, Ulrich had escaped from prison several times. After one break from a New York prison, Ulrich led police on a chase into Canada. The counterfeiter managed to evade capture by crossing the Niagara River in a small boat and was nearly carried over the falls by the current.

Ultimately, Ulrich's downfall was his weakness for women. During his criminal youth, he romanced several women and lived as a polygamist, moving from one city to another and engaging in relationships without breaking off old ones. When he moved his wife to live with him, his girlfriend and another female friend, the women turned on him and gave him up to the police, resulting in his 1868 trial.

1. Frank Abagnale

Perhaps one of the most daring counterfeiters to ever perpetrate fraud, Frank Abagnale carried out his most prolific work when he was in his teens and early twenties. The name may ring a bell; Abagnale wrote of his criminal past in a memoir, "Catch Me if You Can," which was made into a 2002 film starring Leonardo DiCaprio and Tom Hanks.

Abagnale was a master forger of checks. He also proved adept at slipping through the fingers of the federal agents who pursued him, largely through his ability to move at the drop of a hat. His ability to forge checks and cultivate nomadic tendencies came together in an impressive criminal statistic: Between the ages of 16 and 21, he cashed more than \$2.5 million in fake checks in all 50 states and 26 countries [source: Emwait].

The counterfeiter was also a master confidence man fascinated with legitimate careers. When he took an interest in becoming a professional, he simply posed as one by forging the necessary certificates and diplomas. It worked well: He posed as a physician and lawyer, among other professions.

Abagnale's cool head in times of crisis also helped keep him from prison -- although he was finally captured by the French police and served time in several countries. (Ultimately he became a consultant on fraud and security for the public and private sectors.) In one instance, the FBI had his hotel room surrounded. Thinking on his feet, he emerged from the room and pretended to be a fellow agent. He instructed the real feds that were there to arrest him to continue their raid as he walked past them and slipped away [source: Bell].



Frank Abagnale, shown in 2003, now lectures on identity theft and consults on financial security for companies and government agencies.
John LI/Getty Images