



Legislation Text

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A Local Law to amend the administrative code of the city of New York, in relation to requiring businesses operating within the City to adopt certain educational and security measures to help detect and prevent the proliferation of counterfeit currency during sales transactions.

Be it enacted by the Council as follows:

Section 1. Declaration of Legislative Findings and Intent. Manufacturing counterfeit United States currency or altering genuine currency to increase its value is a violation of Title 18, Section 472 of the United States Code and is punishable by a substantial fine, twenty years imprisonment, or both. However, each year the public is victimized by bold criminals who impudently manufacture and traffic counterfeit U.S. currency, introducing the worthless bills into the flow of commerce. As a consequence, anyone who fails to inspect the money they receive during an ordinary transaction is a potential victim.

Thousands of dollars in counterfeit currency are passed each week and generally these counterfeits are introduced into the marketplace in small amounts, according to Secret Service officials. People pass them during peak hours at bars, restaurants, supermarkets and other businesses, under circumstances when most people fail to pay close attention as they go about their routine. According to authorities, in many cases, businesses do not realize that they have accepted fake bills until they attempt to deposit the “money” with financial institutions, at which time the problem is discovered. While counterfeits should not fool a bank teller, they may dupe an ordinary consumer or rushed retail clerk. However, new anti-counterfeiting technology in the form of pre-programmed scanners, may help provide a solution to this problem.

These new small, preprogrammed counterfeit currency detectors or “cash testers” possess a generally high rate of accuracy in their ability to quickly alert a user as to whether a bill is genuine or not. The technology works either by using UV light or adaptive sensor analysis, which checks all the unique security marks present in U.S. currency and then compares the data in the scan against preprogrammed results.

Today, although rapidly advancing computer, scanner and printer technology have resulted in increasingly better counterfeits, the government has continued to stay one step ahead of counterfeiters by issuing currency with subtle, yet sophisticated security

features that make it difficult for even the most experienced counterfeiter to perfectly replicate. With knowledge of these distinctions and with careful visual scrutiny, differences can be detected to distinguish real currency from fake. However, because it can be extremely difficult and time-consuming to detect these distinctions by the naked eye alone, counterfeit detectors can and should be a worthwhile supplement to careful visual scrutiny.

The Council finds that one of the best ways to preserve the integrity and security of our money is through an informed and vigilant public. Everyone can help guard against the proliferation of counterfeits by becoming more familiar with our currency and recognizing counterfeit bills, whether by sight or by the new wave of counterfeit detector technology. Because of the fast pace of business and the millions of dollars that are exchanged within the City every year, the marketplace demands a quick, accurate and efficient means of ensuring the integrity of our currency. By requiring commercial establishments that do business within the City of New York to maintain a form of inexpensive counterfeit detecting technology on the premises, the City will help minimize the economic injury that those who counterfeit U.S. currency intend to inflict upon our City and upon our Nation. Together, with the public's cooperation and the aid of the Secret Service and local law enforcement agencies, we can successfully reduce and prevent crimes that threaten the integrity of our nation's currency.

§ 2. Chapter 4 of title 20 of the administrative code of the city of New York is hereby amended by adding a new subchapter 12, to read as follows:

SUBCHAPTER 12

COUNTERFEIT CURRENCY PREVENTION

§ 20-698. Educational and Security Measures for Businesses to Prevent the Proliferation of Counterfeit Currency During Sales Transactions.

a. Any business operating within the City of New York and grossing greater than \$100,000 per year, shall comply with the following requirements with respect to counterfeit currency detection and prevention:

- (1) Such businesses shall make available and distribute to employees such informational literature, including pamphlets and other materials, as provided by the department of consumer affairs, that demonstrate how to recognize and handle counterfeit currency when such currency is proffered during business transactions.
- (2) Such businesses shall make available for use by employees during business hours, in such location where cash transactions occur, including, but not limited to, near cash registers, one or more of such machines or devices, including, but not limited to, scanners, scanning pens, markers or sensors, which are specifically designed to detect counterfeit currency.
- (3) Such businesses shall post, in such location where cash transactions occur, including, but not limited to, near cash registers, a

sign, based on information provided by the department of consumer affairs, informing employees how to handle currency believed or detected to be counterfeit, including, but not limited to, handling the bill(s) as little as possible, writing down the serial number of the bill(s) and contacting the police department to report the suspected counterfeit.

§ 3. This local law shall take effect ninety days after its enactment into law.

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