

Counterfeit Q & A

When it comes to coin authentication, it's a jungle out there.

HIS MONTH, I'd like to address some questions I commonly receive concerning authentication. A

few topics have been discussed in previous columns, but a little refresher from time to time doesn't hurt.

Q: In the marketplace, how common are counterfeits of U.S. coins?

A: Counterfeits comprise less than one percent. However, this percentage increases if you consider only classic coins, particularly gold. Nevertheless, the total number of counterfeit gold coins likely still is less than one percent of the total number of coins traded.

This doesn't mean you shouldn't be concerned about purchasing a counterfeit. On the contrary, the odds of purchasing a fake can increase depending on where you buy a coin and how informed—and honest—the seller is. Regardless of whether you buy from reputable dealers or purchase only certified coins, you should develop a basic, working knowledge of authentication to improve your odds of buying only genuine coins.

Q: Is it illegal to own counterfeit United States coins?

A: The short answer is “yes.” Since most coins produced by the U.S. Mint are legal tender even if they haven't circulated for decades or longer (such as silver dollars and the various gold denominations), counterfeit specimens are illegal to knowingly own, buy, sell or trade, regardless of your intentions. While the U.S. Secret Service very rarely seizes counterfeit



▲ An incandescent light and a magnifier or two are all you need for grading coins. Microscopes are better suited for variety attribution.

coins, it has been known to do so.

Many hobbyists claim they can have counterfeits in their collections as long as they clearly identify them as such or use them solely for reference. In the eyes of the law, neither justification is legitimate.

Whenever a hobbyist comes across a counterfeit or altered coin, I generally recommend he consider donating it to the American Numismatic Association's Edward C. Rochette Money Museum. The ANA has been granted permission to maintain a collection of counterfeit coins for educational purposes, and each year, hundreds of numismatists study it. Thanks to the ANA, these fakes are forever removed from the marketplace.

Q: How important is a coin's weight in determining its authenticity?

A: Typically, well-made counterfeits of American coins that are intended to deceive collectors or dealers fall within U.S. Mint specifications for weight, density and diameter. The counterfeiter makes his profit on the premium paid for condition and rarity, so matching official Mint specifications is essential.

Q: Are fakes of U.S. gold coins really made of gold?

A: Virtually all counterfeits of U.S. gold coins designed to defraud hobbyists are made of gold. Low-quality fakes generally do not meet Mint specifications and are easily detected.

Q: Should I buy a microscope to examine my coins?

A: That largely depends on what type of material you collect and whether you can justify the investment. Although a microscope looks pretty cool sitting on your desk, it might prove to be little more than an expensive dust collector. If you tend to buy older gold coins or do a lot of variety attribution, then a microscope may be a worthwhile purchase.

Microscopes never should be used to grade coins. For the most part, I find that 95 percent of my variety attribution and authentication can be done with a 7x to 10x loupe and a good light source.

Q: If a coin is certified by a grading service, does that mean it's genuine?

A: Yes, but you should buy only coins that are certified by companies that guarantee authenticity. That's right. Believe it or not, some grading services do not guarantee the grade ☹

PHOTO: ANA ARCHIVES/BRAD ARMSTRONG

and/or authenticity of the coins they encapsulate. (Makes you wonder exactly what they do, doesn't it?)

If you buy a coin that has been certified by a reputable grading service that guarantees its products, you can rest assured there is very little chance the coin is counterfeit. But since grading services are staffed by human beings, mistakes can happen, which is why some firms offer to replace or buy counterfeits they have misidentified as genuine. Dependable grading services usually post their guarantees on their websites or on the back of the submission form.

Q: What can I do if I bought a fake, but the seller won't allow me to return it for a refund?

A: If you are reading this magazine, you most likely are an ANA member, which means you have the strength of the Association behind you. If all at-

tempts at working with the seller fail, I recommend you contact ANA Mediation Services, which will advise you of actions that can be taken, if any, based on your situation.

Q: Is it advisable and safe to buy coins in online auctions?

A: Yes, it is safe to buy coins in online auctions, but you need to use your head. Here are a few tips:

1) Buy from sellers with good customer feedback and lots of sales.

2) Purchase coins that are certified by a major grading service.

3) Don't buy poorly illustrated, uncertified ("raw") coins.

4) Before bidding, check the shipping and handling charges to be sure they are reasonable.

5) Carefully examine the seller's return policy.

6) Try to deal with sellers who are members of the ANA or the Profes-

sional Numismatists Guild (PNG).

7) Be knowledgeable about the material you are buying.

Q: I collect key and semi-key date and mintmark coins, but can't always remember all the diagnostics I need to look for when authenticating them. What can I do?

A: Most serious collectors build a library of relevant reference material. A simple solution is to put together a small, three-ring binder with notes, photocopies of articles and other information relevant to the material you collect. Diagnostics published in this column and various books easily can be compiled for use at home or on the road.

If you have specific questions or an interesting counterfeit you would like to see highlighted in this column, don't hesitate to contact me.

silliman@money.org