How to Spot Counterfeit Money

How can you tell if money is fake? Check the bills in your wallet with these methods.

By Geoff Williams | July 21, 2021, at 10:12 a.m.

If you hold the bill toward the light and there's no watermark or if you can see the watermark even without holding it up toward the light, then the bill you're holding is probably a counterfeit. (GETTY IMAGES)

It would be easy to assume that it's rare to encounter counterfeit money. After all, plenty of people rely on credit and debit cards and even cryptocurrency, and go long stretches of time without touching a dollar bill or quarter.

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But cash isn't exactly dead yet. Every week, it seems, counterfeiters make news throughout the country.

In Casper, Wyoming, the police are investigating phony $100 bills circulating. Counterfeit money recently turned up in Hartville, Ohio. Counterfeit cash was also passed at businesses in Lubbock, Texas. A local band in Richland, Washington, received four fake $100 bills in their tip jar.

So, yes, counterfeit crime is still very much a thing, and if you use

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cash in your day-to-day life, or even just occasionally, it may pay off to know the signs of counterfeit bills. If you want to know if your U.S. dollars are real or fake, use these methods.

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Evaluate the Feel of the Paper

This observation is based on gut instinct.

“Most counterfeits are identified by the feel of the paper,” says L. Burke Files, president of Financial Examinations & Evaluations, a firm that does investigations, risk management and other types of consulting in Tempe, Arizona.

Generally, fake money, he says, “does not have the crisp money feel and the raised feeling of the black ink on the front of the bills."

Files, who has been a financial investigator for 30 years, says that counterfeit money – in all countries throughout the world – is a problem. He also says that quite a few business owners unfortunately appear to accept – and pass on – counterfeit dollars knowing they’re fake.

“As one person told me, it only becomes bad when someone fails to take it,” Files says.

It's easy to imagine why a business owner might knowingly pass on a counterfeit bill. Often, when a business owner or consumer turns in counterfeit money to the authorities, they aren't reimbursed for that bill.

Check for Color-Shifting Ink

The paper money you’re holding should change color.

“One of the easiest ways to spot a counterfeit bill is to see if the bottom right-hand corner of the bill has color-shifting ink,” says Austin Fain, the owner of Perfect Steel Solutions, a roofing contractor in Fort Wayne, Indiana. Fain says that most of the company’s transactions are in cash, and since those cash transactions are often a considerable amount, he and his employees have become amateur cash experts.

“For all bills, except for the new $5 bill, you can tilt it back and forth and if the numeral in the

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lower right-hand corner doesn't shift from green to black or from gold to green, then you've most likely been handed a fake bill," Fain says.

Study the Watermark

"The watermark is a hallmark of an authentic bill," Fain says. "On some bills it's a replica of the face on the bill and for others it can simply be an oval spot. If you hold the bill up to the light, the watermarks should be visible on the right side of the bill. Make sure that if the watermark is a replica of the face, it matches the face exactly."

Fain adds that if you hold the bill toward the light and there's no watermark or if you can see the watermark even without holding it up toward the light, then the bill you're holding is probably a counterfeit.

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Look for Raised Printing

"One of the most difficult aspects of an authentic banknote for counterfeiters to reproduce is the raised printing," Fain says. "To detect it, all you need to do is run your fingernail slowly and carefully down the note. You'll feel resistance from the note and some vibrations on your nail from the ridges of the raised printing."

If you don't feel the vibration or resistance, that's where Fain suggests double-checking that watermark and looking for the color-shifting ink.

Use an Ultraviolet Light

You can find ultraviolet flashlights on Amazon and at home improvement and hardware stores, among other places.

"Place a bill on a white piece of bond paper and illuminate both with your UV flashlight," Files says. "The paper will light up nice and bright, but authentic currency will not. Also, the denomination threads will glow a different color for each denomination, except the $1. Blue for the $5, orange for the $10, green for the $20, yellow for the $50, and reddish for the $100."

Pull Out a Magnifying Glass

What are you looking for on a bill with this magnifying glass? Microprinting. Files suggests looking at Benjamin Franklin's collar on the $100 bill. If you have a $50 bill, look at Grant's collar. Look below the Treasurer's signature on the $20 bill, and on the $5 bill, Files suggests looking at the eagle's shield. In these places, you'll find phrases like, "The United States of America," "USA" or "E. Pluribus Unum."

Again, you'll probably need a magnifying glass to find them. That these words are there isn't exactly a state secret, but microprinting is hard for counterfeiters to duplicate.

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What Should You Do if You Suspect You Have a Counterfeit Bill?

The U.S. Department of Treasury has some suggestions on its website, including:

- **Don't say anything that would put you in danger.** For instance, yelling at the person who handed you the bill wouldn't be smart. Besides, what if you're wrong? This might be an unsuspecting consumer who doesn't know the bill is counterfeit.
- **Do not return the bill to the passer.** You will want to hang onto that bill, and as soon as feasible, contact the police.
- **Take mental notes.** The Treasury suggests, if you can do it safely, "observe the passer's description – and their companions' descriptions – and write down their vehicle license plate numbers if you can." The police will likely want to talk to that person.
- **Contact the authorities.** Either contact the police, the Treasury suggests, or your local U.S. Secret Service office.

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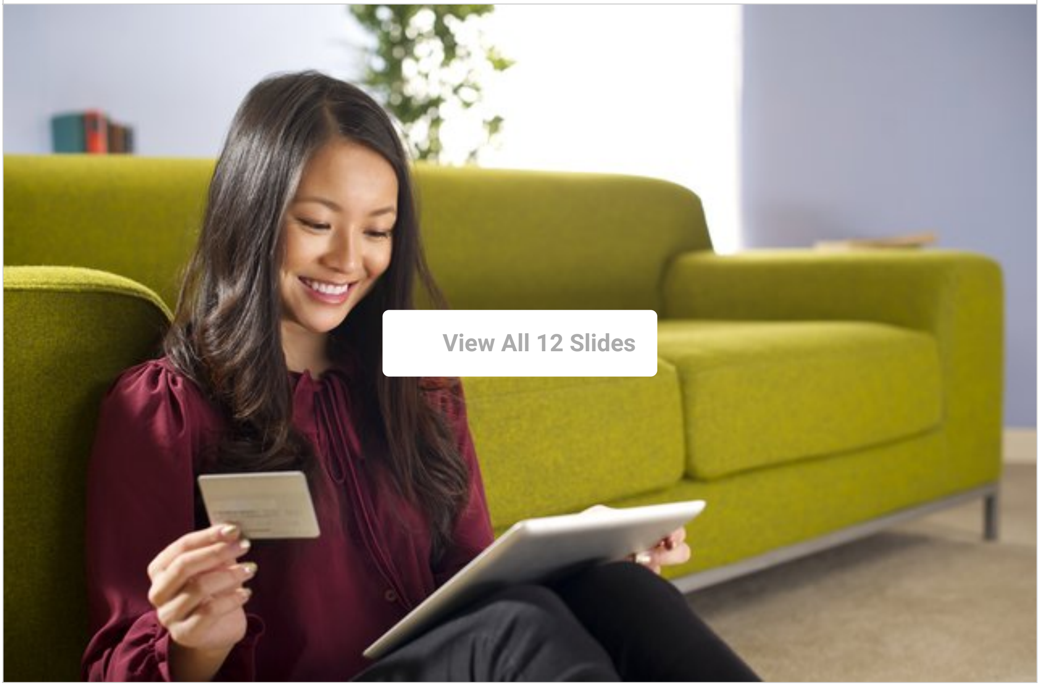

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Geoff Williams has been a contributor to U.S. News and World Report since 2013, writing about ... **READ MORE »**

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