

EXPLAINER

# Why would anyone counterfeit the lowly toonie? The answer may lie in China

MATTHEW MCCLEARN >

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A genuine Toonie, left, and counterfeit 'camel toe' Toonie.

J.P. MOCZULSKI/THE GLOBE AND MAIL

The RCMP's recent discovery of thousands of counterfeit toonies has raised concerns about the integrity of Canada's banking system, through which they circulated with apparent ease.

It also raises a question: Why would anyone counterfeit the lowly toonie? The seized fakes seem to contradict the prevailing wisdom about counterfeiting: Since high denomination notes involve about the same amount of labour and input costs as low-value coins, \$50 and \$100 bills are far more attractive targets for fakery than toonies.

The answer might well lie in China, where the RCMP allege the Camel Toe Toonies (named for their most conspicuous defect, a flaw in the polar bear's paw) originated.

Daixiong He, 68, of Richmond Hill, Ont., was arrested last month and charged with uttering counterfeit money and possession of counterfeit money. (None of the allegations have been proved in court.) The RCMP said the charges stem from a nearly year-long investigation during which it identified and seized about 10,000 counterfeit toonies from the Canadian banking system. (The Canadian Bankers Association declined to answer questions.)

Reports of the fakes surfaced during the first half of 2020, when a merchant found 75 in a cash register. The merchant, who didn't publicly identify himself, posted a message about the discovery in July, 2020, on a coin collector's forum.

"Given that I've been finding them on and off since March, I'm assuming they're already in circulation in major numbers in the [Greater Toronto Area]," he wrote. "There's no way they're going to profit off these toonies by spending them on \$2 coffees."

That news soon spread among collectors. Mike Marshall, a coin expert in Quinte West, Ont., who has given seminars on identifying counterfeits, said he bought five rolls of toonies in October, 2020, and identified 26 counterfeits. Each featured the distinctive flaw: the polar bear's front right paw had a large split toe.

Brent Mackie, treasurer of the Waterloo Coin Society, learned about the Camel Toe Toonies through an online forum in March, 2021. He went to the bank and bought a box of toonies, and found two imposters. His curiosity piqued, he bought nearly 500 more boxes in visits to banks in Ontario over several months, a total of about \$500,000 worth. (He started a [website](#) dedicated to the fakes.) He found about 2,500 counterfeits, nearly all of them the Camel Toe variant.

"Definitely, they're not hard to find," Mr. Mackie said. "You can go to a bank, get a bunch of rolls and you're almost certainly going to find some, at least anywhere close to [Toronto]."

Michelle Richardson, a spokesperson for The Royal Canadian Mint, which produces Canada's coinage, said the Mint detected the fakes last summer through its random sampling. (She declined to describe the process, and said the Mint does not have investigative powers.) Officials notified the RCMP, which assigned financial crime investigators from its transnational serious and organized crime section to the case.

She said it's exceptionally rare to find fake toonies, but not unprecedented.

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Many Camel Toe Toonies have faint impressions of the polar bear around the Queen's portrait.

J.P. MOCZULSKI/THE GLOBE AND MAIL

In September, 2006, police accompanied Revenue Quebec officials to execute a search warrant at a token manufacturing facility in Repentigny, Que., in a tax evasion case. They found equipment for making counterfeit coins, along with near-completed toonies and loonies. They called in the RCMP.

The Mounties said this operation (dubbed the Montreal Mint) was the most complex of its kind they'd encountered. Those fake toonies bore dates of 2004 and 2005; their outer ring metal was a darker grey than genuine currency, and the core could be removed because it lacked a mechanism to hold it in place.

While the comparative quality of counterfeits is in the eye of the beholder, the RCMP said in a statement that the Camel Toe Toonies were even better. Their weight, for instance, was close to that of the genuine article. And they came in multiple varieties: Mr. Mackie said their most common dates are 1996, 2002, 2004, 2005 and 2006.

RCMP said in an e-mailed response to questions that the counterfeits are sophisticated, as they were able to enter the financial system and were accepted and deposited at banks.

They nevertheless included notable defects, the most obvious being the polar bear's crude right front paw. Typefaces differ in obvious ways from the genuine article: Real coins use sans serif fonts, whereas some Camel Toe versions feature serifs. Mr. Marshall said the maple leaf on the obverse side is slightly too high.

Mr. Mackie paid special attention to manufacturing defects. For instance, when the dies – the metallic stamps used to make a coin – strike each other, they leave damage called a die clash on subsequent fakes. (This could happen when an operator fails to place a coin blank between them.) Many Camel Toe Toonies have faint impressions of the polar bear around the Queen's portrait, he said. Furthermore, flaws in earlier versions become more pronounced in later ones.

Mr. Mackie said this indicates the operation produced lots of fakes, and quality control was not a priority.

“They’re using these dies until they literally explode,” he said.



Coin expert Brent Mackie at his home in Kitchener, Ont., June 24.

J.P. MOCZULSKI/THE GLOBE AND MAIL

Therein lies one possible explanation for how counterfeiting toonies could be profitable: economies of scale. Says Mr. Mackie: “When you start making millions of them, you’re able to reuse all the dies and machinery, and spread that cost out over each individual piece. When you’re producing millions of them, it may only cost 50 cents a coin to produce.”

This is the first foreign-based counterfeiting ring of Canadian coins that the Mint is aware of. But the coins’ putative origin in China didn’t surprise collectors, who are accustomed to seeing Chinese-made replicas of rare collectible coins.

“They didn’t make them to be traded as the real thing,” Mr. Marshall said of the replica collectibles. “They honestly make them for people to fill holes in their collection that they could never afford.” But unscrupulous sellers often buy such coins and sell them online at inflated prices to unwary collectors, he added.

With the counterfeit toonies, he added: “The only thing that has changed is, now adventurous people are realizing that the Chinese will make anything you want. If you send them a picture, give them a diameter and a weight, they’ll make it.”

As part of his efforts to persuade e-commerce sites and authorities to prevent the sale of Chinese-made counterfeits, Mr. Marshall has ordered thousands of fakes from Chinese suppliers. Not one of those shipments failed to cross the border into Canada and reach his doorstep via the postal service, he said. (Canada Border Services Agency spokesperson Rebecca Purdy said officers are trained to look for smuggling and other customs violations; between 2017 and 2021, its officers encountered a mixture of counterfeit bills and coins and carried out 25 enforcement actions.)

Mr. Marshall estimated that “millions” of Camel Toe Toonies are in circulation. Initially found in British Columbia, Ontario and Quebec, they’re now across the country.

What’s more, Mr. Mackie and Mr. Marshall say they’ve seen entire boxes of toonies straight from banks that contained not a single genuine coin. Mr. Marshall said police should have started investigating when they were first alerted about the counterfeits in 2020, and that attempts to get public officials and the media interested were fruitless.

“Because it was coins, nobody reacted,” Mr. Marshall said. “Everybody went, ‘Yeah, right, who’s gonna counterfeit a toonie?’ That’s exactly why you counterfeit a toonie: Because nobody looks.”

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