

# A Counterfeit 1928 Australian Shilling

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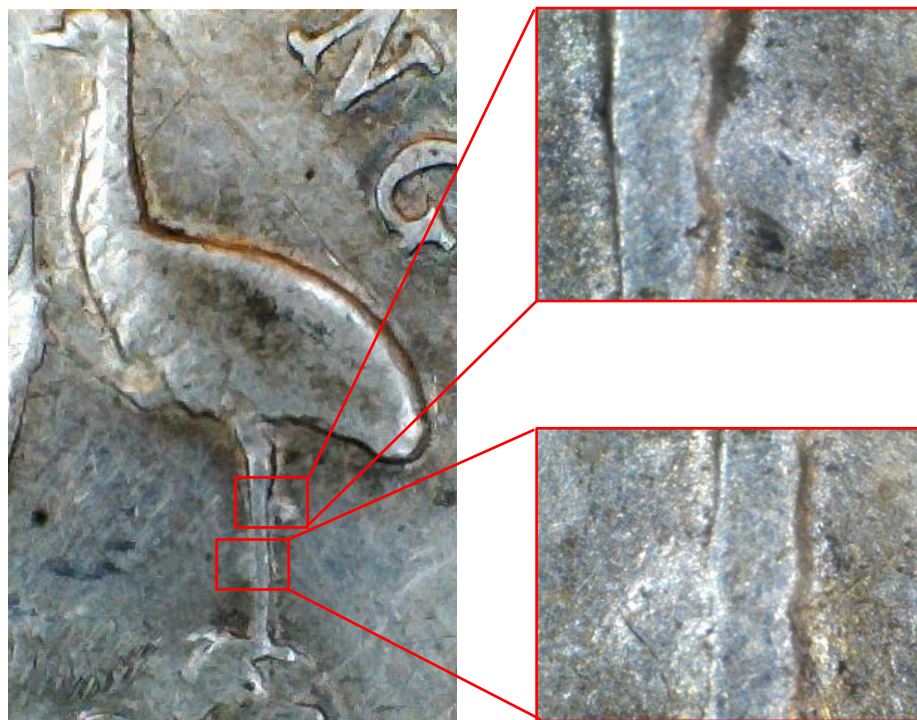
This note will describe a very successful counterfeiting operation that took place in Australia in the early 1930s. The counterfeit shillings, dated 1928, were of such high quality that they could be deposited directly into banks, from where they made it into circulation. The counterfeits circulated alongside the official silver coinage becoming very worn and called in and melted during the silver culls around decimalisation. Most surviving specimens grade good to fair, typical of a silver coin that had been in circulation for nearly half a century.

Having known the distinguishing features of the counterfeit for many years, casual, maybe fortnightly, searches had turned up nothing and my hope of finding a specimen was waning. Then in August 2022, a specimen of the counterfeit appeared for sale in America. This was noticeably higher grade than the specimens seen published previously. The piece was purchased, but hopes were dashed when it went astray in the post! See the Appendix.

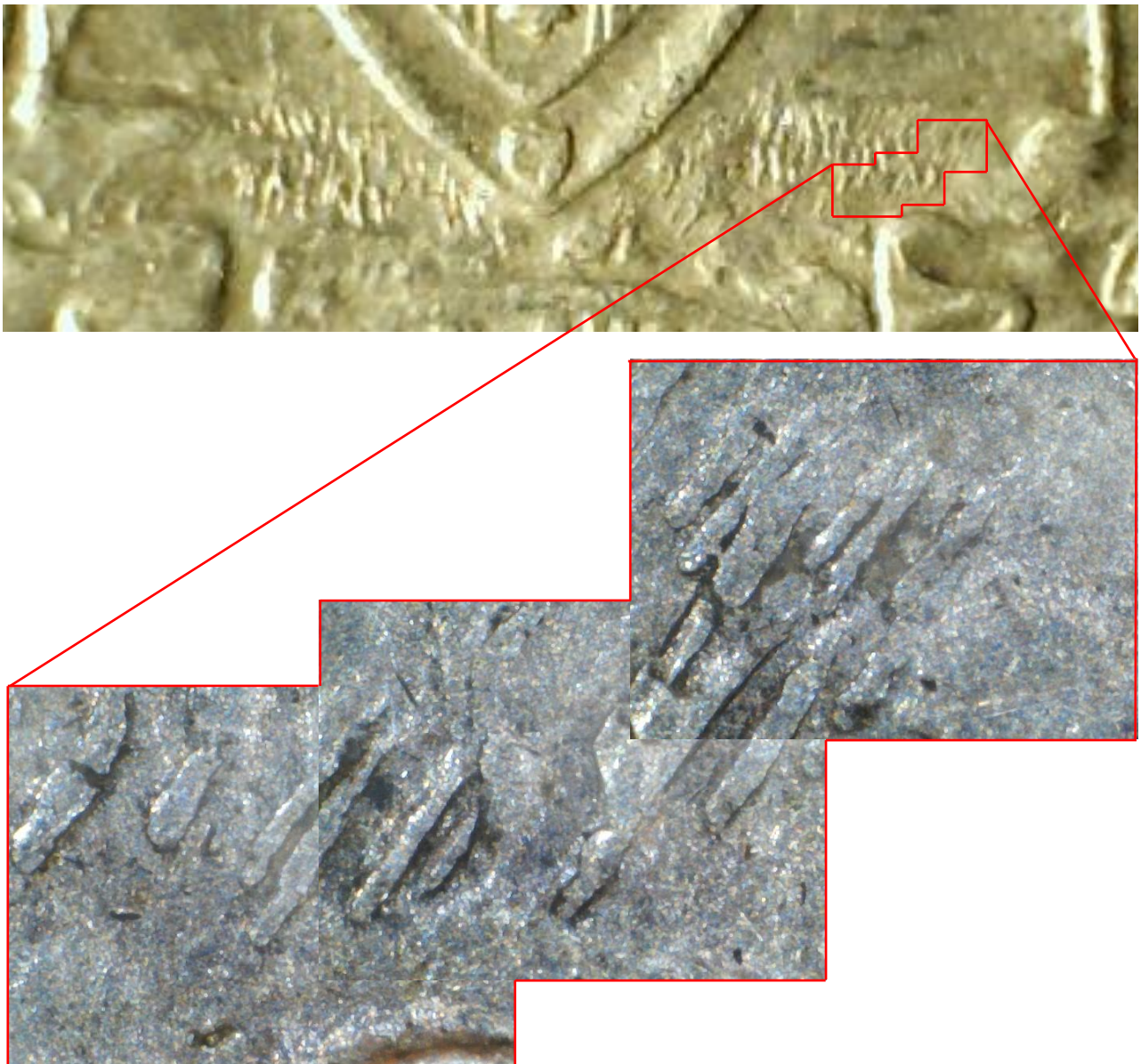
The figures below show the coin and the identifying features.



**Fig. 1.** Australian counterfeit from 1928. 23.82 mm, 5.651 g, XRF metals: Ag 93.0%, Cu 5.2%, Sn 0.5%, with other contaminants. (Shown 200%).



**Fig. 2.** Flaws on the back and front of the emu's leg.



**Fig. 3.** Re-engraved grass across whole of ground.



(a) Good section of graining.



(b) Showing knurling overlap and misalignment of edge graining.

**Fig. 4.** Detail of edge graining.



Examples of three further specimens have been found online<sup>(1)</sup>



**Fig. 5.** Further specimens of the counterfeit shilling.<sup>(1,2)</sup> (Shown 200%).

As can be seen from the analysis of my own specimen, the silver is very good, so where is the margin for the counterfeiters? In the 1930s the bullion price for the official Australian 0.925 shilling was about 2½d,<sup>(3)</sup> the rest went towards manufacturing, shipping and distributing and, of course, the profits for the mint and government.

Thus by making the counterfeits in good silver, a healthy profit margin remained for the counterfeiters. The counterfeits appear struck using dies likely made from a genuine coin. During the manufacture of the dies, the flaws on the emu's leg have been introduced and the weak impression of the grass has been crudely re-engraved.

The edge graining appears to have been added after striking, possibly using a knurling machine. This feature of the edge graining has not been noticed by any previous writers. When applied properly, knurling shows no overlap or defects, so this may be peculiar to my specimen. The counterfeit being discussed is very circular, with a diameter variation of 0.01 mm, which is the resolution of my digital vernier. Non-circularity is often a giveaway for pieces that have not been struck using a collar.

This counterfeit is one of the few cases where the operation has been uncovered and the perpetrators named. The whole story has gained some celebrity in Australian numismatics as summarised in the following paragraphs.<sup>(2,3)</sup>

In 1931 and 1932 a large number of 1928 shillings (in £2 rolls and bags) were being cashed in for notes at banks located in the different Australian state capitals: Sydney, Melbourne, Brisbane and Adelaide. The numbers were sufficient to start accumulating in the vaults. Concerns were raised and the police were called. Close examination revealed that they were good silver, though not as consistent as official issues. The low official mintage figure (664,000) and low silver price pointed to the coins being counterfeit.

Sydney was quickly identified as the epicentre of the activity. In 1932 Detective-Inspector Prior of the Sydney CIB (Criminal Investigation Branch) was brought on to the case and, working with Australian Treasury officials, he gained the cooperation of Commonwealth Bank managers asking them to report any large deposits of silver shillings.

A Sydney branch soon reported a Chinese man depositing packaged shillings and low denomination notes to be exchanged for high value notes. The man was well-dressed, well spoken, and on further investigation was found to be Kwong Khi Tseng, a local carpet and fabric merchant (trading as Eastern Embroideries Ltd) and who held

international qualifications in Commerce. His local and international reputation initially led the police to dismiss him as a suspect.

Detective Prior then appointed Frank Fahy, Australia's first official undercover policeman to tail Tseng. The suspect continued to deposit more shillings and notes into various banks around Sydney and Fahy witnessed two other Chinese men, Kwong Yung Tseng and Pow Yung Tseng, doing the same at different banks. Within a fortnight, Fahy was convinced this was too large a volume of small change for the size of the carpet warehouse business, but could find no evidence for local manufacturing of the counterfeits.

A few weeks later Fahy followed the three men to the Sydney docks where a ship that had just arrived from China. One of the men boarded the ship and returned a few minutes later with a heavy case. The case was presented to customs and passed without question. Fahy spoke to the Customs officer later and was told that the Chinese men were well known and often brought large amounts of silver currency into Australia and out of Australia. At this time openly carrying large amounts of currency across borders was common business practice.

The fabric and carpet warehouse was raided and "hundreds of pounds worth of shilling pieces" were found. On the same day one of the suspects was arrested at the Union Bank in George St, Sydney where he was changing 20 pounds worth of notes and shillings. The Chinese merchant and his two accomplices were charged with uttering counterfeit coin. Two of the three were found guilty and all three were deported from Australia and warned "that they, and their families, were no longer welcome in Australia".

A Mr Walton, the Government analyst involved with the case was reported some years later (Sydney Morning Herald, 1946), as saying: *The matter was brought to the attention of the analytical branch; it was discovered that the coins deviated little in weight from the real article, their alloy approximated that of genuine Australian currency, and they had obviously been stamped out by a very efficient machine. The coins were all shillings dated 1928 and it is believed they [were] minted in a town called Swatow in China; Three Chinese were charged with uttering, and it was proved one came from that town.*

There were also rumours<sup>(4)</sup> that Swatow, Kwangtung province (today; Shantou in Guangdong) was the source of other similar sized silver counterfeits such as 1922 Netherlands 1/2 guilders, US 1/4 dollars, and French francs.

The source of the silver for the counterfeits would likely be scrap silver, bought at bullion prices, which would explain the variation in silver quality, if no effort was made to maintain an accurate fineness. No estimates of the size of the operation were made at the time or subsequently, and no records exist of what the banks did with their stocks of spurious 1928 shillings, especially if, at the time, they could not be distinguished from the genuine pieces. Today the counterfeits are maybe at least 100 times rarer than genuine 1928 Australian shillings, though some may lay unrecognised in collections.

## References and Acknowledgements

- (1) Anon. 'Counterfeit Australian 1928 Silver Shillings' 18 January 2015, with various updates, the most recent being 11 October 2022. <https://www.australian-coins.com/collecting-coins/counterfeit-australian-1928-silver-shillings/>
- (2) I. McConnelly. 'The 1928 Dodgy Deener', The Australasian Coin & Banknote Magazine, Vol 12 No. 7, August 2009, pp28-29.
- (3) For historical silver bullion prices, post 1800, see: <https://www.chards.co.uk/silver-price/silver-price-history> Until November 1931 the Australian £sd was on parity with British £sd. A subsequent revaluation of the Australian £ resulted in the English coins being withdrawn from circulation by the banks when they paid £A125 for £100 English silver coins.
- (4) O. Fleming. 'The fake 1928 shillings', Australian Coin Review, Vol 21 No. 2, August 1984 pp11-17. The author, Owen Flemming, was an ex-bank employee and very thorough in any inquiries he made.

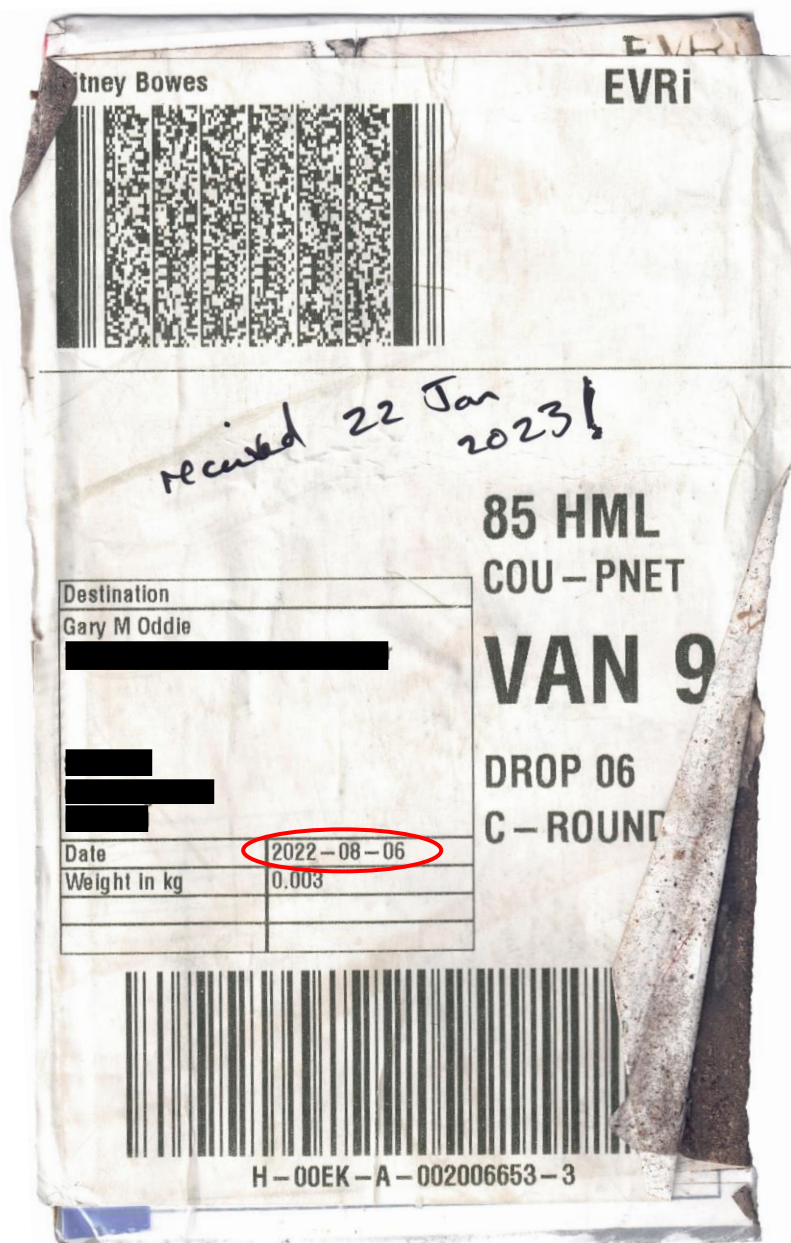
Thanks to Gill Geddes at Schlumberger Cambridge Research for the XRF analysis, while my own machine was unavailable. Also thanks to the various members of the "English Hammered and Early Milled Coin Collectors" Facebook page and especially Ross Pratley of the Postal Order Society for their help in tracking down a copy of the Australian Coin Review article, which turned out to be surprisingly challenging.<sup>(4)</sup>

## Appendix – It Pays to be Patient

The coin was posted on 6<sup>th</sup> August 2022 and went into the Pitney-Bowes system, and could be tracked across to the UK two weeks later, where it was collected by EVRI. The weeks passed with the “in transit” message on the tracking webpage unchanged. At six weeks the vendor was contacted, but nothing more could be done.

I received another parcel via EVRi and asked the new delivery person if there was anything I could do. Apparently the previous local EVRi person had resigned suddenly, leaving many issues to be sorted out! A refund was claimed from eBay, all going smoothly. But it isn't the same as having the coin, and the searches continued.

Then on the dark afternoon of Sunday 22<sup>nd</sup> January, there was a noise at the letterbox – and behold a small envelope folded in half had been pushed through . . this is the whole package . . same size as the shipping label!



The very grubby package had arrived, with contents intact, and the search was over. It certainly looks like it has been stuck in the back of a van for six months! As eBay messages are deleted after six months, this was just in time to catch the previous correspondence with the vendor. An offer to pay for the coin was sent. This was politely declined and thus a thank you is owed to eBay seller “barberdime”.

