

Welcome to the C.N.A. E-Bulletin Vol. 3, No. 17 – March 20, 2007

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SPECIAL “CURRENCY SMUGGLING” EDITION

INTRODUCTION

We have been accumulating material about stupid criminals that smuggle money across international borders and very smart law enforcement officials who catch criminals that attempt to smuggle huge sums of real money, or counterfeit money, or money obtained by crime, across international borders.

We dedicate this issue to the special constables that assist border patrol officials, police officers and others in tracking down the money and the criminals behind them. The idea for this special issue originated with coin collector, Toronto Star columnist and lawyer, Robert Aaron, who sent me the following article.

A UNIQUE TEAM OF SPECIAL CURRENCY DETECTORS

The Canada Border Services Agency (CBSA) began their Detector Service with just three employees back in 1978. Today, more than 50 teams are stationed at borders across the country to screen travelers and cargo for all sorts of illegal items.

A little publicized job description of the Agency carries the title of “Currency Detector.” There is only one of these “Currency Detector” teams operating out of the Toronto Pearson International Airport, consisting of Ron Downer and his partner, known only as “Kenzo.”

What is so unusual about this team is that Ron Downer’s official title is “Currency Detector Dog Handler,” while Kenzo is a very smart 6-year-old Labrador Retriever that has been trained to sniff out currency.

The currency detector dog program was launched in 2001 to enforce the Proceeds of Crime (Money Laundering) and Terrorist Financing Act. Of the many tools available to customs officers, trained detector dogs are unique in that they have the ability to exclusively detect currency. An overwhelming success, the program made 540 seizures totaling \$12.9 million last year alone. On a typical work day, Kenzo and Downer can be found checking passengers and cargo on randomly selected flights at Toronto Pearson International Airport. Unlike most pet Labs, Kenzo has no interest in mingling with the passengers; steadfast and dutiful, he is focused intently on the task at hand - finding the cash and reaping his reward. The team is on call 24/7, and as the only currency detector dog in the Toronto area, Kenzo’s services are sometimes requested to assist other law enforcement agencies with the execution of search warrants. Back in Toronto, Kenzo and Ron maintain their skills with regular training days, using a bag of shredded cash to hide in aircraft, offices, cargo areas and passenger lounges. The team is re-certified annually.

Kenzo has found more than a million dollars over the course of his career at the airport, and was credited this year with discovering a \$1.5 million stash while assisting local police with a search warrant - the largest find ever outside the airport.

Kenzo lives at home with Ron. His sleeping quarters is a kennel in the yard. Tireless and driven to move even when he’s off duty, he revels in chasing frisbees at the park or hanging out with

the family's Lab/Shepherd cross. It's hard to imagine Kenzo ever slowing down, but when he eventually retires at eight to 10 years of age, his handler will have first option of adopting him. Until then, travelers thinking of sneaking through Pearson Airport with undeclared cash beware - this dog has a real nose for money.

The trainers at CBSA's Learning Centre in Rigaud, Que., look for dogs that are high-drive and agile, with a strong retrieve instinct. To be considered for the program, dogs must be 12 to 18 months old and in excellent physical condition. Only 1 in 10 considered will make the cut, and it takes just a handful of tests to determine which ones have what it takes to get the job done. Purchased from a breeder in B.C., Kenzo's fervent desire to work quickly got him accepted into the program, where he and Ron underwent 10 weeks of rigorous training together. Currency detector dogs are taught to search for high concentrations of the ink used in U.S. and Canadian currency. Kenzo alerts passively by touching the source with his nose, then sitting determinedly to wait for his reward.

MONEY-SNIFFING DOGS

You've heard of dogs sniffing for drugs, guns and bombs. Then there are arson dogs? Man's best friend has also been trained to detect mold for insurance companies and potential home buyers. The one that are of interest to us here, however are the money-sniffing dogs.

We mentioned in previous issues that a very high percentage of paper money have traces of marijuana on them. Following are a few cases that involve drug sniffing dogs and money:

THE CASE OF THE COCAINE ON MONEY

In November, the Ninth Circuit Court of Appeals in California upheld a grant of summary judgment in the case of "U.S. v. U.S. Currency, \$30,060." The cash belonged to Albert Alexander, a Los Angeles-area man pulled over for running a stop sign. He had the money sitting in the front seat in a plastic bag in banded stacks of \$1,000 each. The amount, the cops argued, is almost exactly equal to the street price of 2 kilos of cocaine. On the evidence of this and the positive reaction of a drug-sniffing dog to the money, he was arrested and his money impounded. Alexander claimed he was going to use the money to buy an interest in a friend's business.

The criminal charges against Alexander were dismissed, but the feds stepped in and tried to claim his money as drug-related, and thus subject to forfeiture. Jerold Bloom, Alexander's attorney, argued that the drug-sniffing dog's reaction to the money wasn't sufficient proof that the money had anything to do with drugs. Various forensic surveys of American currency have shown that the percentage contaminated with cocaine, especially in big cities, ranges from 75 percent to 97 percent.

Says Barbara Grantland, national president of Forfeiture Endangers Americans' Rights (FEAR), "The sorting belts at the Federal Reserve have this residue on them. Janet Reno's money has drugs on it. You have money with drugs on it in your pocket right now."

Based on the questionable link between carrying drug-contaminated money and dealing drugs, the appeals court agreed to throw out the case. A previous district court case in Tennessee, Jones v. Drug Enforcement Administration, came to a similar conclusion. "I'm surprised they went as far as they did for just \$30,060," Bloom says, then admits that the principle is probably more important to the feds than the money.

Lee Arian, the assistant U.S. attorney who argued the appeal for the government, thinks they could have won if he could have argued at the district level that the trace amounts that have

been found to contaminate most currency might be too small for a dog to detect, and that a dog's alert is still meaningful.

Grantland, though, calls using dogs to identify money as coming from drug dealing "a hoax" because big-time drug dealers don't tend to store their cash in the same bag as their drugs. So, he says, any drug presence on money is a sign, at best, of "use, not distribution." Barnett says that the problem with the dogs is that they are too sensitive. "We don't know if they are reacting to a bale of marijuana in a locker or some residue from a jacket that someone was wearing when someone walked by them smoking."

For the full story, go to <http://www.reason.com/news/show/29612.html>

POLICE SEIZE POSSIBLE DRUG MONEY

Scott Roach writes that more than \$21,000 in cash was confiscated as possible drug money during a routine traffic stop this past November.

Jose Nunez, 21, of Oak Grove, MO had just pulled onto the Kansas Turnpike from the Emporia exit when Lyon County Sheriff's Deputy Cory Doudican pulled him over for failing to signal a lane change. During the stop, Doudican patted down Nunez and his passenger, 43-year-old Raul Ruiz of Richmond, MO, and found several large bundles that contained \$21,417 in cash.

Doudican spread the money on the ground and let his police dog sniff at it. The dog reacted. "Since the dog hit on it, it's reasonable to believe there was a drug transaction involved somewhere," Sheriff Gary Eichorn said. "If the cash has been in the immediate proximity of drugs, the dog's going to hit on them." The sheriff's department seized the money from the two men.

"It'll go through the process of going through the court," Eichorn said. "They have the right to come back and explain why they had it and how they got it." Neither man was arrested. No charges have been filed in the incident.

Since it is estimated that more than four out of five U.S. bills have been contaminated with drugs, I'm wondering if the cash in the arresting officer's billfolds would have passed the same test.

The cash needs a strong contamination for a dog to smell it in the first place. I assume there is going to be some forensics tests done to the bills to determine if there is any drug residue on the bills.

I found this article on dog detectives from the New York Times interesting:
<http://www.leerburg.com/mistakes.htm>

CURRENCY SNIFFS:

The following is from <http://www.k9fleck.org/nlu09.htm>:

There is debate among the courts that a positive canine alert to currency may not be probable cause due to wide spread contamination of money with drug residue. The dog sniff must be coupled with other supporting factors, such as potential indicators of drug trafficking or use, etc. Currency sniffs are the only area where a positive canine alert is not probable cause, it is a reasonable suspicion factor or "strong evidence." Narcotic detector dogs alert to odor, not residue. Currency in circulation does not contain enough odor for a narcotic detector dog to alert

to. Only currency tainted with the odor of controlled substances in a requisite level of contamination will trigger a positive canine alert. Following are a few cases involving large amounts of money and drug-sniffing dogs.

In a civil forfeiture action, there was probable cause to believe \$215,300 of an airline passenger was involved in narcotics trafficking, due to the fact that the passenger was carrying a large sum of cash; canine alert for presence of narcotics on the currency; passenger's attempts to avoid detection; passenger's ticket was issued by travel agency known to have issued tickets for other travelers who had narcotics related currency; passenger's nervousness; and passenger was bound for well-known center of illegal drug activity.

In another civil forfeiture action, there was probable cause to believe \$91,960 of an airline passenger was involved in narcotics, based on a large amount of money in a briefcase, beneath torn phonebook pages; a notebook appearing to record drug transactions; the suspect provided inconsistent explanation as to presence of money, purchase of case, and his arrest record; dog sniff test indicated briefcase had been near narcotics; and suspect was convicted of distribution of marijuana recently.

A narcotics dog alerted the police to suitcases on a train. Inside was \$639,558. During a civil forfeiture action, the court ruled that the dog alerted to cocaine adhering to the cash. The defendant's expert testified that 90% of all cash in the United States contains sufficient quantities of cocaine to alert a trained dog. This expert also testified that bills may contain as little as a millionth of a gram of cocaine, but that is many times more cocaine than is needed for a dog to alert. The handler testified that the number was lower, near 70%. There is one study indicating that up to 97% of all bills in circulation in the country are contaminated by cocaine, with an average of 7.3 micrograms of cocaine per bill.

Probable cause is required to justify seizure of items carried on one's person. When agents told the suspects found with \$53,082 that money in their possession would be tested with a narcotics detector dog, a seizure occurred. Evidence in this case did not establish probable cause, as the narcotic detector dog's reaction could not be used, as agents' original seizure was without reasonable suspicion.

A drug dog alerted to \$80,990 in currency located in an airline passenger's bag. The money was seized by DEA agents. In an asset seizure action, the court stated that it is well established that an extremely high percentage of cash in circulation in America today is contaminated with drug residue. The fact of contamination, alone, is virtually meaningless and gives no hint of when or how the cash became so contaminated. The asset seizure was overturned.

In a civil forfeiture action, there was probable cause to connect currency to drug trafficking due to: sophisticated dog sniff indicated presence of narcotics on currency; defendant was carrying large amount of cash; he had given conflicting statements regarding amount of cash and its origin; he had given conflicting statements about his reasons for visiting city; and he admitted having prior drug trafficking conviction. Here the government presented evidence that the dog would not alert to cocaine residue found on circulated currency. Rather, the dog was trained to, and would only alert to the odor of cocaine. Moreover, the government presented evidence that unless the currency had recently been in the proximity of cocaine, the dog would not have alerted to it. That evidence was not disputed.

In *United States v \$42,500 U.S. Currency* (283 F. 3d 977 (2002) Ninth Circuit, the government had probable cause to initiate forfeiture proceedings against money seized from traveler's

luggage, based upon: Traveler was traveling between well-known source cities for drugs; traveler checked locked luggage which did not belong to her and for which she did not have the key; five bundles of currency, wrapped in cellophane, totaling \$42,500, were found inside luggage; traveler received bag from and was to deliver bag to unidentified individuals; a drug sniffing dog alerted to the money; and traveler disclaiming knowing who owned the money.

In a civil forfeiture action, there was probable cause to connect currency to drug trafficking, due to: the large sum of currency (\$500,000); currency was in unusual packaging, sealed in 15 plastic bags; the professionally constructed hidden compartment in a car where the money was stored; officer knew that such hidden compartments were routinely used by drug traffickers; and a drug dog alerted in the area of the car near the hidden compartment.

Substantial connection existed between drug trafficking offense and \$124,700 found in vehicle during traffic stop, as required for forfeiture, where: currency was concealed in aluminum foil inside cooler; canine alerted to currency; driver had flown on one-way ticket and gave vague explanation as to why he elected to return by car; car was leased to another person who was not present; driver lied about having money in car; and driver stated he carried cash to buy refrigerated truck for produce business and he was unable to identify key party in such transaction.

BUT MISTAKES CAN HAPPEN

The following excerpts are from an article by Mark Derr of the New York Times:

Dogs are far better at sniffing out the source of a particular odor than any machine yet developed, experts say. They are also more manageable and culturally acceptable than rats and other animals adept at detecting scents.

Scientists have estimated that a dog's nose has about 220 million mucus-coated olfactory receptors, roughly 40 times as many as humans. When a dog sniffs, chemical vapors - and, perhaps, tiny particles - lodge in the mucus and dissolve, sending electrical signals along the olfactory nerve and ultimately to nearly all parts of the brain. In dogs, the vomeronasal organ in the roof of the mouth and two branches of the trigeminal nerve in the nasal cavity also play roles in scent detection.

Skilled trainers have taught dogs to detect just about anything that emits even the faintest odor, including explosives, underground oil and water leaks, contraband food, termites, guns, drugs and cash. But in most cases, scientists have not measured the lowest levels of odor that dogs can detect.

Training and handling dogs is an art at which some people excel, and together top dogs and top handlers can perform extraordinary feats. But there are limits on dogs' performance that are frequently overlooked. Poor handlers alone can cause dogs' vaunted accuracy rate of 85 percent to 95 percent to plummet to 60 percent, Dr. Myers said. "Dogs want rewards," he added, "and so they will give false alerts to get them. Dogs lie. We know they do."

Other factors can also hurt a dog's performance, Dr. Myers said. He estimates that in any year, 35 percent of detection dogs temporarily lose their sense of smell because of illness, tooth decay or other physical problems. Weather also affects performance. Dry, hot weather can cause the mucus in the dog's nose to dry out. Hot, humid weather brings early fatigue. Extreme cold kills scents, and the wind scatters them.

Creatures of habit, dogs also can become stuck in their ways. For example, a dog might become fixated on a particular object or smell, Dr. Myers said, citing a police dog in Alabama that began alerting its handlers to Ziploc bags because the police stored drug training samples in them.

Experts say more research may resolve uncertainties and maximize dogs' performance. Meanwhile, they say, training and certification standards should be tightened to ensure that dogs and handlers are as reliable as possible.

IRELAND ALSO GOING TO THE DOGS

Dogs are also being trained in Ireland to find hidden cash in the battle against organized crime. The Police Service of Northern Ireland (PSNI) has spent £30,000 in breeders' fees for the six dogs, which have been in training for months. Police are using the dogs to target drug dealers, extortionists and other criminals who are trying to avoid detection by not putting illegally-gained money into bank accounts.

About £40,000 has been discovered by the animals in raids in counties Antrim and Armagh in one month. A springer spaniel called Sam detected £21,500 wrapped in plastic bags and concealed in a TV in an operation in Portrush. And £18,000 in sterling and euros were found hidden in a garage drainage pipe at a house in Armagh by a Labrador called Rio.

Detective Superintendent Pat Steele, head of the PSNI's Economic Crime Bureau, said: "These three seizures alone have proved the worth of buying and training these dogs. "Any money we get through the courts will be ploughed back into the fight against crime. The criminals will be paying for the sniffer dogs."

AS IS THE UNITED KINGDOM

Three Devon and Cornwall [U.K.] Police dogs have recently completed a training course to enable them to sniff out large sums of hidden money. They have been working in South Wales to find cash being smuggled through the South West's main airports and ports. They are also able to locate hidden money during raids on properties.

The force will be allowed to keep up to 30% of the criminals' money the dogs find. The force's sniffer dogs are called to about 1,000 incidents a year.

ELECTRONIC BOX TO REPLACE DRUG-SNIFFING CANINES

Although electronic nose technologies have been around since the 1980s, none has been as sensitive as a dog's nose in sniffing out drugs, including those found on currency, according to a report published in the journal Analytical Chemistry.

The invention can sniff like a dog, find drugs like a dog and help police catch criminals like a dog. Georgia Tech researchers have developed a machine that can instantly sniff out cocaine and other illegal drugs without the hassle of feeding, training and interpreting a police dog.

From a few feet away, the device can smell microscopic amounts of a drug -- as little as one-trillionth of a gram. It eventually could be developed to sniff out other drugs, anthrax, bombs, chemical agents and even cancerous cells.

The machine is a rectangular plastic box slightly smaller than a phone book attached to a cube with two antenna-looking tubes coming out of it. These tubes are the machine's nose -- they suck in and spit out air. Inside the cube is a computer chip that measures when a substance

such as cocaine is present. To improve accuracy, the device also uses protein-based antibodies that bind with cocaine molecules, essentially boosting the signal.

CONCLUSION

We hope you enjoyed our brief look at money and drugs, dogs and law enforcement.

Since I will be unavailable for the rest of the week, the next C.N.A. E-Bulletin will be mailed out on Tuesday, March 27.

John Regitko
Your C.N.A. E-Bulletin Editor
Canadian Numismatic Association

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