

COUNTERFEIT CURRENCIES POLL RESULT RELEASE

New Poll Confirms Circulation of Counterfeit Naira Notes

Abuja, Nigeria. March 21st, 2017 – A new poll released by NOIPolls has revealed that 41 percent of respondents are aware of the recent circulation of counterfeit currencies (also known as fake naira notes) in the country, and 19 percent of this proportion disclosed that they have personally come in contact with counterfeit currencies within the last three months. The market with 67 percent, proved to be the most common place where these currencies are circulated. This comes as no surprise, as some counterfeiters may see the market place as the most porous place to spread fake notes due to the wide range of small business establishments who may not notice during transactions. Hence, some businesses suffer losses due to their inability to recoup their money as banks confiscate fake notes at sight. Commercial banks (20 percent), public transport (5 percent) and ATMs (3 percent) were also mentioned as avenues for circulation. Further probing revealed that only 5 percent of the respondents admitted to spending the fake Naira notes that came into their possession.

More findings from the poll revealed that there is some level of awareness of the circulation of counterfeit naira notes in the country as 41 percent admitted that they have been privy to such information, mainly through word of mouth (53 percent) and traditional media (25 percent) amongst others; although the majority (59 percent) showed no awareness. In addition, while the Naira notes are protected by a number of security features to enable the recognition of genuine notes, the distinguishing features can immediately be recognized by touch and visibility such as the raised print, the security thread and the watermark, to mention a few. In line with this, some Nigerians are knowledgeable of these factors, citing texture (42 percent) and the absence of the distorted hologram (25 percent) as ways for distinguishing between genuine and fake notes.

Lastly, 56 percent of the respondents are of the opinion that the Central Bank of Nigeria is not doing enough to create awareness about the circulation of these counterfeit currencies, neither are they giving citizens adequate tips on how to detect them. The implication of this is that more fake Naira notes may be allowed to circulate in the society. This in turn will lead to a reduction in the value of the genuine currency; increase in prices (inflation) due to more money getting circulated in the economy, an unauthorised artificial increase in money supply; and losses, when traders are not reimbursed for counterfeit money detected and confiscated by banks.¹ This suggests that the Central Bank of Nigeria needs to do more to create awareness on the implications of the circulation of fake currencies, as well as provide tips on how to detect a fake currency. These are some of the key findings from the Counterfeit Currencies poll conducted in the week commencing **March 6th, 2017**.

¹ <https://www.interpol.int/Crime-areas/Financial-crime/Counterfeit-currency-and-security-documents>

Brief Background

When a currency is forged and produced illegally other than by the recognized authority of the Central Bank of Nigeria, and is used or is intended to be used as a legal tender in the country, it is referred to as a counterfeit or fake currency. These currencies are produced without the legal permission of the state or government and are fashioned to replicate an original. The act of producing counterfeit currencies amounts to forgery or fraud, a criminal act contrary to Section 6(1)(b) of the Counterfeit Currency, Special Provisions Act, CAP C35, LFN 2004 and punishable under section 5(1) of the same Act.² Some of the ill-effects that the circulation of counterfeit money can have on a society include, a reduction in the value of genuine currencies; and increase in prices (inflation) due to unauthorized injection of counterfeit money in the economy; a decrease in the acceptability of original notes; and losses, when traders are not reimbursed for counterfeit money detected by banks, even if it is confiscated.

The most recent statement regarding the circulation of fake currencies was made in February 2017 by a former Deputy Governor of Central Bank of Nigeria (CBN) who put the percentage of fake currencies in circulation in Nigeria at 20 percent.³ Nonetheless, the apex bank has stated that no currency in the world is immune to counterfeiting; but did state that the rate of counterfeit currency in Nigeria has been very minimal due to appropriate policies that had been put in place by the bank. It put the exact rate of prevalence of fake notes in Nigeria from January to December 2016 at less than one per cent (0.0014%) or 14 counterfeit pieces out of one million bank notes.⁴

In spite of the existence of a decree against this vice and some currency restructuring by the apex bank over the years; the nation has continually recorded cases of circulation of counterfeit Naira notes over the years. In recent times during the last quarter of 2016 and first quarter 2017, several arrests were made regarding money counterfeiting related offences across the northern and southern divide.⁵ This seems to suggest that currency counterfeiting is on the rise and constitutes a strong threat to the economic situation of the country.⁶ Against this background, NOIPolls conducted a survey to gauge the perception of Nigerians regarding the circulation of fake currencies in Nigeria within the last three months; with the objective of finding out if Nigerians are able to distinguish between fake and original notes.

Survey Findings

The poll sought to gauge the awareness of Nigerians on the recent circulation of counterfeit currencies in Nigeria and the results revealed that 41 percent said they were aware, while 59 percent claimed to be unaware of the recent circulation of counterfeit currencies in the country. Respondents who were unaware had their interviews terminated at this point whereas those who said yes continued with the interview.

² <http://www.fhc-ng.com/legislationcd.htm>

³ <https://www.thisdaylive.com/index.php/2017/02/14/20-of-naira-in-circulation-is-fake-says-former-cbn-dep-governor/>

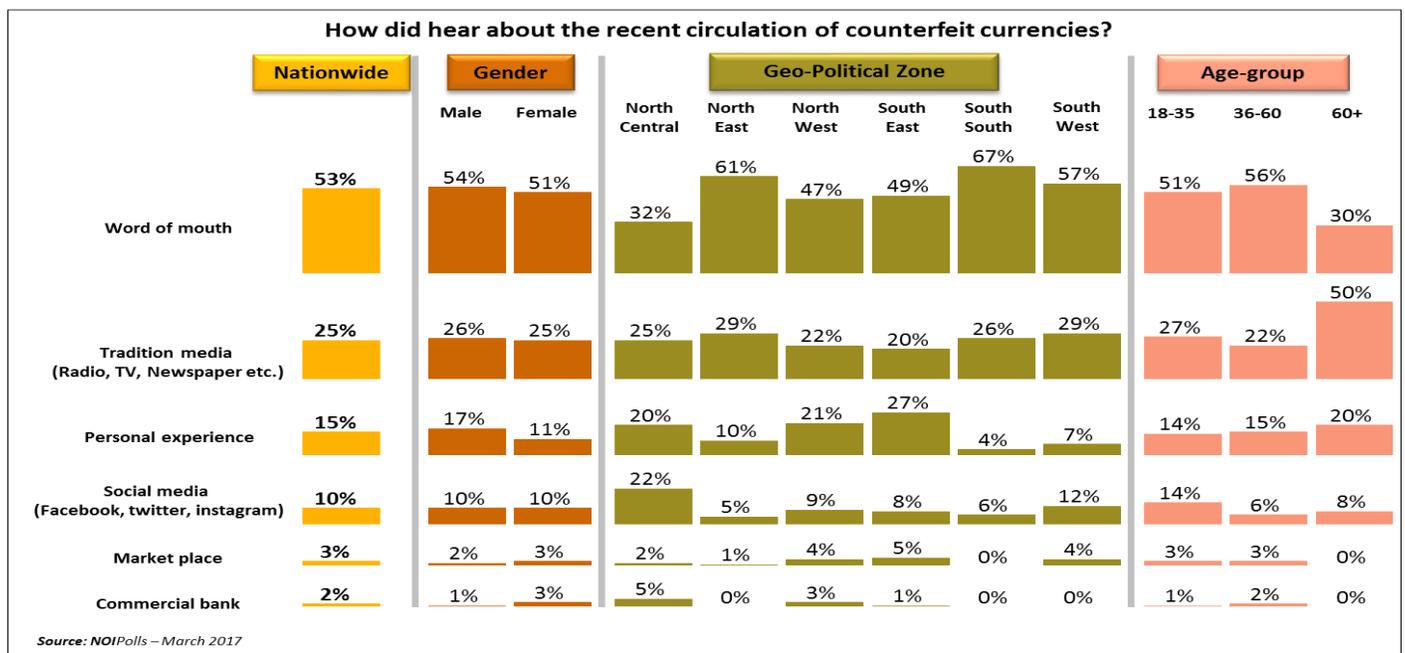
⁴ <http://politicsngr.com/2017/02/18/inside-nigerias-booming-fake-naira-business/>

⁵ <http://www.vanguardngr.com/2017/03/four-get-5-years-jail-fake-currency/>

⁶ <http://www.nigerianmonitor.com/photo-police-arrests-man-for-producing-fake-dollars-pounds-worth-millions-of-naira/>

Further probing revealed that slightly more than half of the respondents who are aware of the recent circulation of counterfeit currencies reported that they got to hear about it through word of mouth (53 percent) while 25 percent mentioned traditional media. Interestingly 15 percent disclosed that they had personal experience and this implies that they must have at some point being in possession of fake Naira note. Other sources mentioned include; social media (10 percent), market place (3 percent) and commercial bank (2 percent).

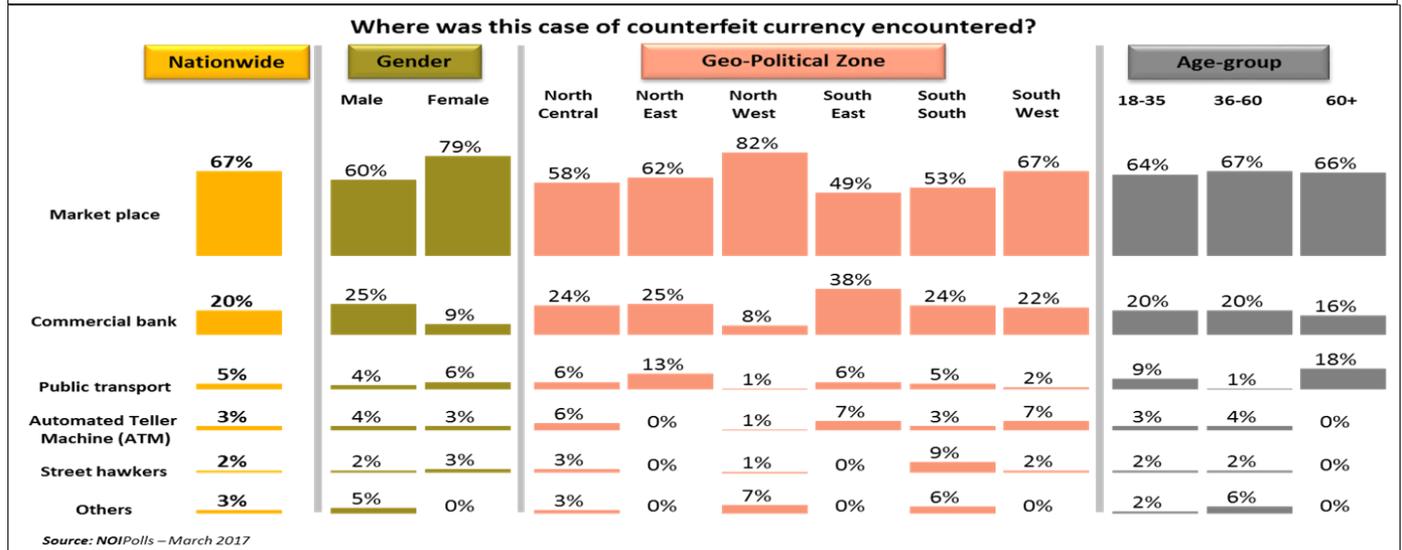
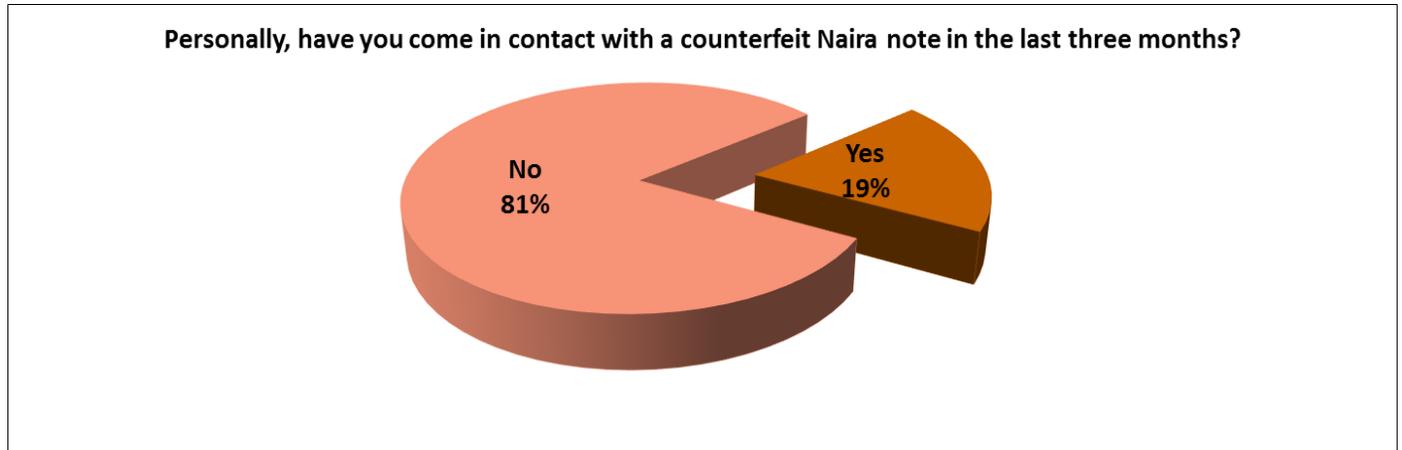
More analysis showed that residents from the South-South zone (67 percent) and the North-East zone (61 percent) formed the largest proportion of Nigerians that indicated that they heard about the recent circulation of counterfeit currencies through word of mouth. In the same manner, residents from the South-East zone (27 percent) had the highest representation of respondents that mentioned that they had a personal experience with counterfeit currencies which could be attributed to the daily heavy commercial activities in the area, causing these fake notes to go unnoticed by business establishments until they get to the point of depositing them in a commercial bank.⁷ In addition, the age group of 18 – 35 years are the majority (14 percent) that said they heard about the recent circulation via social media and this is truly a representation of the set of citizens that are social media savvy.



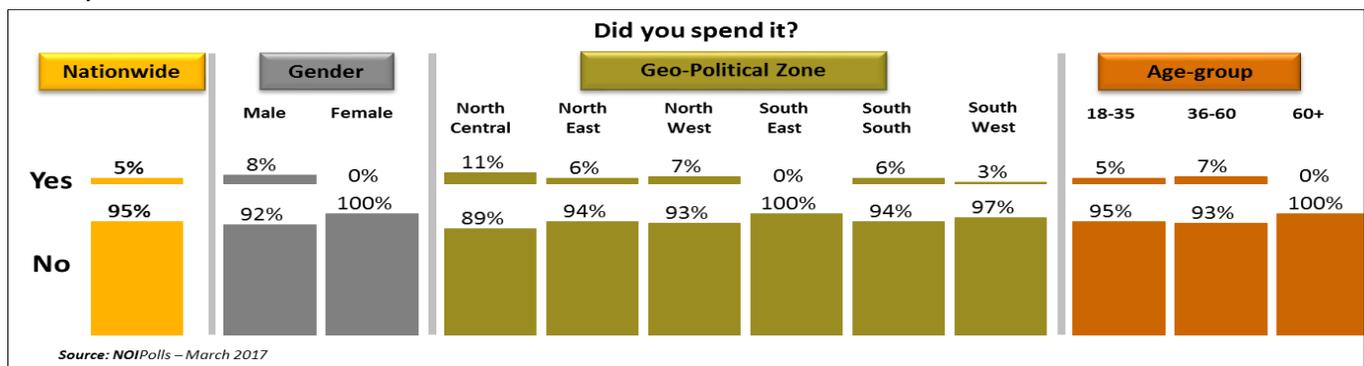
Almost 2 in 10 Nigerians (19 percent) further disclosed that they have personally come in contact with counterfeit Naira notes in the last three months while the larger proportion of Nigerians (81 percent) claimed not to have had any personal contact with counterfeit currencies. Out of the 19 percent who had come in contact with fake Naira notes, 67 percent (which formed majority in this category) reported they came in contact with counterfeit notes at the market place. 20 percent confirmed that they got to know

⁷ <http://www.businessdayonline.com/onitsha-businesses-look-to-aba-for-south-east-corridor-expansion/>

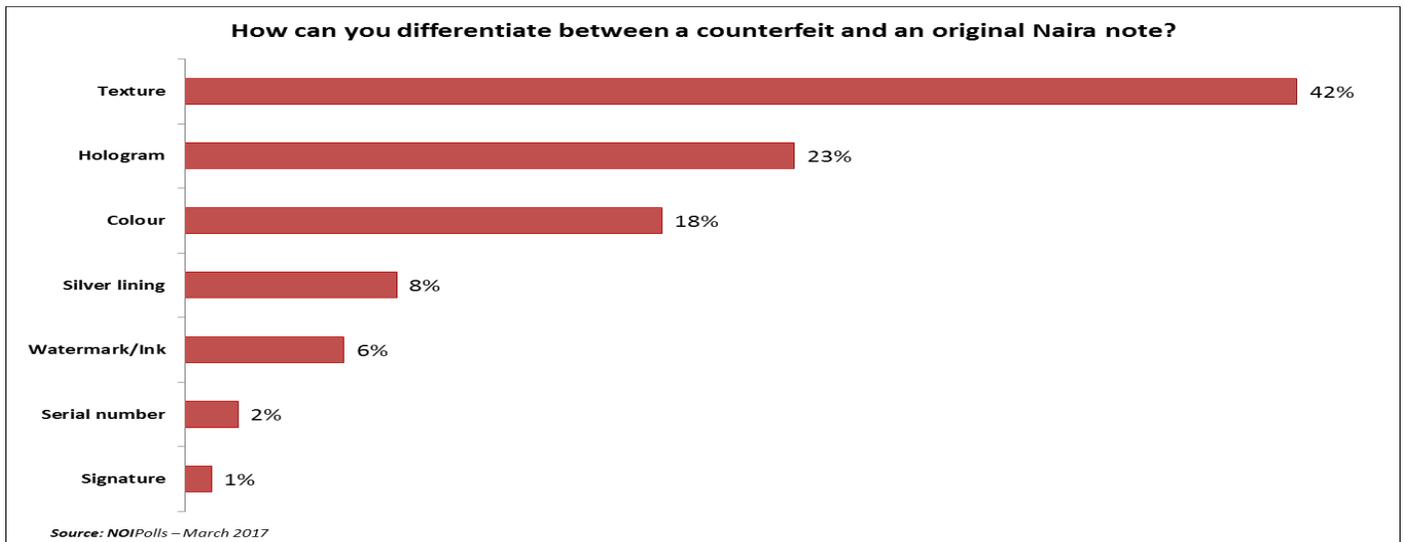
about the notes at the point of deposit in commercial banks. Most of these cases mainly occurred in the South-East zone with 38 percent of respondents attesting to this. Other points of contact disclosed include public transport and ATMs amongst other places.



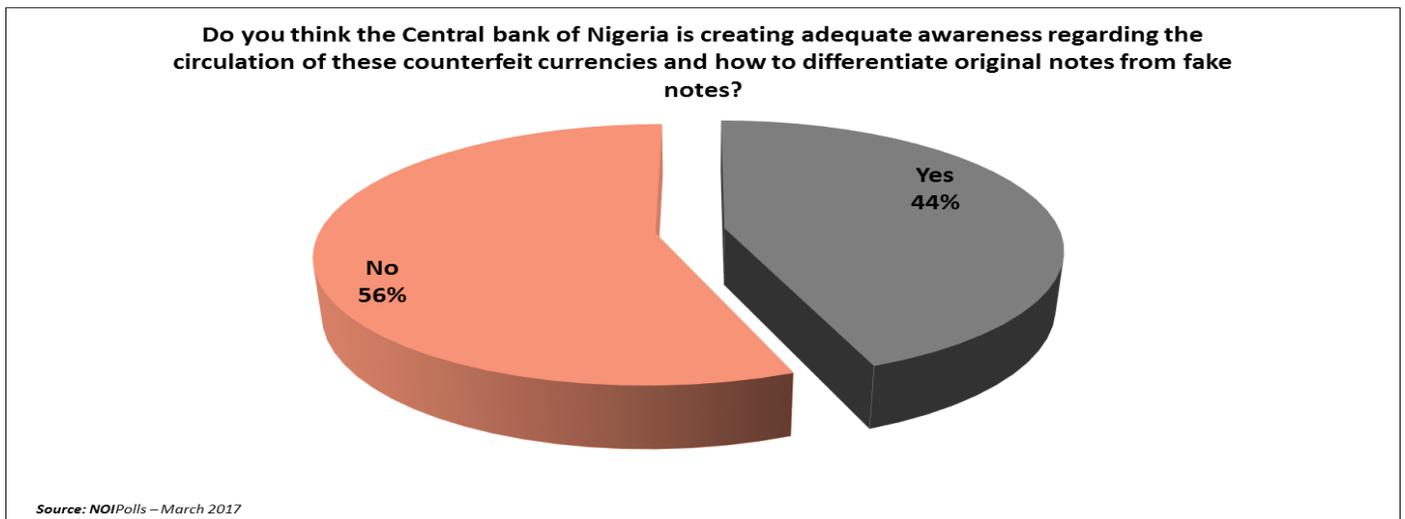
Subsequently, only 5 percent of the respondent who had encountered these fake currencies revealed that they spent it despite knowing they were counterfeit whereas, 95 percent said that they did not spend the money.



In addition, respondents were asked how they could differentiate between a fake and an original Naira note and 43 percent mentioned the difference in texture, 23 percent knew by checking the holograph of the face images on the notes while, 18 percent indicated the difference in colour when compared with an original naira note of the same denomination. Other mentions include the silver lining on the notes (8 percent) and the watermark (6 percent) amongst others differences.



Lastly, the poll has shown that a larger proportion of Nigerians (56 percent) are of the view that the Central Bank of Nigeria (CBN) and other stakeholders are not doing enough in terms of awareness creation about the circulation of these counterfeit currencies as well as educating citizens on how to differentiate between an original currency and a fake one. Contrarily, 44 percent opined that the CBN is doing a good job in spreading awareness about fake notes circulation and how to detect them.



In conclusion, findings from this survey revealed that 41 percent of Nigerians acknowledged awareness of the recent circulation of counterfeit currencies in the country with 53 percent of this proportion got awareness through word of mouth. Though 81 percent (which forms the majority) said they have not personally come in contact with the counterfeit currencies in circulation recently, 19 percent admitted to have come in contact with the fake currencies on a personal basis and the largest proportion (67 percent) of those who came in contact with it stated that they encountered it while making a transaction in the market place.

This implies that there is a need for the Central Bank of Nigeria to invest manpower, time and resources in tackling the circulation of counterfeit Naira notes, while also working intensively to educate the entire populace about the existence of the fake currencies and how to spot them. Additionally, businesses should also train their staff, especially the ones in direct contact with cash from prospective customers on how to detect fake currencies as this can cripple their businesses if left unchecked.

Survey Methods

The opinion poll was conducted in the week commencing **March 6th, 2017**. It involved telephone interviews of a random nationwide sample. 1,000 randomly selected phone-owning Nigerians aged 18 years and above, representing the six geo-political zones in the country, were interviewed. With a sample of this size, we can say with 95% confidence that the results obtained are statistically precise - within a range of plus or minus 3%. NOIPolls Limited is the No1 for country specific polling services in West Africa. We conduct periodic opinion polls and studies on various socio-economic and political issues in Nigeria. More information is available at www.noi-polls.com

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