

U n c o u p l e d :



Paper Money's **Odd Couple**

Operation Bernhard



Joseph E. Boling

Well, if Fred is going to talk about Hans Walter and his fascinating story, the least I can do is talk about Hans' products.

When you get to Fred's half of the column, you will learn that Hans Walter was one of the Jewish prisoners assigned to counterfeit British white notes. This style note circulated from days long before WWII until the 1950s (the Germans copied only 20th century notes). Those notes are my topic for this issue.

The original white notes date to the late 17th century, and were hand-written. That did not last long. About 1700 the notes began to be printed (or part-printed, with a fair amount of information still hand-entered) from engraved copper plates.

The problem with engraved plates of this period was that each was an original engraving. Siderography had not yet been developed, by which a master die could be used to make any number of daughter plates for use on the presses. Skilled counterfeiters could make passable copper plates, and since the bank's own plates were not perfect copies of each other, the counterfeiter's defense was that the note he was caught with varied no more from the bank's pattern than their own products did. Since counterfeiting was a capital offense, there was sometimes legitimate doubt about whether the holder of a suspect note really deserved to hang.

Boling continued on page

Fred Schwan

Danny Spungen is a great collector. A bit eccentric. Crazy perhaps, but look who is writing this! I first met Danny in 2007 at an ANA summer seminar.

The Boss was there too. Indeed, it was lunch time and Judy had taken a seat in the cafeteria and started a conversation with the fellow sitting there—Danny.

I arrived a few minutes later. Usually the first question between students and teachers at the seminar is "What class are you taking?" Danny told me that he was taking coin grading. I rolled my eyes. I should not be that way. Coin grading is actually a good class and very popular, but it seems like a missed opportunity when there are so many other interesting classes—especially ours on military numismatics.

We got past that little problem and were having a nice chat. Then Danny told me that he had just been to the annual convention of the APS—American Philatelic Society. Furthermore, he had made a major and completely spontaneous purchase there. It was a large award-winning exhibit of Holocaust material created by the well-known philatelist Ken Lawrence. Of course it was mostly philatelic. He mentioned the many covers from a wide variety of concentration camps that were in the collection. That really got my attention. I asked him if he knew that for many of the camps represented in his collection there

were also paper money issues and that there was a numismatic book on the subject? That really got *his* attention.

Within two minutes I handed Danny my cell phone with Steve Feller on the other end. Danny did not even finish his lunch.

Fast forward a year. We are in Colorado Springs again for the seminar. This time Danny is in our class.

On the critical day in question, I ever so slightly introduced Operation Bernhard, Nazi counterfeiting of Bank of England notes. Danny was smitten. I could tell it instantly. Operation Bernhard is of course an important and fascinating numismatic story, but it is just one of many that we cover in the class. I moved on, but Danny refused. First he studied every word that we have in *World War II Remembered*, then Brian Burke's book on Operation Bernhard, which I had in the classroom. Along the way he was scouring the Internet for more. I had lost him for the class, but we had also won him over to the community long term.

Danny told me recently that at the time of the class he actually owned a Bernhard note in the Holocaust philatelic collection, but that he had neither appreciated nor understood it until the class. Therefore, I think that I can claim credit (or blame) for setting him on the path that he has taken.

Jump forward a few weeks (24 August 2008). Danny called me that he was on the road heading for Ohio. Danny said that had found a survivor of Operation Bernhard. He lived in Mansfield, Ohio. Danny was going to visit him, did I want to go along? Oh my, what a request. I was thrilled to have the opportunity. Danny picked me up and we were on our way.

We sort of lost ourselves in conversation as we drove. Many collectors have experienced that. This time had an extra twist. The Ohio State Patrol decided to join in the conversation, and Danny received his second speeding ticket of the day. Danny

was (and is) extremely philosophical about speeding tickets, although he has been forced to be more serious about them too. Since that day, I have had the additional mission to get Danny to slow down. I have had only limited success—there are many more Danny/speeding stories.

We arrived in Mansfield (just the two of us) in good order, bursting with enthusiasm



**Danny Spungen (left)
Hans Walter (center)
and Steve Feller (right)**

and questions. We were greeted by Hans Walter, who was indeed a survivor of Auschwitz, transferred to the Sachsenhausen concentration camp as a member of Operation Bernhard.

Until our meeting, Hans' story, from what we gathered, was printed only a few times in the local *Plain Dealer* and *The Daily Record* newspapers. We were surely going to change that!

In the 1930s Hans Walter was a serious cyclist living in Berlin. He won a Berlin cycling championship. Because of his achievements, Hans was allowed to work at an athletic facility as a locker room attendant and possibly a coach for Nazi officers.

Working in the locker room, Hans stole—perhaps borrowed—Nazi officer credentials from uniforms. He used those documents to counterfeit versions for friends & possibly family members. I was (and am) uncertain if Hans stole the documents or only took, photographed, and returned them before creating his own versions.

Hans was caught and ultimately sent to Auschwitz, about which he has an amazing story. Although a Jew, Hans had been sent to the camp because he was a criminal, a

counterfeiter. I learned from him that the tattoo serial numbers were applied at Auschwitz by a scheme where criminal numbers were one way on the arm while those for Jews were 90 degrees from those of criminals. (From later research it seems the tattoo positioning was not very organized, but in the case of Hans it could have been the process at that particular time, as he reports.)

In the course of his incarceration, Hans found himself one day being led naked into the showers. He knew what was going on, and at the last second made a life-saving move. He presented himself to a guard, where he showed his serial number oriented as a criminal and stated that he did not belong in the shower. The guard was flustered and told Hans to go stand out of the way. Thereafter, in a way that was not real clear to me, he exfiltrated back to his barracks. This is certainly an amazing story, but my memory is very clear about the generalities. I may have a few small details wrong, but this is the story that Hans reported to Danny and me. We took videos of our time with Hans, from which his story can be pieced together better...but you get the idea!

At the same time, Major Bernhard Krueger was scouring criminal records for counterfeiters. Hans' record was found, then Hans himself was found and sent to Sachsenhausen and the now-famous Barracks 19.

Ultimately, Hans became a final inspector of notes. Likely he had other jobs along the way, but it was the inspector job that he described the most to us. Hans was very proud to say that he was in charge of the final inspection stages (of which there were about five).

After the war Hans came to the United States, where he married, raised a daughter, and worked at the General Motors factory in Mansfield. In his garage he kept his

Cadillac, which was his pride and joy (as were his gun and membership in the NRA).

We showed Hans a few Bernhard notes that Danny had taken along. Hans confirmed that they were indeed Bernhard notes, although I do not know how he identified them. Danny was quick to tell Hans, that "we collectors can pretty easily distinguish a genuine from a counterfeit note." Hans was disturbed by this "accusation," because he said he would not be living today if it was easy to detect the differences. In fact, he started to shake his little four-legged card table, saying it was *not* easy. After a discussion, we back-tracked and told him that "today," given all the information we have, it is easy, but of course back in 1944 it was not easy at all, and that is why the operation was so successful!

Hans indicated that these were the first examples that he had seen since the war. He did have some poor photocopies that he used when telling his story to local school classes.

Danny's notes had been encapsulated by a grading service. I suggested to Danny that he should take the notes out of the holders and ask Hans to autograph them. Danny was flabbergasted. Really? Take them out of the expensive holders? Yes, I insisted. After all, we might never again get the opportunity to have the autograph of an actual Bernhard survivor on a Bernhard note. Ultimately, Danny saw the wisdom of the idea and we had a few notes signed. I believe that Danny even videotaped the signing!

What an exciting day that was. Thank you, Danny, but there is even more. Jump forward another year, well eight months.

As a complete surprise, Danny arranged to bring Hans Walter to MPCFest X in April 2009. It was a spectacular success. Hans made a short presentation and answered a few questions, but mostly what he did was make friends of all of the Festers and the hotel staff. The silence of the Festers while Hans spoke in a very low voice was

amazing. Everyone was spellbound. An additional surprise was a special MPCFest souvenir card honoring the visit of Hans Walter. Hans signed all the cards that were distributed...a priceless memory!

At MPCfest XII in 2011 Hans, along with Lawrence Malkin (author of *Krueger's Men*) attended his second Fest—of course again arranged and executed by Danny. In 2013 Hans was sent an MPCFest tee-shirt signed by all Festers attending Fest XIV. Hans wears his MPCFest shirts regularly to this day!

Danny's and my meeting with Hans Walter opened the door to new opportunities. Hans was very close friends with Jack Plapler, another living survivor of Operation Bernhard. With Hans' introduction, Danny flew to Berlin to meet Jack Plapler in 2009. On the same trip Danny went to Prague, Czech Republic, to meet Adolph Burger, the third survivor (whose book was loosely used to create the 2007 Academy Award-winning movie, *The Counterfeiters*). In 2010 Danny and his son went back to Berlin to spend quality time with Jack. Sadly, Jack passed away April 9th of this year. From what we know, both Adolph and Hans are not doing well. Both are in their 90s today. Hans will be 94 on December 14th.

Danny did not rest on these accomplishments. His mission is Holocaust and genocide education. When Danny accepts a mission he attacks it with unbounded initiative and innovation. I think that you can see that from this story. He has traveled the world in pursuit of his mission. He has brought together governments, universities and schools, institutions of every kind, and people from all walks of life. Intertwined with Danny's infectious personality is the support of the Spungen Family Foundation. You can (and should) look over the information about the foundation at

<http://spungenfoundation.org/documents/ExhibitGoals.pdf>.

The odds of Danny and my slowing down do not make a good bet. We're on a great path to more adventures. In fact, Danny is more energized than ever to continue using the story of Operation Bernhard as one of his educational pieces. I added fuel to this great fire and that will be a story for another day....very soon! Slow down Danny...at least a little!

Boling Continued.

When electrolytic deposition was invented in the mid 19th century, the bank turned to that technology (which we are using yet today). A perfect reproduction of a master die or plate could be made electrolytically, and henceforth the bank could say unequivocally that a note showing details not on their master was a counterfeit. For some reason unknown to me, the bank chose to stop at the alto plate stage—a plate in relief, which would make a letterpress impression. They could have gone on one more step and created another basso plate—an intaglio plate—which is the process used today.

Their choice means that at 20x a white note is going to show the characteristic diagnostics of a letterpress product—ink pushed out to the edges of an impression, and perhaps some significant dropouts if the plate is not well-inked or is not firmly applied to the paper being printed. If it *is* firmly applied, you will see embossing protruding from the back of a lightly circulated note. For decades collectors assumed that white notes were intaglio—it was not until I saw photographs of recovered plates from Operation Bernhard (in Brian Burke's book) that I realized we needed to look at both the originals and the counterfeits from a different perspective.

Making plates was not the only task the Germans had to master. The Bank of

England also used a complex scheme linking a serial number *in the watermark* of the paper to the date printed on a note, and the dates of emission themselves were derived from formulae involving the denomination, the year of production, and the branch from which the note would be issued. Serial number prefixes, likewise, were linked to branches. Initially, obviously, the Germans could simply use numbers and dates matching notes that they could find in circulation, but since they wanted to print hundreds of thousands of notes, they really wanted to break the code so that they could print notes with numbers as varied as those produced in Britain.

They also had to duplicate the paper. Not only was there an elaborate watermark in the paper, it also had distinctive properties when illuminated with ultraviolet light. There were no overt UV features in white notes (it was not until after the war that UV became an intentional part of note security). But the Germans did not want central bankers to be able to look at their products under UV and easily identify them as bad. The secret to the paper turned out to be the source of the linen used to make it—not raw linen, but used rags (recycled, we now would call them).

The Germans did a bang-up job. They missed a few dates and serial prefixes (placing them on notes signed by the wrong chief cashier), but they spent a lot of Bernhard notes for war materiel in international markets without being challenged. The lower quality products were diverted to lesser-risk outlets, such as paying agents and even dropping a plane-load or two of the worst ones over the UK. A good way to use counterfeits in economic warfare is to damage the target populace's trust in their own notes—introducing known counterfeits into an economy tends to do this.

Can the German notes be distinguished from the British? For years anyone who

thought he might have a bad note could take it to the Bank of England for verification. They would either return it or keep it—but they would not reveal what that decision was based on. Gradually, collectors and dealers have isolated some diagnostics that are usually accurate. Some notes are ambiguous—some show both good and bad features, making it hard to be confident in assigning them to a pile. But by and large, the following descriptions will allow you to separate the sheep from the goats.

First, what is the denomination and signature? Almost all Bernhard notes show Catterns or Peppiatt as chief cashier. There is only one deviation from that—a £10 note with the Mahon signature on the Birmingham branch dated 24 December 1926. If your Mahon £10 note is not that branch and date, you have a plum. Among Catterns notes, only the £10, £20, and £50 notes were produced. All are on London except for a single group of £10 notes on Leeds dated 10 Jan 1933, and showing serial prefix 138/V (which is a German error—the correct prefix for that date is 143/V).

The most common Bernhard notes bear Peppiatt's signature, in denominations £5-£100, mostly on London, but also Bristol, Leeds, Liverpool, and Manchester (all scarce). For data about observed serial prefixes and initial serial digits, go to http://www.britishnotes.co.uk/news_and_info/prefix_sightings/bernhard/index.php, where you can find tables of known Bernhard serial prefixes and leading pairs of digits. The data is spread over several pages, so ascertain your signature and denomination before you start looking at the data.

The earliest diagnostic published for collectors was in the watermark. Across the bottom of the watermark the words BANK OF ENGLAND appear. A curved line comes up to the pediment of the left vertical stroke in the first N of ENGLAND. If that line

touches the center of the pediment, the note is counterfeit (figures 1a and 1b). On most



Figure 1a

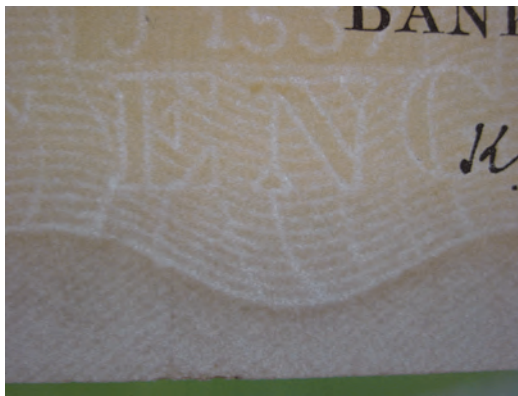


Figure 1b - counterfeit

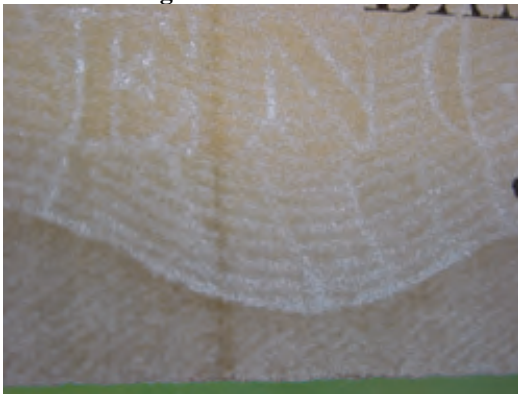


Figure 2

genuine notes that touch is a little offset to the left (fig 2). However, on some counterfeit (and some genuine) notes that line is way out to the left corner of the pediment. Then you have to look at another feature.

At the lower right of the Britannia medallion is a large leafy ornament. In the bottom edge of this leaf is a small nipple-like protrusion. On the counterfeit, the line

defining the right edge of that nipple rejoins the line of the main leaf directly (figures 3a



Figure 3a - counterfeit

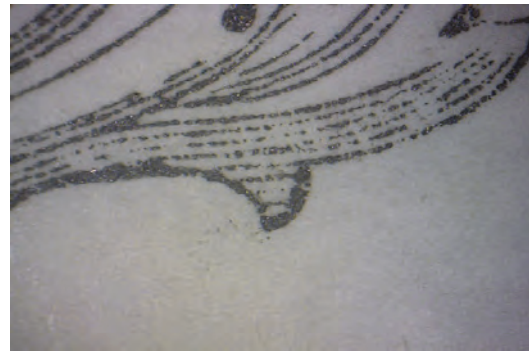


Figure 3b - counterfeit

and 3b). On the genuine note, that line cuts across the edge of the main leaf, not really “joining” it at all (fig 4). This is a pretty

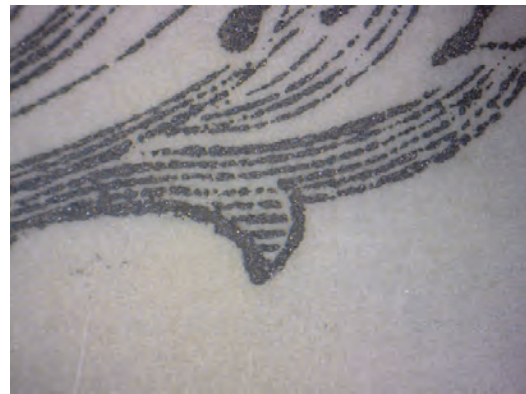


Figure 4 - genuine

reliable diagnostic, but once in a while it really is impossible to determine whether the ascending line “crosses” or “joins” the line of the main leaf.

Yet another place to look is at the lower right edge of Britannia’s gown, to the right

of the spear. The right edge of the gown, on the counterfeit, is a lumpy black mass, with perhaps a notch in it or a spike protruding from it or both (fig 5). On the genuine, it is



Figure 5 - counterfeit

composed of lines and dots, sometimes appearing as a comb with very fine teeth (fig 6). This truly is a 20x diagnostic—the other two can be seen without aid of magnification.



Figure 6 - genuine



Figure 7a

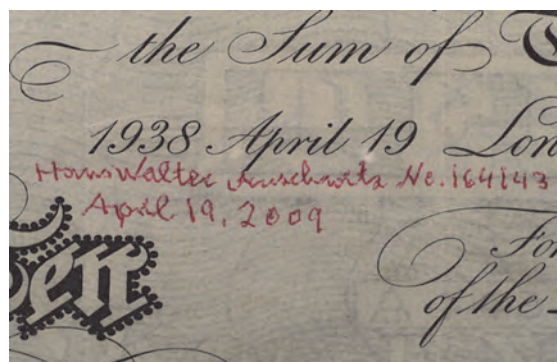


Figure 7b

Fred mentioned Operation Bernhard notes signed by Hans Walter. Figures 7a and 7b show one of those, signed by Mr. Walter at Fest X on 19 April 2009 (71 years to the day after the date of the note).

You should also be aware that there are non-German counterfeits of white notes, with “watermarks” that are printed on their faces (not nearly as deceptive as the German products). Have fun.