

SECRET SERVICE WARNS OF SPURT IN COUNTERFEITING AND FORGERY DURING ELECTION YEARS

By FELIX BELAIR Jr.

Special to The New York Times

WASHINGTON, Jan. 3—The United States Secret Service is looking back on the most hectic 12 months of its 103-year history with these major observations:

¶That unless it receives more manpower and money, counterfeiting and forgery of currency and Government checks and bonds is likely to rise dramatically in Presidential election years as it shifts forces from policing those activities to protecting major political candidates.

¶That the candidates and others the agency is directed by law to protect are only as safe as they want to be because the service cannot force its security techniques on unwilling persons.

Some increase in counterfeiting and forgery is almost inevitable from one year to another, informed sources say, because of the great technological advances in printing, photography and duplicating. Thus, they say, the Secret Service has to run twice as fast to stay where it is.

In the year ended in June, 1967, the Secret Service had 575 agents, more than half of them assigned to the detection, investigation and suppression of counterfeiting and forgery of Government checks and bonds.

\$8.5-Million in Bogus Money

In that 12-month period, its agents conducted 43,000 investigations. They seized \$8.5-million of bogus paper money but were unable to prevent \$1.5-million from being passed to the public. The amount of seizures remained unchanged from the previous year but the amount passed on to the public almost doubled.

In the same fiscal period, the service turned up \$4.5 million. It obtained 3,200 convictions for counterfeiting and forgery, or 97 per cent of the cases brought to trial.

Although precise figures for the last 18 months are not yet available, the increase in counterfeiting over the preceding comparable period is known to be "substantial" despite the addition of new agents to raise the size of the service's force to 615.

The increase in check forgeries is described by the service as "appreciable" and the rise in bond forgeries is acknowledged to be "even greater" than the increase in check cases.

Until the release of official figures on counterfeiting later this month, the extent of it in 1968 can only be estimated. But the amount of counterfeit

money passed to the public increased from about \$900,000 in fiscal year 1966 to \$5-million the following year. Thus, a substantial increase in the last year apparently raised the total passed to the public over the \$1-million mark.

While the amount of counterfeit money passed to the public increased during the year, the increase in the amount of bogus money seized was even greater. This attests to the vigilance of the service since seizures usually take place just before the bills are passed to a distributor.

The investigative techniques of the Secret Service are constantly being refined and improved. But the counterfeiter and forger started with a long lead. Automatic engraving machines, high speed cameras and ultra sensitive lithographic presses have revolutionized the ancient art of counterfeiting and penmanship.

What once required a skilled engraver six months of painstaking effort and many false starts to accomplish can now be done in a few hours. Once the equipment has been acquired, a passable \$10, \$20 or \$50 bill can be processed during a lunch hour with little more effort than pushing a button.

Manufacturers Cooperate

Contrary to the general impression, makers of "queer" are not brought to book by tortuous tracing of bogus bills back to their source or by identifying an engraver by his technical skill. That sort of detection went out years ago.

Usually the service gets a lead through routine periodic checks on suppliers of ink and paper and on the manufacture or distribution of engraving machines or lithographic presses and other equipment used in the business.

Trained agents working in pairs are constantly checking to see that the equipment and supplies went where they were supposed to go. Manufacturers and suppliers are cooperative. When four unknown men recently wanted to pay cash for an engraving machine for delivery to a remote farmhouse, the Secret Service heard about it within the hour.

The theft and forgery of Government checks is more difficult to get at because most of them are stolen a few at a time from apartment house mail boxes. Also, the thief-forger usually identifies himself with a forged driver's license or other spurious credentials.

Since all manner of people work for the Federal Government, the check forger often has someone on the inside working with him. When the Department of Health, Education and Welfare was seriously

considering changing the color of its envelopes containing welfare checks last year, a solid lead developed when two men visited the post office to inquire the date for the change to yellow envelopes.

The color of the envelopes never was changed. Neither has the department adopted another idea of the Secret Service—to cycle the date of issue of its Social Security and other checks so that potential forger-thieves would have to expose themselves more than once to discover when the payment has arrived.

Instead the department is seriously considering a plan advanced by New York's Mayor Lindsay and others that would vastly increase the workload of the service.

About 90 per cent of all welfare payments originate with the Federal Government, but individual check distribution is now a responsibility of the states.

The Lindsay plan, tentatively endorsed by Secretary Wilbur

J. Cohen, would have all welfare checks mailed directly to recipients by the Federal Government. This would more than double the forgery load on the service because the change would make the offense a violation of Federal rather than state law.

How much of the last year's increase in counterfeiting and forgery is attributable to the service's preoccupation with its newly expanded protective function is conjectural. That part of it can be so assigned is beyond question, informed sources say.

Minimum Standards

Part of the increase was predictable from the moment President Johnson directed the service on June 5 to protect all major candidates. Within a few weeks Secret Service Chief James J. Rowley had visited each of them to stress that "protection can be afforded only to the extent that the candidate accepts the advice of the service as to what may be acceptable or unacceptable risks."

Each candidate was drilled in the minimum safety standards necessary for his own protection. The list of unacceptable risks included:

¶Riding in a motorcade over a previously announced route in an open car.

¶Moving into an enclosed area from which there is no path of evacuation that may be kept secure.

¶Moving into a crowd in a no space separates the candidate from the crowd.

¶Attending public functions when the Secret Service has not had an opportunity to coordinate security arrangements.

Newspaper photographs later told the story of how complete-

ly these minimum guidelines were ignored by all candidates at one time or another. President-elect Richard M. Nixon, the Republican candidate, stood with arms outstretched in a slowly moving open car down Chicago's LaSalle Street.

Vice President Humphrey, the Democratic nominee, went one better when he joined spontaneously in a poorly attended parade through Pittsburgh sponsored by a local television station.

The Secret Service has learned to live with such things. But it cannot forget that President Kennedy was killed the day after he banished agents from the jump step to the right and left of the rear bumper of his open car.

public place in such a way that Had the right rear platform been manned at the time, the agent there would have been directly in the path of the assassin's bullet that killed the President.

Barred by Robert Kennedy

Neither can it forget that Senator Robert F. Kennedy refused Secret Service protection. He was killed by an assassin who was allowed to loiter about the corridor by which the Senator planned to leave the ballroom of a Los Angeles hotel. Securing that hall would have been the first order of business for any Secret Service detail.

Conscious of the basic conflict between absolute security and the tradition that the President and candidates for that office expose themselves to the public, the service continues to attempt the impossible.

It refines and perfects its protective procedures while complying with the admonition of the Warren Commission after the assassination of President Kennedy:

"Under our system, measures must be sought to afford security without impeding the President's performance of his many functions. The protection of the President must be thorough but inconspicuous to avoid even the suggestion of a garrison state. The rights of private individuals must not be infringed.

"The degree of security that can be afforded the President of the United States is dependent to a considerable extent upon the degree of contact with the general public desired by the President. Absolute security is neither practical nor possible."