



“Canceling” Coins Inside The Mint

Editor’s Note: *The Numismatic Guaranty Corporation of America (NGC) received some “waffle canceled” coins for certification. It was at this point that the author, David J. Camire, NGC consultant Mint Error Specialist, became involved. Camire had just visited the Mint and had first-hand knowledge of the process. He examined the coins and was able to give COINage detailed information about how these unique items came to exist.*

by David J. Camire

For many years, United States mints (of which there are currently four in operation) had problems disposing of “mint-made” metal scrap. Non-conforming metallic items, including defective coins and coin blanks, imposed a great burden on the Mint in terms of both manpower and cost.

Since any piece of metal originating from the U.S. Mint had to be treated as a security concern, overseeing the proper disposal of such material fell into the lap of the Mint Police. For the most part, these items consisted of either coining material (blanks, planchets, strips, webbing, etc.) or coins (non-conforming pieces, floor sweeps, manufacturing errors, etc.).

Until 2004, these items were stored up at each mint. Then, periodically, they would have to be loaded and shipped out to designated recyclers.

All of the loading and unloading had to be done under the watchful eyes of the Mint Police. They were there to ensure that every last bit of metal was accounted for, from when it left the mint until it was tossed into the melting pot.

Although this was great for national security, it was a burden on the Mint Police (in terms of manpower) and on taxpayers (imposing an additional financial cost).

Four years ago, around the turn of the century, Bill Daddio, head of the Mint Police, was attending a conference with officials of European mints when the solution suddenly presented itself.

Brad Cooper, the U.S. Mint’s associate director for production, walked into the meeting and questioned Bill, with the other members present, about a handful of “canceled” coins he had in his possession—and that discussion made the Americans aware of new equipment that was helping their European counterparts deal with a very similar problem.

Europe’s money—including its coinage—was about to undergo one of the most dramatic changes in history. Europe would soon begin using a standard currency, the “euro.” But European mints faced a challenge beyond the change itself: what to do with all of the coins that would soon be removed from circulation. There are very few smelters in Europe due to the strict environmental regulations there.

The solution: Cancel the coins in a manner similar to that already in place for currency—but instead of shredding them, crush them. Mutilating the coins would solve the security issue, and it could be done very economically.

Enter the coin destruction machine. By squeezing the coins between two rollers (like those in the novelty machines used to make “elongated” coins), coins and blanks could be defaced and then stored within the mints. Transporting these “defaced”

items to recyclers would no longer necessitate armed security.

The source of coin destruction machines is Kusters Engineering of Venlo, The Netherlands, which bills itself as “The world’s leading engineer and manufacturer of custom-designed currency disintegration systems, both for banknotes and coins.” Although Kusters dates back almost a century, the innovation of coin destruction dates back only eight years, when these machines were first put into use on Dutch 5-guilder coins.

Says Kusters:

“In circumstances of misproduction and overproduction but also of monetary reforms such as the changeover into the euro in 2002, coins have to be demonetized. For this reason, the patented coin crusher system (CCS) has been manufactured and introduced by Kusters Engineering.

“In order to meet the conditions of cost-effectiveness and durability, Kusters successfully developed a highly sophisticated system. The [patented] CCS technology is capable of invalidating large amounts of coins and simultaneously guarantees a high level of deformation, regardless of diameter, thickness, weight or alloy.”

Recognizing this as the answer to its prayers, the U.S. Mint purchased two of the machines—one for use at the Philadelphia Mint and one for Denver.

The coin destruction machine used in Philadelphia is a custom model CD200 manufactured by Kusters. Like most modern mint machinery, the machine is set up within a sound-reducing enclosure. This enclosure (or “cabin”) helps ensure safe, secure operation.