STM JOURNALS

Current Trends in
Signal Processing

https://journals.stmjournals.com/ctsp

ISSN: 2277-6176 (Online)
ISSN: 2321-4252 (Print)
Volume 14, Issue 2, 2024
May—August
DOI (Journal): 10.37591/CTSP

Review CTSP

Countering Counterfeiting: Global Challenges and Technological Advances

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Abstract

Fake notes are a global issue. Indian is only one among several. Anyone may now print counterfeit notes thanks to advancements in technology. These notes are created without the state's legal sanction, and the ongoing production of such notes could hurt a country's economy. When counterfeit notes are created and distributed, ordinary people cannot identify the difference between real and phony money since they are identifiable by their physical qualities. The most serious issue confronting many countries, including India, is the identification of counterfeit money. Even with automatic machines in banks and other major organizations meant to discern between counterfeit currency notes, ordinary people struggle to do so. Edge detection, feature extraction, image segmentation, acquisition, grayscale conversion, and image comparison are some of the phases in the identification process.

Keywords: Machine learning, CNN, image processing, feature extraction, detect currency, image extraction

INTRODUCTION

Currency money counterfeiting is a serious problem that many nations worldwide are facing. The fraudulent notes of currency in issue affect India's economy, financial institutions, and industries. Manually spotting counterfeit money can be challenging, especially as counterfeiters become more adept at making fake notes. This problem can be efficiently addressed by utilizing image processing techniques that automate the counterfeit identification process. These technologies enable the development of algorithms capable of evaluating the visual properties of money notes and distinguishing between genuine and counterfeit ones. The goal of this project is to defend the economy's integrity and ensure the security of financial transactions by identifying counterfeit Indian rupee notes with image processing techniques.

The idea for this project begins with the need to protect the economy and society from the negative impacts of counterfeit currency. Counterfeit notes can cause financial losses to people, corporations, and financial organizations. Developing a reliable and accurate system to detect false Indian currency helps maintain faith in the financial system, ensure secure transactions, and prevent unlawful activity related to counterfeit currency. Our goal is to develop a real-time, accurate, and efficient system for processing currency notes. This will help prevent financial fraud and other acts related to counterfeit currency. Enhancing financial security and lowering economic risks related to the circulation of counterfeit Indian currency can be achieved through the application of image processing techniques for the detection of counterfeit currency. Businesses and financial institutions can create reliable systems that can

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Received Date: May 27, 2024
Accepted Date: July 19, 2024
Published Date: July 30, 2024

Citation: Liman Harshada, Shikalgar Arbaj, Chavan Aditya, Navnath S. Govekar. Countering Counterfeiting: Global Challenges and Technological Advances. Current Trends in Signal Processing. 2024; 14(2): 28–33p.

detect fake currency notes with accuracy by utilizing advances in computer vision and machine learning. This will protect the economy and public confidence [1–3].

Producing fake currency without authorization from the government is forbidden and regarded as a severe transgression. As color printing technology advances, the production of counterfeit banknotes has expanded substantially. Even though money notes were traditionally solely created by print houses, anyone may today produce precise money notes using a cheap laser printer. As a result, the number of counterfeit notes has surged dramatically. It is the most urgent problem that many nations, including India, are confronting.

Although banks and other large organizations have automated equipment to detect counterfeit currency, people may find it difficult to discern between the two sorts of notes.

LITERATURESURVEY

In 2022, S. M. Asha Banu et al. [4] have researched in this study that they used MATLAB image processing to detect counterfeit money notes. The goal of this project is to provide the most effective strategies for segmenting and gathering images. CANNY's technique significantly increases the efficiency with which features are extracted from notes. Image processing techniques are used to extract alternative solutions. The technique utilized here is effective with the newly minted 500 and 2000 denominations.

In 2021, Shamika Desai et al. [5] have researched whether paper currency is cost-effective because its face value exceeds its inherent value in the current environment. Furthermore, paper money is more convenient to transfer, more durable, and safer to keep. It can be readily tallied. These are the primary reasons why it is vital to identify counterfeit money. Human vision is incapable of detecting counterfeit money, so identifying fake currency notes has become a serious difficulty as counterfeiters improve their tactics. The current methods for authenticating the veracity of the notes are complicated hardware-based procedures that are not open to the public.

In 2021, Aman Bhatia et al. [6] have explained that there are various basic methods for identifying counterfeit money, which are typically based on the needed colors, widths, and serial numbers. Various machine learning algorithms are proposed by image processing in the advanced age of computer science and high computing approaches that provide 99.9% accuracy for the identification of counterfeit banknotes. Color, form, paper width, and image filtering on the note are some of the detection and recognition methods used by the algorithms. This paper presents an image processing and K-Nearest Neighbors-based technique for detecting counterfeit money.

In 2021, Rencita Maria Colaco et al. [7] have researched that as the color printing technology progresses, the production and spread of counterfeit notes accelerate. This is a major issue that nearly every country faces. It has an economic impact since it jeopardizes the stability of the real economy. These counterfeit currencies are used to fund heinous activities, most notably terrorist attacks. According to the data, this has had a substantial negative influence on developing countries like India. This is because counterfeiters use extremely modern technology, making it difficult to locate counterfeit money. This has grown into a huge problem, and the repercussions of counterfeit money are growing more serious.

In 2019, Md. Ferdousur Rahman Sarker et al. [8] have researched that the proposed approach uses image processing algorithms to help those who are blind or visually handicapped recognize banknotes with ease. Blind embossing or blind dots on Bangladesh's new banknotes may make it easier for hands-on witnesses to determine the bill's worth. Because embossing wears off over time, utilizing image processing techniques to accurately discern the value of a banknote can be problematic. When rudimentary image processing technology is used directly on banknotes, especially in Bangladesh, they all appear similar.

PROBLEM STATEMENT

- The aim is to develop an accurate and dependable method for separating real banknotes from fakes. Security features can be identified by sophisticated technology and algorithms, which also stop the transmission of fake money.

OBJECTIVE

Convolutional Neural Networks (CNNs), which are particularly skilled at picture recognition, are used to identify counterfeit money with accuracy. CNNs excel in learning intricate features and patterns crucial for distinguishing real currency from counterfeit variants. By training on a diverse dataset that includes both authentic and fraudulent currency images, CNN can discern subtle differences that are challenging for human inspection alone. The primary objective is to achieve high detection accuracy, thereby mitigating the risk associated with accepting counterfeit money in various financial transactions and settings. This strategy not only strengthens security protocols but also bolsters attempts to successfully tackle financial fraud.

WORKING METHODOLOGY

Basically, what happens is that CNN is trained using a dataset that includes pictures of real and fake banknotes. CNN learns to recognize important patterns, textures, and color differences that differentiate authentic cash from fake copies through this training. The trained CNN can accurately classify new banknote photos as either legitimate or phony by utilizing these learned attributes. This method creates a strong and dependable system for accurately identifying counterfeit banknotes by combining sophisticated deep learning concepts with in-depth image analysis.

ALGORITHM

CNN, which stands for Convolutional Neural Network, is a powerful deep learning architecture widely employed for tasks like image classification and recognition. In the context of detecting counterfeit currency, CNNs undergo a structured process:

1. *Input preparation:* First, preprocessing is applied to the input images of currency notes to guarantee consistency and CNN model compatibility. This involves tasks such as resizing to a standard dimension, normalization of pixel values to a consistent scale, and possibly other transformations to enhance the quality and consistency of the input data.
2. *Convolution layers:* Multiple convolutional layers that act as feature extractors are what define CNNs. These layers employ filters that convolve across the input images, detecting various patterns and features at different scales. Each filter captures specific characteristics such as edges, textures, or shapes crucial for distinguishing genuine from counterfeit currency [9, 10].
3. *Pooling layers:* Pooling layers are usually included after convolutional layers to decrease the feature maps' spatial dimensions while keeping crucial information. This process aids in reducing computational complexity and extracting robust features by aggregating the most significant features detected by the preceding convolution layers.
4. *Fully connected layers:* Fully connected layers receive the vectorized output from the convolutional and pooling layers after it has been flattened. These layers learn complex relationships among the extracted features and make predictions based on these learned relationships. They play a pivotal role in interpreting and classifying the intricate patterns that differentiate genuine banknotes from counterfeit ones.
5. *Output layer:* The output layer, which is the last layer of the CNN, produces the classification results. For a counterfeit currency detection system, this layer typically consists of two neurons: one for predicting genuine currency and another for predicting counterfeit currency. The output is interpreted based on the neuron with the highest activation, providing a reliable determination of whether the input banknote image is genuine or counterfeit.

SYSTEM ARCHITECTURE

Dataset Collection

The first step in building a reliable counterfeit detection system is to collect a diverse dataset of real and fraudulent cash images. This dataset should include various denominations and types of currency,

both legitimate and counterfeit. When training a robust model, the dataset's quality and diversity are critical factors.

Preprocessing

Once the dataset is assembled, preprocessing is essential to standardize the images for effective training.

- *Resizing:* Ensure all images are resized to a consistent dimension, such as 224 × 224 pixels, which is common for CNNs.
- *Normalization:* To facilitate quicker convergence during training, normalize pixel values to a conventional range (such as [0, 1] or [−1, 1]).
- *Augmentation:* Optionally, apply data augmentation techniques like rotation, flipping, or brightness adjustments to increase dataset variability and improve generalization.

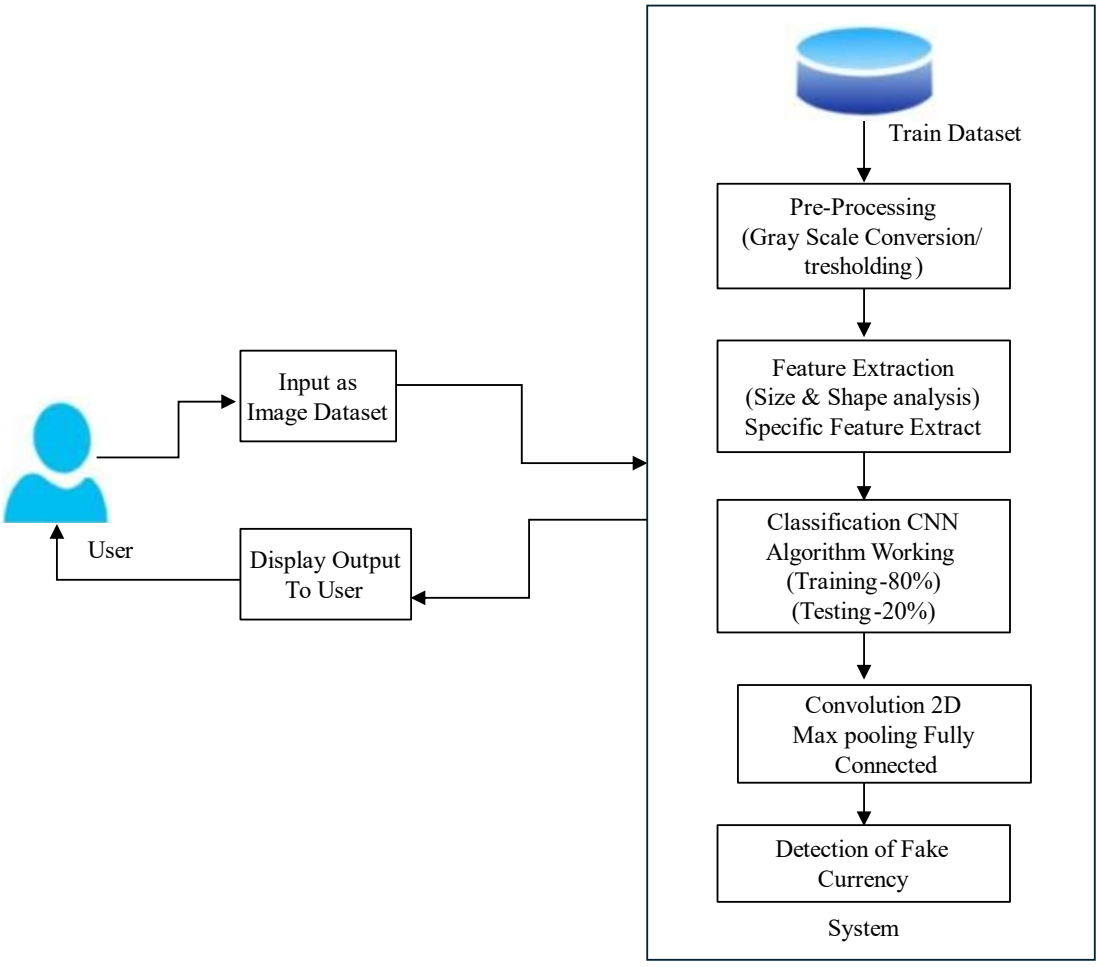

Figure 1. System Architecture.

Model Architecture

Convolutional, pooling, and fully connected layer structure are necessary for creating a successful CNN architecture, as shown in Figure 1:

- *Convolutional layers:* These layers extract relevant features from input images through filters that detect patterns like edges and textures.
- *Pooling layers:* To strengthen the model's resistance to changes in the input images, reduce the spatial dimensions of the feature maps while maintaining pertinent information.
- *Fully connected layers:* To create the final classifications, process the features that were extracted. Dropout and other regularization strategies can stop overfitting.

Training

Separate the training and validation sets from the preprocessed dataset:

- The CNN model is trained using the training set.
- *Validation set:* This set is used to assess how well the model performed during training and modify hyperparameters as necessary.

During Training

- *Loss function:* Use a loss function, like binary cross-entropy, that is appropriate for binary classification jobs.
- *Optimization:* Use optimization techniques such as Adam or RMSprop to iteratively update the model weights and minimize the loss function.

Testing and Deployment

After training the model:

- *Testing:* Assess the model's accuracy, precision, recall, and other pertinent metrics using a different test set.
- *Deployment:* Once validated, deploy the model to classify new currency images as either real or counterfeit.

CONCLUSION

Detecting counterfeit Indian currency with image processing is an important step toward protecting the economy and financial activity. We can detect counterfeit money notes with high accuracy according to advanced algorithms and machine learning models. This protects the integrity of the financial system while also protecting businesses and individuals from financial losses caused by counterfeit notes. Collaboration between researchers, financial institutions, and law enforcement can improve the effectiveness of counterfeit detection system.

The Automatic Indian New Fake Cash Detection System enhances financial security while combating counterfeit cash dangers. The system employs innovative technologies like machine learning and image processing to detect counterfeit features more efficiently and precisely, lowering the risks of manual inspection.

FUTURESCOPE

Machine learning advancements can help the Automatic Indian New Fake Currency Detection system perform better. Continuous research and development can provide sophisticated models capable of detecting subtle counterfeit patterns, hence increasing overall accuracy.

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