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HANDLING OF COUNTERFEIT CASES  
FEB. - JULY 1945

FILE CLOSED 13 July 1945

*File 4185*

HEADQUARTERS ALLIED COMMISSION  
APO 394  
LEGAL SUB-COMMISSION

*SA*

AC/4083/1/L.

JAG/ra.  
13 July 1945.SUBJECT : Case of GIUSEPPE Valerio et al.  
and TIBALDO Antonio et al.TO : Commissioner, (attn. Legal officer),  
APO NAPLES Zone.

1. Reference your letter L-3020 of 6 July 45.
2. It is confirmed, as stated in Para 1 of our letter 4083/1/L of 27 June 45, subject GIUSEPPE Valerio and others, that "the forged notes forming the exhibits in the case have been handed over to Public Safety Sub-Commission for destruction".
3. Herewith please find an authentic statement showing destruction of the "102 1000 Lire notes", in the case of TIBALDO Giuseppe et al. Hereafter, all forged currency exhibits will be destroyed and an authentic statement annexed to the case record, unless circumstances require that the particular exhibits should be treated differently.

By command of Rear Admiral STONE:

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*Jaw*  
JOHN A. WERBA,  
Colonel, Infantry,  
Chief Judicial Officer,  
for Chief Legal Advisor.



HEADQUARTERS ALLIED COMMISSION  
APO 394  
ITALY SUB-COMMISSION

AC/4185/L.

14 July 1945.

SUBJECT : Counterfeit currency.

TO : Regional Commissioner (Attn: Regional Legal Officer),  
IGLIAROLA Region.

1. Reference your LSC/5002 of 11 July 1945 any charge before an AMG Court in respect of an offence committed before occupation must be based on Italian law. It cannot be framed under the Proclamations.

2. Forgers who forged before occupation can, by virtue of Procl. I Art. VII, prosecuted under Italian law by an AMG Court, even though they committed no offence during the period of occupation. The charge in this case should be laid under Art. 453 of the Italian Penal Code in connection with Art. 455 thereof, since strictly Art. 453 is confined to coins, while Art. 455 includes banknotes.

3. I confirm that counterfeit of normal Italian currency, Bank of England and United States currency cannot be charged under the Proclamations. No distinction need be drawn between pre- and post- occupation activities.

4. Assegni circolari are not legal tender. A charge in respect of these notes can only be based on Art. 455 of the Italian Penal Code.

5. I am not sure that I fully understand your paragraph 4. As you know the punishments for Proclamation offences are not limited to those prescribed for similar Italian offences, and there is no objection to consecutive sentences for two different offences. On the other hand the Italian code is frequently a useful guide in such matters. Moreover the provisions of Art. 81 of the Code should suffice for your purposes in all cases except perhaps when dealing with "assegni circolari."

By command of Rear Admiral STONE:

W. H. BROWN,  
Colonel,  
Chief Legal Advisor.

HEADQUARTERS  
ALLIED MILITARY GOVERNMENT  
LOMBARDIA REGION  
APO 394  
Legal Division

Ref.: LEG/5002

11 July 1945

SUBJECT : Counterfeit currency.

TO : HQ. Allied Commission  
(Legal Sub-Commission)

1. A preliminary report has been received at this H.Q. of the arrest in Milan of a gang of forgers, who are alleged to have printed and issued counterfeit notes in very large quantities. The productions of the gang are stated to have included in addition to AMG Lira notes and U.S. yellow seal bills, ordinary Italian currency notes, assegni circolari, Bank of England notes and U.S. currency other than yellow seal.

2. While a full report on the facts is awaited, it is considered that the case should be brought to trial as soon as possible before a General Court. With this object in view, your advice on the following preliminary points would be appreciated.

3. (a) If it is shown that the work of counterfeiting AMG Lira notes and U.S. yellow seal bills was completed prior to and in preparation for the occupation of the northern territory, can a charge of "counterfeiting" be sustained under Proc. No. 1, Art. IV, para 22, or must the charge be limited to "having in possession"? The answer to this question is material, since it is believed that the actual forgers had already parted with the notes prior to occupation. 7

(b) If the answer to (a) is that a charge of counterfeiting will not lie under the Proclamation in the

/circumstances

- 2 -

*in case Court  
458(-3)*

circumstances stated, can a charge be sustained against the actual counterfeiters under Art. 453 of the Italian Penal Code, on the ground that the currency they forged, though not legal tender in the north, was legal tender in the south of the State at the time when the offence was committed ?

(c) It would appear that in respect of normal Italian currency, Bank of England notes and U.S. non-yellow seal currency, the charges would have to be laid under Art. 453 C.P., as none of these notes have been "made legal tender by the Allied Military Government". Please confirm and advise whether under that Article any distinction need be drawn between counterfeiting done before and after occupation.

*no: forged  
75521  
485*

(d) Are "assegni circolari" such as are now in common use in the north regarded as "monete nazionali aventi corso legale nello Stato" within the meaning of Art? 453 (1) of the Italian Penal Code ?

4. In the event that charges are brought and convictions obtained against the same person both under Proclamation No. 1 and under Art. 453 C.P. in respect of different types of forgeries produced by him, is there any reason why consecutive sentences should not be imposed or is it considered that in a case of this type, the Court should regard itself as being in practice restricted to the penalties provided by the Italian Penal Code ?

For the Regional Commissioner :

LEGAL SUB-COMMISSION	
CLO	
DELO	
Chief Counsel	
vb	
Italian Section	
CLERKS	

*H.M. Dickie*  
H.M. DICKIE  
W/CDR. RAF  
Regional Legal Officer

1 JUL 1945



- 2 -

*in comm. ind. 458(-3)*

circumstances stated, can a charge be sustained against the actual counterfeiters under Art. 453 of the Italian Penal Code, on the ground that the currency they forged, though not legal tender in the north, was legal tender in the south of the State at the time when the offence was committed ?

(c) It would appear that in respect of normal Italian currency, Bank of England notes and U.S. non-yellow seal currency, the charges would have to be laid under Art. 453 C.P., as none of these notes have been "made legal tender by the Allied Military Government". Please confirm and advise whether under that Article any distinction need be drawn between counterfeiting done before and after occupation.

*no: forged  
Art. 453  
482*

(d) Are "assegni circolari" such as are now in common use in the north regarded as "monete nazionali aventi corso legale nello Stato" within the meaning of Art. 453 (1) of the Italian Penal Code ?

4. In the event that charges are brought and convictions obtained against the same person both under Proclamation No. 1 and under Art. 453 C.P. in respect of different types of forgeries produced by him, is there any reason why consecutive sentences should not be imposed or is it considered that in a case of this type, the Court should regard itself as being in practice restricted to the penalties provided by the Italian Penal Code ?

For the Regional Commissioner :

LEGAL SUBCOMMISSION	
CLO	
DELO	
Chief Counsel	
CLO	
Adm. Section	
CLERKS	

*H.M. Dickie*  
H.M. DICKIE  
W/CDR. RAF  
Regional Legal Officer

1 JUL 1945



LEGAL 51 (5A)

ALLIED FORCE HEADQUARTERS  
G-5 Section  
APO 512

HYA/seb

7 May 1945

SUBJECT: Forgery of Allied Military Lira Notes.  
TO : Headquarters, Allied Commission  
APO 394.

Reference your AC/4185/L dated 29 March.

Your letter was circulated to the interested Sections at this Headquarters, all of which agreed that it would be most undesirable for British and American police to withdraw the assistance that they are at present giving in investigation of cases of forgery of Allied Military lira, but that there is no objection to trial of offenders by Italian courts provided that cases are tried promptly and adequate punishment is inflicted.

For the Assistant Chief of Staff, G-5:

*H. Y. Anderson*  
H. Y. ANDERSON  
Lt. Colonel, R.A.

Copies to: G-1(A)  
G-1(B)  
JAG (MTOUSA)  
FM(Br)  
FMG(A)

LEGAL SUB COMMISSION	
CLIO	
CLIO	
Chief Counsel	
CLIO	
Italian Section	
CL RKS	
11 May 45	

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HEADQUARTERS ALLIED COMMISSION  
APO 394  
LEGAL SUB-COMMISSION

4A

AC/1185/L.

/rlp.  
5 April 1945.

SUBJECT : Case of CARUSO Eliseo - Counterfeiting.  
TO : RAAC.

1. It is regretted that it will not be possible for an Allied Military Court to be convened for the trial of CARUSO Eliseo or the other persons referred to in your 77A of 31 Mar 45.
2. Allied Military Courts can only be convened in Italian Government Territory in very exceptional circumstances and when the offence complained of is directed specifically against the Allied Forces or members thereof.
3. Information concerning this case had been received by this Commission before 29 March and on that date a letter was written to AFHQ which sets out the views of this Commission. A copy of this letter is attached for your information.
4. In the circumstances, will you please arrange for the accused, together with all necessary evidence, to be handed over to the Italian Courts for trial.
5. The documents are returned herewith.

By command of Rear Admiral STONE,

W. B. BARRETT,  
Colonel,  
Deputy Chief Legal Advisor.

Incls: Documents.

4129/6

3A

HQ RCT AREA ALLIED COMMAND  
APO No 794 US ARMY.

16

Ref: 77A.

31 Mar 45.

SUBJECT:- Counterfeiting and Uttering of  
Allied Military Currency at ROME.

Legal

Public Safety Sub-Commission,  
HQ, ALLIED COMMISSION, ROME.

1. The attached file is forwarded in duplicate for information and necessary action.
2. The nine Italian nationals are at present detained in REGINA CECILIA Prison, ROME, at the disposition of the Allies.
3. It is requested that arrangements be made for these persons to be brought to trial before an Allied Military Court as soon as possible.

*A.B. Loudon*

A.B. LOUDON,  
Major,  
for Brigadier,  
Commander British Troops ROME.

BNM/BN.

Encls.

LEGAL SUB-COMMISSION	
CLO	
DCLO	
Chief Counsel	
CJO	
Italian Section	
CLERKS	



TO	INT	DATE
DIRECTOR		
DEPT. OF DEFENSE		
EXT. OFFICE		
POWERS		
EC 5 DIV.		
PRISON		
ADM. OFFICE		
SECURITY		
CHIEF CLERK		



HEADQUARTERS ALLIED COMMISSION  
APO 394  
CIVIL AFFAIRS SECTION

2A

AC/4185/L.

29 Apr 45.

SUBJECT : Forgery of A. M. Lire.

TO : A.F.H.C., G-5 Section.

1. The attention of this Commission has recently been drawn to the fact that five persons are now and have for some considerable time been held in custody in Rome in connection with the counterfeiting of A. M. Lire. It is understood that investigations into the case have been and are being made by Allied investigating agencies, that they have assumed complete control over the proceedings and that they are proposing to request trial before an Allied Military Court of the persons charged.


2. The names of the persons involved are :-

CARUSO Eliseo  
NONNI Alfonso  
CONSALONI Livio  
FIANELLA Andrea  
CUTONI Andrea

3. You are of course aware that A. M. lire are an Italian currency and that any public loss involved in the counterfeiting of such currency will fall on the Italian Government rather than upon the Allies. It is the opinion of this Commission that in these circumstances there is no good reason for trial by an Allied Military Court, as it is considered that the Italian Courts are fully equipped and disposed to handle such cases.

4. Moreover it is not understood why Allied investigating agencies should be concerned in the investigation of offences, or the arrest of offenders, where no security interest is involved and where the acts complained occurred entirely in Italian Government territory. It is suggested that instructions should be issued for the future that such cases in Italian Government territory should be entrusted to the Italian authorities, with reference when necessary to this Commission, and that the Allied police agencies should not interfere.

For the Chief Commissioner.

  
G. H. UPTON, Brig.  
VP CA Sec  
Dep CGS AC

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*Ev Hoot*  
 HEADQUARTERS ALLIED COMMISSION  
 AFHQ 334  
 CIVIL AFFAIRS SECTION

1A

AC/4129/L.

WEB/np.

1 February 1945.

SUBJECT : Forgery of AM Lire notes.

TO : AFHQ, G - 5 Section.

1. It is understood that in the course of a telephone conversation (Major Anderson - Lt. Col. Hannaford) you asked to be advised whether it would be possible to establish in Italian Government Territory Allied Military Courts for the trial of persons charged with counterfeiting Allied lire currency and similar offences.

2. Under Italian law currency offences of this nature are severely penalized and in fact the Italian Courts always take a very serious view of these offences. Furthermore any counterfeiting or dealing in false currency is far more injurious to the Italian Government than to the Allied war effort. It is to be presumed that if the Allies do ever decide to give credit for genuine AM Lire which have been issued this credit will not be extended to spurious notes.

3. For these reasons it is not considered either necessary or desirable to hold Allied Military Courts for the trial of such cases and in the absence of any special circumstances such trials will not be authorized. Where special circumstances do exist in any particular case and a trial by Allied Military Court is strongly desired the request for such Court should be made in the normal way with all necessary evidence and particulars.

For the Chief Commissioner.

*G. R. Upjohn*  
 G. R. UPJOHN, Brig.  
 VP CA Sec  
 Dep COS AC

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Copy to : AC/4129/6/L.



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