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DATA SCIENCE

FAKE CURRENCY DETECTION

BY

BHARGAV M
SAI KRISH
ANHALI KRISHNA L
DHANRAJ MANKAR

TO

AKASH MAURYA

ABSTRACT

The project 'Fake Currency Detection' aims to develop a robust system leveraging machine learning techniques for the automatic identification of counterfeit banknotes. Counterfeiting poses a significant threat to financial systems worldwide, demanding efficient and accurate detection mechanisms. This initiative involves the creation of a comprehensive dataset comprising genuine and counterfeit currency images, enabling the model to learn distinctive patterns and features.

Utilizing image processing algorithms such as convolutional neural networks (CNNs), the system will extract intricate details and intrinsic characteristics from banknote images. Feature extraction techniques coupled with pattern recognition will enable the model to distinguish minute variations between authentic and forged currencies. Additionally, advanced algorithms will be employed to enhance the model's performance by minimizing false positives and false negatives.

The project's success will yield a reliable and scalable solution for financial institutions and businesses to authenticate banknotes swiftly and accurately, mitigating the economic risks associated with counterfeit currency circulation. This system holds the potential to significantly reduce financial losses, safeguarding the integrity of monetary transactions and reinforcing trust within the financial ecosystem.

CONTENT

Chapter-1

INTRODUCTION

Welcome to our comprehensive project on Fake Currency Detection, a robust system designed to combat counterfeit money. Utilizing advanced machine learning this project aims to accurately identify forged banknotes, safeguarding financial systems and businesses. Through meticulous analysis of key security features like variance, skewness, entropy, and kurtosis.

Our solution ensures reliable and swift detection, contributing to maintaining the integrity of currency circulation. Join us on this innovative journey to safeguard economies against fraudulent activities, fostering trust and security in financial transactions.

1.1 PROBLEM STATEMENT:

The project aims to develop a robust system for detecting counterfeit currency notes using machine learning algorithms. With the prevalence of fake currency circulation, this system becomes crucial for financial institutions and businesses to authenticate cash transactions accurately. The project involves gathering a dataset comprising genuine and counterfeit currency images, extracting meaningful features, and employing classification models like neural networks or support vector machines to differentiate between authentic and forged notes. The system's success relies on its ability to accurately identify intricate patterns and security features unique to genuine currency, while also adapting to newer counterfeit techniques. Ultimately, the project seeks to provide a reliable, automated solution to safeguard against financial fraud and maintain the integrity of currency transactions in the market.

1.2 OBJECTIVES:

1**. Accuracy Improvement:** Enhance the accuracy of currency authentication to minimize false positives and negatives.

2. **Feature Enrichment**: Identify and incorporate additional features or patterns to bolster detection capabilities.

3. **Real-time Detection**: Develop algorithms or models capable of real-time identification of counterfeit currency.

4**. Multi-Currency Support**: Extend detection capabilities to recognize multiple currencies to address global counterfeiting issues.

5. **Robustness Testing:** Conduct rigorous testing under various conditions (different lighting, angles, etc.) to ensure reliability.

6. **Data Augmentation:** Augment the dataset to encompass a wider range of counterfeit instances for better model training.

7**. User-Friendly Interface**: Create an intuitive user interface for easy integration and utilization by stakeholders.

8. **Deployment Optimization**: Optimize the system for deployment across diverse platforms or environments (mobile, desktop, etc.).

1.3 METHEDOLOGY:

1. Data Collection: Gather a diverse dataset containing images of both genuine and fake currency notes across different denominations and currencies.

2. Data Preprocessing: Clean the dataset by resizing images, removing noise, and ensuring uniformity in lighting conditions to create a standardized dataset.

3. Feature Extraction: Use image processing techniques to extract relevant features such as texture, watermark, security thread, and other intricate details from the currency images.

4. Model Selection: Choose appropriate machine learning or deep learning models like Convolutional Neural Networks (CNNs), Support Vector Machines (SVM), or ensemble methods suitable for image classification tasks.

5. Training the Model: Split the dataset into training, validation, and testing sets. Train the selected model using the training data and validate it to optimize its performance using the validation set.

6. Model Evaluation: Evaluate the model's performance using metrics like accuracy, precision, recall, and F1-score on the test dataset to assess its effectiveness in detecting fake currency.

7. Fine-tuning and Optimization: Fine-tune the model by adjusting hyperparameters, trying different architectures, or employing techniques like data augmentation to improve its accuracy and robustness.

8. Validation and Testing: Validate the model's performance on new, unseen data to ensure its generalization and effectiveness in real-world scenarios.

9. Integration and Deployment: Implement the trained model into a user-friendly interface or system that can analyze and classify currency images as genuine or fake in real-time.

Chapter-2

Technology used and Its Characteristics

This chapter brings you the detailed idea of all software that is necessary to build us Project FAKE CURRENCY PREDICTION

2.1 SOFTWARES REQUIRED:

1. JUPYTER NOTEBOOK
2. SUBLIME TEXT
3. STREAMLIT
4. GitHub

2.1.1 JUPYTER NOTEBOOK:

Jupyter Notebook is a popular open-source web application that facilitates interactive computing, combining live code, equations, visualizations, and narrative text all in one comprehensive document. Its characteristics make it an invaluable tool for data exploration, analysis, visualization, and sharing insights. Here are some key characteristics:

1. Interactive Environment: Jupyter offers an interactive environment where users can execute code in a step-by-step manner, making it ideal for prototyping, experimentation, and debugging code snippets.

2. Support for Multiple Languages: It supports various programming languages like Python, R, Julia, and more, allowing users to work with different kernels within the same interface.

3. Rich Text Support: Jupyter enables the creation of documents containing formatted text, mathematical equations (using LaTeX syntax), images, links, and multimedia elements, facilitating comprehensive explanations alongside code.

4. Visualization Capabilities: It integrates seamlessly with libraries like Matplotlib, Seaborn, Plotly, and others, enabling the creation of interactive and publication-quality visualizations directly within the notebook.

5. Code Sharing and Collaboration: Notebooks can be easily shared in various formats, including HTML, PDF, and slideshows, promoting collaboration and presenting findings to stakeholders.

6. Modularity and Reusability: Users can segment code into cells, allowing for modularity and reuse of specific sections or snippets without rerunning the entire code, enhancing efficiency and readability.

7. Data Exploration and Analysis: Its integration with pandas, NumPy, and other data manipulation libraries facilitates data exploration, analysis, and experimentation in a user-friendly environment.

8. Flexible and Extensible: Jupyter's architecture and ecosystem support extensions and plugins, enabling customization and integration with other tools and services.

9. Notebook Magics: Jupyter provides "magic" commands (% or %%), enabling additional functionalities like timing code execution, running shell commands, or profiling code.

10. Educational and Presentational Utility: It serves as an excellent educational tool, allowing students and professionals to create interactive learning materials, tutorials, and presentations.

2.1.2 SUBLIME TEXT:

Sublime Text is a versatile and powerful text editor known for its efficiency, speed, and extensive customization options, catering to various programming languages and workflows. Some key characteristics include:

1. Speed and Performance: Sublime Text is remarkably fast, offering instant loading times and smooth navigation even with large files, making it ideal for handling extensive coding projects without lag.

2. Cross-Platform Support: It's available on multiple operating systems (Windows, macOS, Linux), ensuring a consistent experience across platforms.

3. Minimalistic Interface: The clean and distraction-free interface allows for focused coding. Its simplicity doesn’t compromise functionality, providing an uncluttered workspace.

4. Customizability: Users can personalize Sublime Text extensively, from themes and color schemes to shortcuts and plugins, enhancing productivity and aligning the environment with individual preferences.

5. Powerful Search and Navigation: The "Goto Anything" feature enables quick file switching, function lookup, and line jumping. Additionally, multi-caret editing simplifies simultaneous editing in multiple locations.

6. Command Palette: It offers quick access to various functions and settings, allowing users to execute commands by simply typing, streamlining workflow efficiency.

7. Rich Plugin Ecosystem: Sublime Text supports a wide array of plugins and packages through Package Control, enabling users to extend functionality, add language support, and customize features as per specific needs.

8. Multiple Selections and Editing: Its unique multiple selection feature permits editing multiple lines simultaneously, saving time and effort during code refactoring and repetitive tasks.

9. Auto-Completion and Snippets: Sublime Text offers intelligent auto-completion and snippet support, aiding developers with context-aware suggestions and code templates, speeding up coding while ensuring accuracy.

10. Community and Support: Benefit from an active community, extensive documentation, and online resources providing tips, tutorials, and support, fostering a vibrant ecosystem for users.

These characteristics make Sublime Text a preferred choice for developers seeking a lightweight, highly customizable, and efficient text editor for various programming tasks.

2.1.3 STREAMLIT:

Streamlit is a popular open-source Python library designed for rapid development and deployment of data-centric web applications. Its simplicity and ease of use make it an attractive tool for data scientists and developers aiming to create interactive and intuitive applications without extensive web development knowledge. Some key characteristics of Streamlit include:

1. Simplicity: Streamlit offers a straightforward and intuitive API, allowing developers to create interactive web applications using Python scripts. Its declarative nature simplifies the creation of complex interfaces, making it accessible to users with varying levels of programming expertise.

2. Rapid Prototyping: With its live reloading feature, developers can instantly view changes made to the code, facilitating rapid prototyping and iterative development.

3. Widgets and Customization: Streamlit provides a wide range of widgets (like sliders, buttons, text inputs, etc.) that enable users to interact with data and customize their application's appearance and functionality effortlessly.

4. Integration with Data Science Libraries: It seamlessly integrates with popular data science libraries such as Pandas, Matplotlib, Plotly, and others, allowing for easy data manipulation, visualization, and analysis within the application.

5. Sharing and Deployment: Streamlit applications can be easily deployed on various platforms like Heroku, AWS, or as standalone web apps. Sharing is as simple as sharing a URL, making it convenient for collaboration and showcasing projects.

6. Custom Components and Extensions: It allows developers to create and integrate custom components, enhancing the capabilities of Streamlit by incorporating functionalities beyond its core offerings.

7. Community and Support: Streamlit boasts an active and growing community, offering ample resources, tutorials, and community-contributed components, further enhancing its usability and versatility.

8. Machine Learning Integration: Streamlit's integration with machine learning libraries enables the creation of interactive and user-friendly dashboards for showcasing model predictions, evaluations, and insights.

Overall, Streamlit's user-friendly interface, quick deployment, and integration with popular data science tools make it a compelling choice for building data-driven web applications with minimal effort.

2.1.4 GITHUB

GitHub is a collaborative platform for version control and software development, offering features like code hosting, project management, and collaboration tools. It enables users to store, manage, and track changes to code, facilitating seamless collaboration among developers worldwide. Its key characteristics include Git-based version control, allowing branching and merging, issue tracking for efficient problem-solving, wikis for documentation, and pull requests for code review. GitHub fosters community engagement through its open-source nature, encouraging contribution to public repositories, while also offering privacy settings for private projects, making it a versatile and essential hub for both individual developers and large teams.

Chapter-3

PROPOSED SYSTEM

Here's a proposed system for a "Fake Currency Detection":

Image Acquisition: Implement a system to capture high-resolution images of currency notes from various angles and perspectives using a digital camera or scanner.

Preprocessing: Employ image processing techniques to enhance image quality, normalize lighting conditions, and remove noise or artifacts that might affect the accuracy of the analysis.

Feature Extraction: Extract relevant features from the preprocessed images, such as variance, skewness, entropy, and kurtosis feature unique to genuine currency notes.

The above-mentioned septs are not done in this project, we took a dataset in which the features such as variance, skewness, entropy, and kurtosis are already taken from different currencies, and made it as a dataset.

Machine Learning Model: Develop a machine learning model, trained on a dataset containing both genuine and fake currency images data. Train the model to classify image's data into genuine or counterfeit categories based on the extracted features. In this project we used 'randomforestclassifier' as our model.

Validation and Testing: Validate the trained model using a separate dataset to ensure its accuracy, adjusting parameters or architecture as needed. Perform rigorous testing to evaluate its performance in detecting fake currency notes.

Real-time Detection: Enable real-time detection by implementing the system on a platform capable of processing image's data real-time, ensuring swift and accurate identification of fake currency.

User Interface: Develop a user-friendly interface displaying the detection results, indicating whether the currency note is genuine or suspected to be fake, along with confidence levels or reasons for suspicion. In this project we used streamlit to develop and deploy our user interface

3.1 Block Diagram for Proposed System

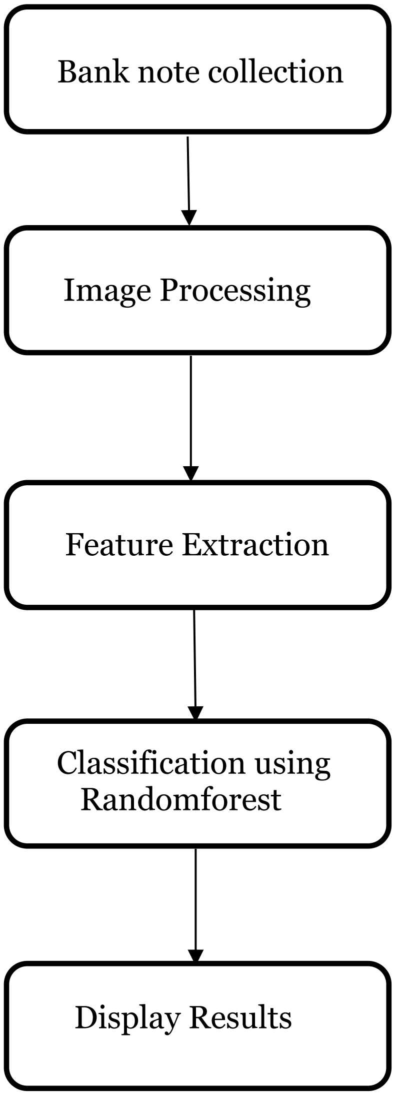


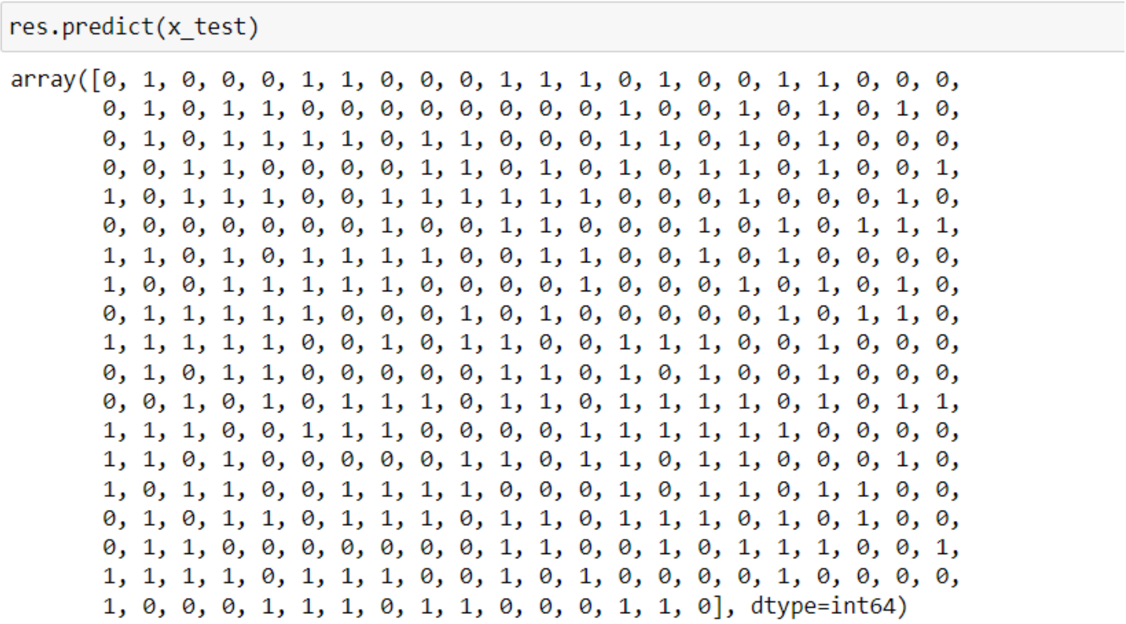
Fig 3.1

Chapter-4

EXPERIMENTAL EVALUATIONS

Here are the images of our FAKE NOTE DETECTION System which gives you clear idea about project.

4.1 Results if test data:



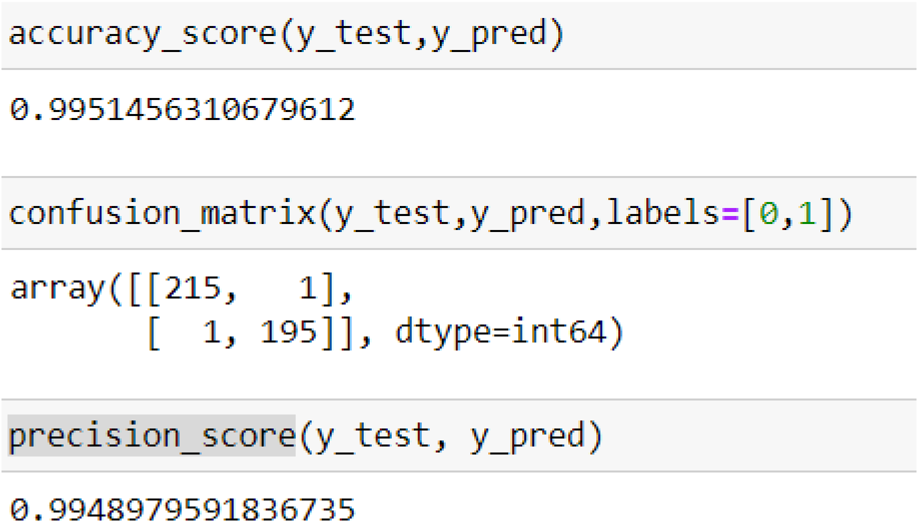
```
res.predict(x_test)
```

```
array([0, 1, 0, 0, 0, 1, 1, 0, 0, 0, 1, 1, 1, 0, 1, 0, 0, 1, 1, 0, 0, 0,
       0, 1, 0, 1, 1, 0, 0, 0, 0, 0, 0, 0, 0, 1, 0, 0, 1, 0, 1, 0, 1, 0,
       0, 1, 0, 1, 1, 1, 1, 0, 1, 1, 0, 0, 0, 1, 1, 0, 1, 0, 1, 0, 0, 0,
       0, 0, 1, 1, 0, 0, 0, 0, 1, 1, 0, 1, 0, 1, 0, 1, 1, 0, 1, 0, 0, 1,
       1, 0, 1, 1, 1, 0, 0, 1, 1, 1, 1, 1, 1, 0, 0, 0, 1, 0, 0, 0, 1, 0,
       0, 0, 0, 0, 0, 0, 0, 1, 0, 0, 1, 1, 0, 0, 0, 1, 0, 1, 0, 1, 1, 1,
       1, 1, 0, 1, 0, 1, 1, 1, 1, 0, 0, 1, 1, 0, 0, 1, 0, 1, 0, 0, 0, 0,
       1, 0, 0, 1, 1, 1, 1, 1, 0, 0, 0, 0, 1, 0, 0, 0, 1, 0, 1, 0, 1, 0,
       0, 1, 1, 1, 1, 1, 0, 0, 0, 1, 0, 1, 0, 0, 0, 0, 0, 1, 0, 1, 1, 0,
       1, 1, 1, 1, 1, 0, 0, 1, 0, 1, 1, 0, 0, 1, 1, 1, 0, 0, 1, 0, 0, 0,
       0, 1, 0, 1, 1, 0, 0, 0, 0, 0, 1, 1, 0, 1, 0, 1, 0, 0, 1, 0, 0, 0,
       0, 0, 1, 0, 1, 0, 1, 1, 1, 0, 1, 1, 0, 1, 1, 1, 1, 0, 1, 0, 1, 1,
       1, 1, 1, 0, 0, 1, 1, 1, 0, 0, 0, 0, 1, 1, 1, 1, 1, 1, 0, 0, 0, 0,
       1, 1, 0, 1, 0, 0, 0, 0, 0, 1, 1, 0, 1, 1, 0, 1, 1, 0, 0, 0, 1, 0,
       1, 0, 1, 1, 0, 0, 1, 1, 1, 1, 0, 0, 0, 1, 0, 1, 1, 0, 1, 1, 0, 0,
       0, 1, 0, 1, 1, 0, 1, 1, 1, 0, 1, 1, 0, 1, 1, 1, 0, 1, 0, 1, 0, 0,
       0, 1, 1, 0, 0, 0, 0, 0, 0, 0, 1, 1, 0, 0, 1, 0, 1, 1, 1, 0, 0, 1,
       1, 1, 1, 1, 0, 1, 1, 1, 0, 0, 1, 0, 1, 0, 0, 0, 0, 1, 0, 0, 0, 0,
       1, 0, 0, 0, 1, 1, 1, 0, 1, 1, 0, 0, 0, 1, 1, 0], dtype=int64)
```

Fig 4.1

The above image represents the result of the test data.

4.2 Accuracy score, Confusion matrix and precision score:



```
accuracy_score(y_test,y_pred)
```

```
0.9951456310679612
```

```
confusion_matrix(y_test,y_pred,labels=[0,1])
```

```
array([[215,   1],
       [  1, 195]], dtype=int64)
```

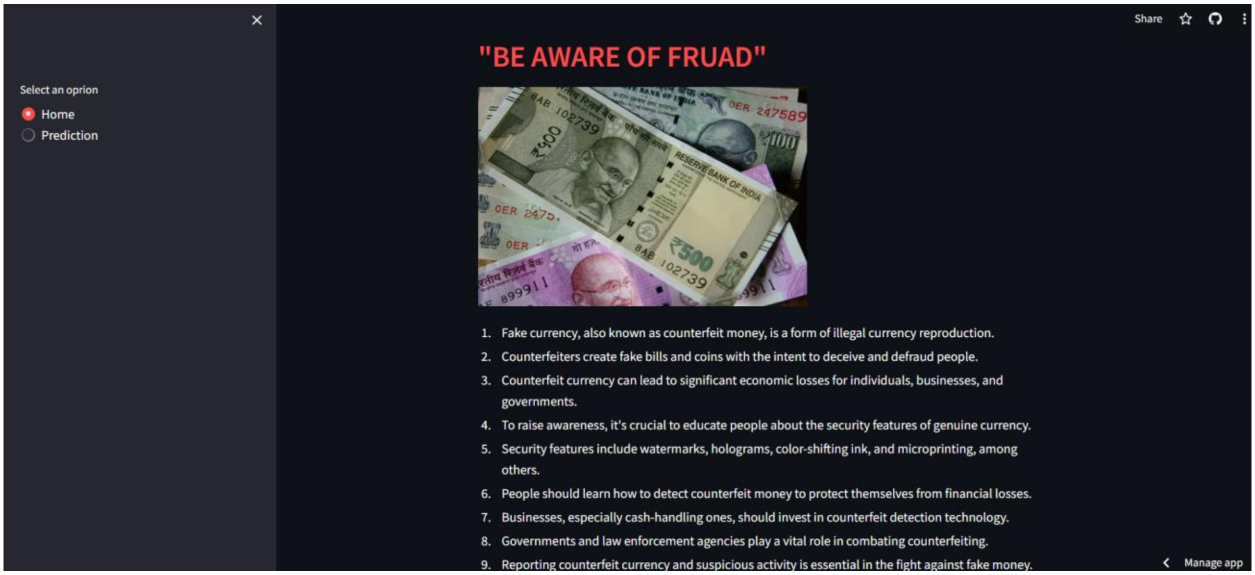
```
precision_score(y_test, y_pred)
```

```
0.9948979591836735
```

Fig 4.2

The above figure Accuracy score, Confusion matrix and precision score of our project
We end with accuracy of 99%

4.3 First page of streamlit App:



Select an oprion

● Home
○ Prediction

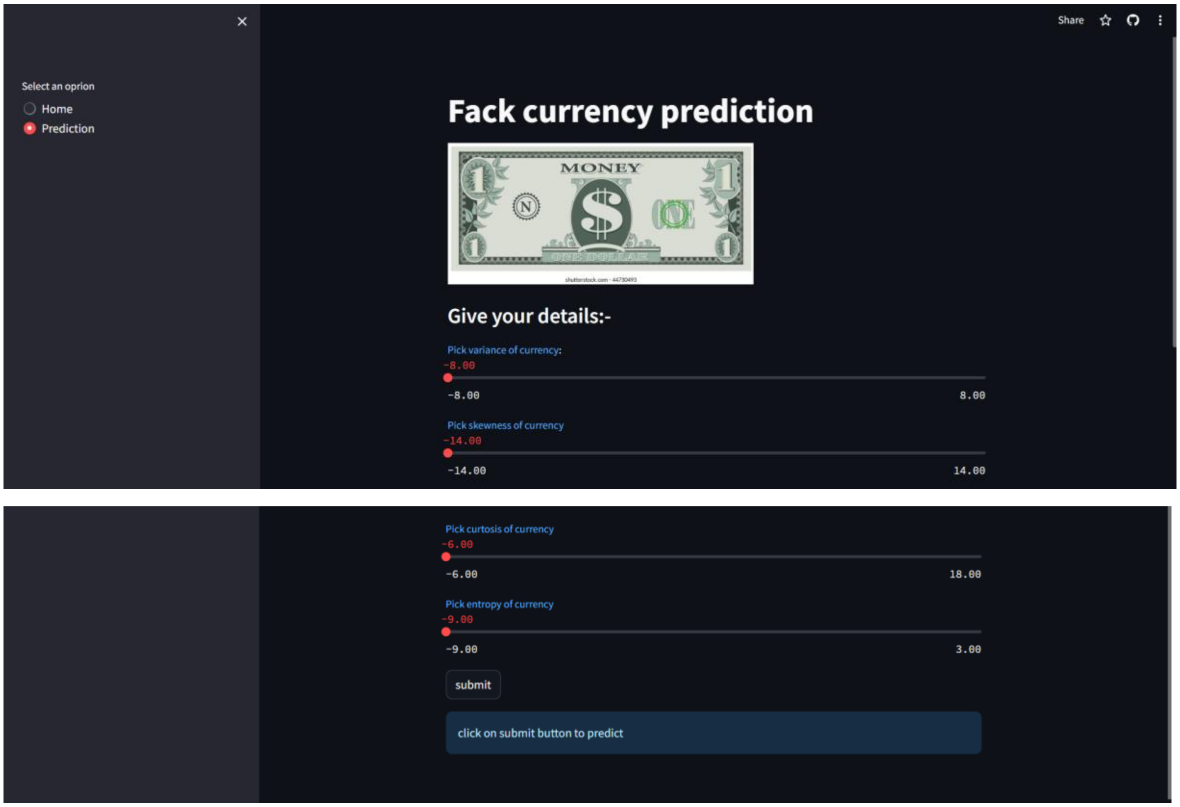
"BE AWARE OF FRUAD"

1. Fake currency, also known as counterfeit money, is a form of illegal currency reproduction.
2. Counterfeiters create fake bills and coins with the intent to deceive and defraud people.
3. Counterfeit currency can lead to significant economic losses for individuals, businesses, and governments.
4. To raise awareness, it's crucial to educate people about the security features of genuine currency.
5. Security features include watermarks, holograms, color-shifting ink, and microprinting, among others.
6. People should learn how to detect counterfeit money to protect themselves from financial losses.
7. Businesses, especially cash-handling ones, should invest in counterfeit detection technology.
8. Governments and law enforcement agencies play a vital role in combating counterfeiting.
9. Reporting counterfeit currency and suspicious activity is essential in the fight against fake money.

Fig 4.3

The above figure represents the First page of our application, which is implemented using streamlit.

4.4 Prediction page of streamlit App:



Select an oprion

○ Home
● Prediction

Fack currency prediction

Give your details:-

Pick variance of currency: -8.00 (-8.00 to 8.00)

Pick skewness of currency -14.00 (-14.00 to 14.00)

Pick curtosis of currency -6.00 (-6.00 to 18.00)

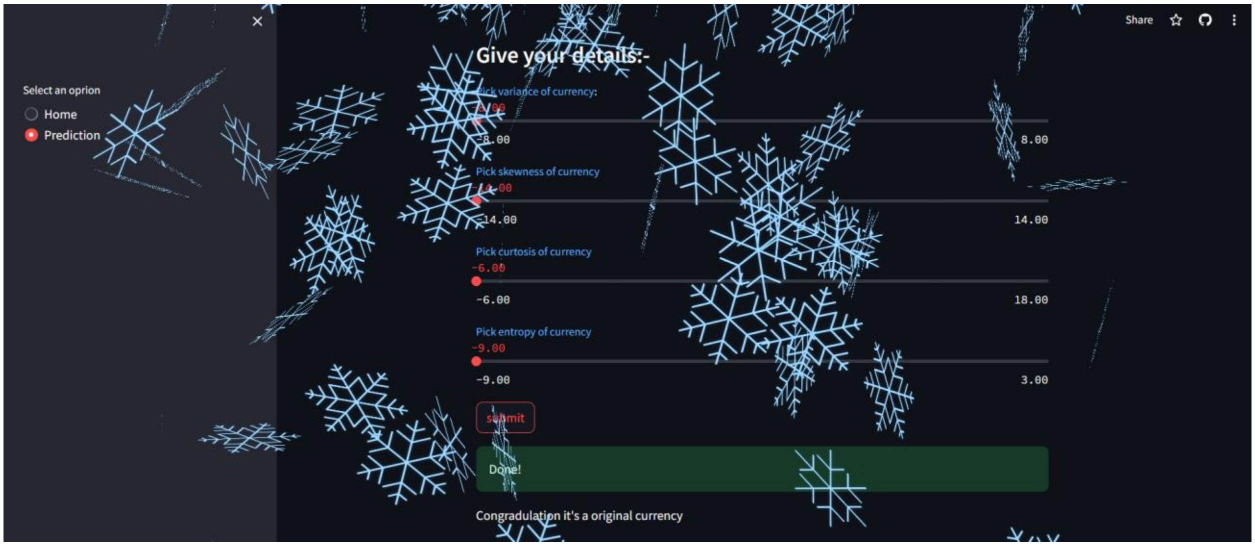
Pick entropy of currency -9.00 (-9.00 to 3.00)

click on submit button to predict

Fig 4.4

The above figure represents the Prediction page of our application, which is implemented using streamlit. By clicking on the submit button our system will predict the results.

4.5 TRUE Prediction:



Give your details:-

Pick variance of currency:
-8.00
-8.00 8.00

Pick skewness of currency
-14.00
-14.00 14.00

Pick curtosis of currency
-6.00
-6.00 18.00

Pick entropy of currency
-9.00
-9.00 3.00

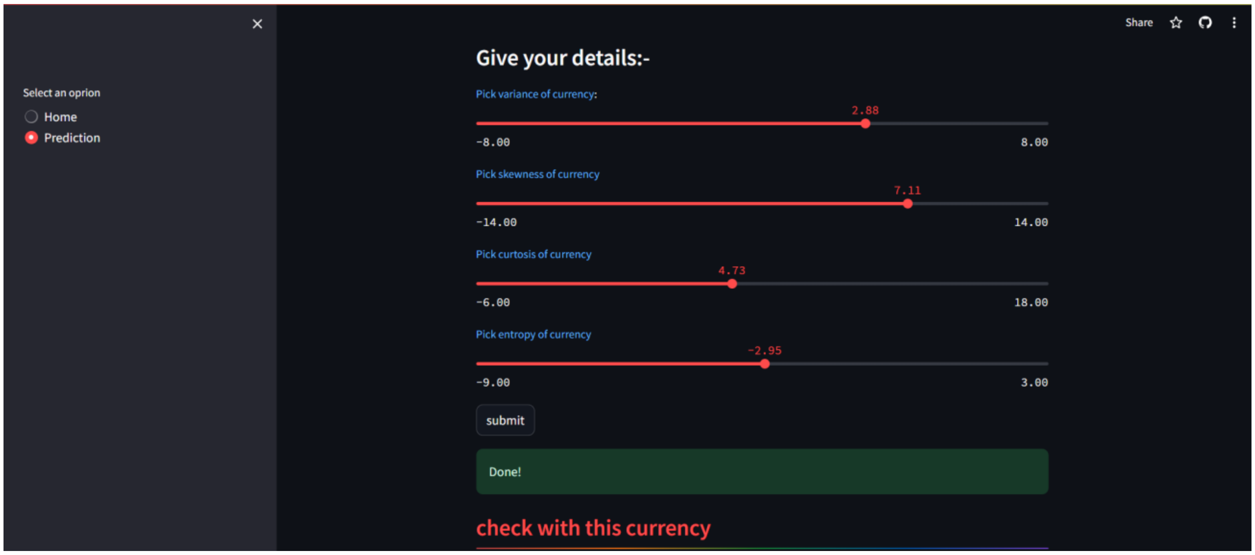
Done!

Congradulation it's a original currency

Fig 4.5

The above figure shows, when it's an original currency.

4.6 FALSE Prediction:



Give your details:-

Pick variance of currency:
2.88
-8.00 8.00

Pick skewness of currency
7.11
-14.00 14.00

Pick curtosis of currency
4.73
-6.00 18.00

Pick entropy of currency
-2.95
-9.00 3.00

Done!

check with this currency

Fig 5.6

The above figure shows when it's a False currency.

Chapter-5

BUSINESS RECOMMENDATION

1. Security Solutions Provider: Position yourself as a provider of security solutions for banks, financial institutions, and retail businesses. Offer them your counterfeit detection technology as a service or a product that integrates seamlessly into their existing systems.

2. Custom Solutions for Financial Institutions: Tailor your solution to the specific needs of banks and financial institutions. Provide customizable software that can be integrated into their ATMs, cash counting machines, or point-of-sale systems.

3. Mobile App for Individuals: Create a user-friendly mobile app that allows individuals and businesses to check the authenticity of currency notes using their smartphones' cameras. Consider subscription-based models or in-app purchases for additional features or enhanced accuracy.

4. Educational and Training Services: Offer workshops, seminars, or online courses to educate bank employees, cashiers, and law enforcement personnel about detecting counterfeit currency. Provide certification programs for individuals seeking expertise in this field.

5. Government Partnerships and Compliance: Collaborate with government agencies responsible for currency issuance and law enforcement to integrate your technology into their operations. Compliance with legal standards and regulations is crucial in this industry.

6. Continuous Innovation and Research: Invest in ongoing research and development to improve your detection technology. Explore new techniques such as blockchain integration for tracking and verifying currency authenticity.

7. Consultation Services: Provide consultation services to businesses on counterfeit prevention strategies, helping them implement best practices and technologies to safeguard against fake currency.

Chapter 6

CONCLUSION

Detecting counterfeit currency is a critical challenge faced by financial institutions, businesses, and individuals worldwide. The proliferation of advanced printing technologies and sophisticated counterfeit methods underscores the need for robust and reliable fake currency detection systems. This project aimed to address this issue by leveraging machine learning techniques to discern authentic currency from counterfeit versions.

The project's foundation lay in assembling a comprehensive dataset comprising images of genuine currency notes from various denominations and countries, alongside a diverse collection of counterfeit notes. These images underwent meticulous preprocessing to ensure uniformity, clarity, and elimination of noise, setting the stage for subsequent analysis.

Feature extraction emerged as a pivotal stage in the process. Leveraging image processing techniques, the system identified and isolated distinctive attributes inherent in authentic currency, such as intricate watermarks, security threads, microprinting, and other unique characteristics specific to each currency denomination.

The heart of the project lay in the development and training of a robust machine learning model, primarily a convolutional neural network (CNN). This model underwent rigorous training using the curated dataset, learning to differentiate between genuine and counterfeit notes based on extracted features. Iterative validation ensured the model's accuracy, reliability, and generalizability, enhancing its ability to discern intricate patterns that might signal counterfeit currency.

Testing the model against new and unseen data became imperative to evaluate its performance. The rigorous testing phase validated the model's effectiveness, providing insights into its strengths, weaknesses, and areas for refinement. Fine-tuning and adjustments were made to enhance the model's precision and ensure its efficacy across various currencies and counterfeit techniques.

In conclusion, the development of a fake currency detection system stands as a testament to the power of technology in mitigating financial fraud. This project's success underscores the potential of machine learning and image processing in fortifying our defenses against counterfeit currency, contributing to a more secure and trustworthy financial ecosystem.