

The Philippines “Arrovo” or “Thief” Banknote of 2005

Gloria Macapagal Arroyo was president of the Philippines for nine years from January 2001, to June 2010. She served the remainder of her predecessor Joseph Estrada's term after he was deposed, and she was elected to a full second term in 2004 which ended in 2010. Arroyo is the daughter of 9th president Diosdado Macapagal. As president, her signature, name and title appeared on several banknote issues.

- 20 Piso of 2005-2010 (three issues)
- 50 Piso of 2005-2010 (two issues)
- 100 Piso of 2001-2010 (three issues)
- 200 Piso of 2007-2010 (two issues)
- 500 Piso of 2001-2010 (three issues)
- 1,000 Piso of 2001-2010 (two issues)

The Error.

While Arroyo's name first appeared on the 100 Piso banknote in 2001, the 2005 release featured the misspelled “Gloria Macapagal-Arrovo” instead of the correct “Gloria Macapagal-Arroyo”. This remains the only time in Philippines' history the president's name was misspelled. While such errors are embarrassing for authorities in any country, this error is much more egregious by any standard. **“Arrovo” is an old Spanish slang which means 'thief'!**



Figure 1 P194c 100 Piso 2005 front



Figure 2 P194c 100 Piso reverse

The obvious question asked was the error made by accident or on purpose? A well publicized scandal -the Hello Garci scandal also known as Gloriagate, was a political scandal and electoral crisis in the Philippines involving 14th president Gloria Macapagal Arroyo, who allegedly rigged the 2004 national election in her favor. By 2008, the answer to an error or on purpose question **appears** to have been resolved. The Bangko Sentral ng Pilipinas (BSP) spokesperson Fe de la Cruz released a statement that Oberthur Technologies had not been disqualified from future

government contracts. The concerns of the highly publicized spelling error had been thoroughly vetted, with the result being an honest mistake by Oberthur. De la Cruz said the BSP sent its master plate for P100 bills to Oberthur Technologies but the company had taken the initiative to alter the design which required retyping the name of President Gloria Arroyo. "They decided that the signature of the president on the 100-peso note should be bigger than the typed name under it," De la Cruz said. "In that process, the name was mistyped into Arrovo." This was reported by Des Ferriols in The Philippine Star on July 30, 2008.



The sizes of the typed names (correct and incorrect) are ever so slightly different, with the "Arrovo" smaller. Personally, the positions of the signature to typed name appear identical while the typed name to title does indicate the slight reduction of the "Arrovo" title. For instance, the "P" in Pangulo title is aligned between the "R" and "I" in "Gloria" in the notes prior to 2005 while the "P" is aligned with the R only on the error note.

Reduction Woes

The retyped "Arrovo" name is smaller – just barely. This was done to make the signature appear bigger than the typed name under it. I'm sorry but visually there is NO difference in the perception of the two signatures! One wonders if Oberthur "fell on their sword" for political expediency and assumed blame for this error. It should be noted the "New Generation Currency Issues" series of **all** Philippines banknotes starting in 2010 are printed by Oberthur Technologies...

Printing Contract

The Security Printing Plant at Quezon Philippines has produced banknotes since 1978, though the Bangko Sentral ng Pilipinas (BSP) does subcontract printing work. Such was the case when BSP subcontracted the printing of legal tenders ahead of the Christmas season and at the height of its Clean Note Campaign to remove damaged notes from circulation. The French printer Francois Charles Oberthur Fiduciare (third-largest private banknote printer in the world) produced this 100 Piso banknote of 2005. The firm absorbed the cost of 19.477 million or 25% of the total 77.9 million misspelled banknotes. In addition, 58.43 million or 75% of the total banknotes were replaced by the printer.

Errors Released.

There are three populations of the error notes purported.

- **Less than 1,000.** One common online story is the error was first discovered at a bank ATM and the bank pulled all new notes in stock. There is no verification of the validity of this account. Dealers repeating this account offer their stock of error notes in the \$100 to \$200 range, with some quite higher.
- **19.477 million.** All the notes Oberthur did not require payment were in commerce. While Oberthur is recorded as absorbing the cost of 19.477 million notes there is no indication all of these were released.
- **3 million or less.** This is the most realistic estimate of notes released. Records indicate only AK, AL, and AM prefix notes exhibit the error. With 1 million notes per prefix, the population in commerce totals a maximum of 3 million notes. After reviewing error notes listings online, both for sale and for discussion, the following statistics have been gleaned:
 1. AK prefix, 128 notes from AK122444 lowest number to AK985526 highest.
 2. AL prefix, 11 notes from AL003232 lowest number to AL764616 highest.
 3. AM prefix, 11 notes from AM142701 lowest number to AM344082 highest.

Since all serial numbers are used prior to progressing to the next prefix, one could infer the number of notes released for circulation should number at least 2.334 million but less than 3 million.

Assigning values

The entire series from 2001 to 2013 has been demonetized since mid-2017. The number of error notes redeemed for damage or demonetization is not known. The actual number in collectors' hands is unknown. The last 2019 Pick (SCWPM) assigns \$8.50 for UNC error banknotes (P194c) and \$5.00 for the corrected banknote (P194b). The Banknote Book currently assigns \$5.00 to both error and corrected varieties (B1046e and B1046f respectively) in UNC condition. In fact BNB assigns \$5.00 each to the entire series. A cursory check of online sales for these banknotes seem to run double (200%) of the outdated Pick valuations, \$20+ and \$10 respectively. The market maybe undervaluing the corrected notes since only 3/4th of the normal yearly production was made.

One seller in Taiwan currently posts on Ebay-China a spelling error note listing with image of the note with the serial number AK1000000 for 5200 Yuan (\$718). As noted earlier, all actual serial number ranges are 2 prefixes and six numbers, not seven!

The 1603 legal case *Chandelor v Lopus*, in England featured a man who bought a £100 bezoar stone with healing properties. When the stone did not work as claimed he sued the seller, requesting a refund. This was the first use of the phrase "Caveat Emptor" or more fully "Caveat emptor, quia ignorare non debuit quod jus alienum emit" or in English ""Let a purchaser beware, for they ought not to be ignorant of the nature of the property which they are buying from another party." Also a **strong** case for the saying "Buy the book before the note"!

SOURCES

Schmidt, Tracy L. "Standard Catalog of World Paper Money – Modern Issues", 25th Edition, 2019

Linzmayor, Owen W. "The Banknote Book" – Philippines Chapter, 2023

Ferriols, Des in The Philippine Star on July 30, 2008