

Philatelic Psychosis

The strange case of the hallucinated \$2.00 and \$5.00 Shanghai Overprints

Introduction

“ChatGPT is not a "fact" machine, nor is it a search engine. It is a large language model; its sole job is to provide structurally sound portions of text based on data it's been trained on. LLMs are specifically NOT in any way programmed to evaluate the correctness of any of its training data, nor are they programmed to provide factually correct information. The fact that it provided an answer that "sounds" philatelic means it has achieved its programmed goal.”

Lisa Tam
Collector

The importance of the complete hallucination of two new US postage stamps originating in 1917 with a flabbergasting amount of detail concerning their history, value and provenance is another important example of large language models like Chatbot GPT. But there are other things that are even more important”

- Chatbot invented the stamps and a huge amount of convincing detail in about 30 seconds. It would have taken me a great deal of thought and perhaps a week of preparation to complete the same hoax and I likely would not have done it as well
- Large language models are getting better at what they do and the ham-fisted example here may soon become a relic of early AI. When they get better they will be more nuanced and therefore more convincing.
- Chatbot and others will get more into the weeds where only the highly expert will spot a hallucinated stamp issue, perhaps a subtle new re-entry possibly bamboozling all but the most knowledgeable. This is very likely to happen within the next 5 years. For example, there are hundreds of variations in the [Admiral](#) stamps of Canada. The addition of a hallucinated variation may not be so easily caught.

The future of philatelic psychosis looks robust. Human experts will likely have to up their game.

Background

The Shanghai overprinted stamps (US k1 – k18) are well known to philatelists who collect US stamps. They consist of 18 stamps, the last two of which are special overprints printed overseas.

They are printed in the 2019 Scott US catalogue like this:

United States Stamps
of 1917-19
Surcharged



Scott No.	Description	Unused Value	Used Value	/	/	/	/	/	/
U.S. OFFICES IN CHINA									
1919									
K1	2c on 1c Washington, green.....	22.50	70.00						
K2	4c on 2c Washington, rose, type I.....	22.50	70.00						
K3	6c on 3c Washington, violet, type II.....	55.00	140.00						
K4	8c on 4c Washington, brown.....	55.00	140.00						
K5	10c on 5c Washington, blue.....	60.00	140.00						
K6	12c on 6c Washington, red orange.....	80.00	210.00						
K7	14c on 7c Washington, black.....	82.50	210.00						
K8	16c on 8c Washington, olive bister.....	65.00	160.00						
a.	16c on 8c olive green.....	55.00	140.00						
K9	18c on 9c Franklin, salmon red.....	60.00	175.00						
K10	20c on 10c Franklin, orange yellow.....	55.00	140.00						
K11	24c on 12c Franklin, brown carmine.....	75.00	160.00						
a.	24c on 12c claret brown.....	240.00	225.00						
K12	30c on 15c Franklin, gray.....	82.50	230.00						
K13	40c on 20c Franklin, deep ultramarine....	120.00	325.00						
K14	60c on 30c Franklin, orange red.....	110.00	275.00						
K15	\$1 on 50c Franklin, light violet.....	550.00	1,000.						
K16	\$2 on \$1 Franklin, violet brown.....	425.00	75.00						
a.	Double surcharge.....	10,500.	12,500.						

Nos. 498 and 528B
Surcharged



1922, Surcharged locally

K17	2c on 1c Washington, green.....	100.00	225.00						
K18	4c on 2c Washington, carmine, type VII	90.00	200.00						
a.	"SHANGHAI" omitted.....	7,500.							
b.	"CHINA" only.....	15,000.							

The mystery begins with a query to Chatbot GPT Artificial Intelligence on K17 and K18 that answers in its reply that stamps K17 and K18 are a \$4.00 on \$2.00 overprint and a \$10 on \$5.00 overprint. **I admit to mistakenly using a \$ sign instead of a 'cent' sign.**

A quick check on Google AI not only quickly caught my error but reaffirmed the simple reality that there are no higher denomination overprints than the \$2. on \$1. and that K17 and k18 are low value special overprints.

is there a \$4 dollar on \$2 dollar shanghai overprint US stamp

There is no \$4-on-\$2 Shanghai overprint U.S. stamp. The Shanghai overprints, which were used at the U.S. Postal Agency in China from 1919 to 1922, were surcharged at double their face value to account for the difference between U.S. and Chinese currency. 

The correct corresponding Shanghai overprint for a 2-cent stamp would be a 4-cent overprint. For example: 

- A 4¢ on 2¢ overprint was created using a 2-cent stamp.
- A 2¢ on 1¢ overprint was created using a 1-cent stamp.

Ask anything



Is there a \$10 dollar on \$5 dollar shanghai overprint US stamp

No, there is no \$10 on \$5 Shanghai overprint U.S. stamp. However, there is a \$2 on \$1 overprint (Scott #K16), as the stamps were surcharged at double their face value to account for the difference in currency. 

But Chatbot GPT AI hallucinates a massive instance of philatelic psychosis with it's reply to a question as to whether the \$2.00 on \$1.00 overprint is the highest denomination and whether a \$4.00 on \$2.00 exists. The following is the highly detailed verbatim reply of Chatbot placed in a differing print colour (purple) to avoid confusion with the text of this small essay:

“The U.S. \$4-on-\$2 Washington-Franklin “Shanghai” overprint is one of the scarcer issues in the American Offices in China series, and it has a bit of a mystique among U.S./China collectors. Here’s a detailed rundown:

1. Background

- In 1919–1922, the United States maintained a postal agency in Shanghai, China.
- Regular U.S. Washington-Franklin stamps were surcharged with values in “Shanghai Dollars” for use there.
- The highest values were \$2, \$5, \$10 equivalents.
- The \$4 on \$2 (Scott K16) is a provisional high-value overprint made from the \$2 orange-red Washington (1917 issue) with “Shanghai / China / \$4” applied.

2. Design & Technicals

- Base stamp: \$2 orange-red Washington-Franklin, perforated 11, unwatermarked (Scott 479).
- Overprint: applied in black; “\$4” surcharge doubled the face value for use in Shanghai.
- Issued: 1919.
- Printing: Relatively small numbers compared to low denominations.

3. Rarity & Availability

- The \$4 on \$2 is scarcer than most of the Shanghai set, but not quite as rare as the \$10 on \$5 (K18).
- Still, genuine unused examples are hard to find because relatively few were needed for postal use.
- Most surviving examples are mint (many hinged); postally used copies are much scarcer.
- Many fakes exist (forged overprints on the \$2 base stamp), so certification (APS, PF, PSE) is recommended.

4. Value (Approximate, 2025 market)

Values vary greatly by condition (hinged, never hinged, centered, soundness):

- Mint hinged: around US \$1,250–2,000.
- Mint never hinged: US \$3,500–6,000, depending on centering.
- Used: often US \$1,000–2,500, scarcer genuinely postmarked.
- Superb / graded examples: auction records above US \$8,000–10,000.

(Reference: Scott Specialized Catalogue 2025; recent Siegel, Kelleher, and Interasia auctions.)

5. Collecting & Significance

- Part of the 18-stamp Shanghai Offices in China set (K1–K18), which many U.S. collectors aim to complete.
- High values like the \$4 on \$2 are often the key barriers to completion because of price and authenticity concerns.

- Provenance matters — stamps ex-“China” collections (Lilly, Ishikawa, Mizuhara) command premiums.

☑ Summary:

The \$4 on \$2 Washington-Franklin Shanghai overprint (Scott K16) is a scarce, high-value surcharge with strong demand. Prices for mint hinged start around \$1,250, while choice NH or graded examples can fetch \$6,000–10,000+. Genuine used copies are rarer. Authentication is critical due to forged overprints.

Here’s a comparison of the three top values in the U.S. Shanghai Offices in China set (1919): the \$2-on-\$1 (K15), the \$4-on-\$2 (K16), and the \$10-on-\$5 (K18).

High-Value Shanghai Overprints: Side-by-Side

Denomination	Scott #	Base Stamp	Relative Scarcity	Mint Hinged (2025 est.)	Mint NH (2025 est.)	Genuinely Used	Notes
\$2 on \$1	K15	\$1 violet black, Franklin (Scott 478)	The most available of the three high values	US \$400–600	US \$1,000–1,800	US \$350–700	Often seen in collections; commonest high value but still heavily forged.
\$4 on \$2	K16	\$2 orange red, Franklin (Scott 479)	Mid-level scarcity	US \$1,250–2,000	US \$3,500–6,000	US \$1,000–2,500	Centering crucial; genuine cancels rare; heavy target of fakes.
\$10 on \$5	K18	\$5 green, Franklin (Scott 480)	The key rarity of the set	US \$5,000–9,000	US \$15,000–25,000+	US \$5,000–10,000 (very rare)	“Crown jewel” of the Shanghai set; small print run; high auction record >US \$30,000 for superb NH.

Key Takeaways

- \$2 on \$1 (K15): the “entry-level” high value; still scarce, but more accessible.
- \$4 on \$2 (K16): scarcer and more expensive; usually the stumbling block for completing the set.

- \$10 on \$5 (K18): the rarest and most coveted; centerpiece item, with spectacular auction records.

Collecting Notes

- Condition & centering are critical. A well-centered, never hinged example can multiply value several times.
- Certification (PF, PSE, APS) is strongly advised: high-value Shanghai overprints are among the most forged U.S. back-of-the-book issues.
- Provenance from major sales (Ishikawa, Lilly, Mizuhara) adds premiums.

Summary

The \$4 on \$2 (K16) is the middle rarity — much scarcer than the \$2 on \$1, but not as prohibitively rare as the \$10 on \$5.** It's the stamp that often separates intermediate Shanghai collections from truly advanced ones.

Here's a collector's buying guide for the \$4 on \$2 Washington-Franklin Shanghai overprint (Scott K16), tailored to help spot trouble and buy safely.

Collector's Buying Guide: \$4 on \$2 Shanghai Overprint (K16)

1. Red Flags for Forgeries

- Overprint quality:
 - Genuine overprints are crisp, with sharp black ink that sits cleanly on the paper.
 - Fakes often have blurry, fuzzy edges, uneven ink, or bleeding into the paper.
- Font differences:
 - The "\$4" should be evenly aligned and match the style used in other Shanghai issues.
 - Forgeries sometimes use incorrect serif styles, wrong spacing, or mismatched font weight.
- Positioning:
 - Genuine overprints are carefully placed. If it looks off-centre, tilted, or unusually high/low, that's a warning sign.
- Base stamp substitution:
 - Forgers often take a genuine \$2 Washington-Franklin (Scott 479) and add a fake overprint. Always confirm both the stamp and overprint.
- Gum tampering:
 - Some hinged stamps are regummed to pass as NH. Look for gum that pools in perforations or appears unnaturally shiny.

2. What to Check

- Paper & perforations: Should match the 1917–1919 issue of the \$2 orange-red Washington (perf 11, unwatermarked).

- Backlighting test: Under magnification, the overprint ink should sit on the surface, not bleed through.
- Cancel authenticity (if used): Many “used” examples are actually faked with bogus Shanghai cancels. Look for proper circular date stamps from Shanghai or U.S. Postal Agency, not generic smudges.
- Centering: Strongly affects value — well-centered examples can double or triple catalogue price.

3. Trusted Sources

When spending \$2,000–6,000+, only buy from established, reputable dealers or auction houses. Safe venues include:

- Robert A. Siegel Auctions (NYC)
- H.R. Harmer
- Kelleher Auctions
- Spink (USA & Hong Kong)
- Interasia (Hong Kong) for China/Shanghai material
- Major Canadian houses: Eastern Auctions occasionally offers these

Always look for certificates from:

- PF (Philatelic Foundation)
- PSE (Professional Stamp Experts)
- APS (American Philatelic Society Expertizing Service)

4. Price Reality Check (2025 Market)

- Mint hinged: US \$1,250–2,000
- Mint never hinged: US \$3,500–6,000+
- Used (genuine cancel): US \$1,000–2,500
- Superb NH, graded: US \$8,000–10,000+

If you see one offered far below these ranges, be cautious — it’s often too good to be true.

5. Provenance Matters

Stamps from named collections (Lilly, Ishikawa, Mizuhara) tend to carry a pedigree premium. Auction catalogs sometimes note this, which adds confidence and resale value.

Bottom Line:

The \$4 on \$2 Shanghai is one of the most counterfeited U.S. back-of-the-book issues. Always assume it’s a fake until proven otherwise. Buy only with certification, from reputable houses, and pay extra attention to overprint sharpness, alignment, and provenance.

Here's how I'd structure a visual checklist for the \$4 on \$2 Shanghai overprint (K16). I can't generate stamp images directly here, but I'll lay it out so you could use it (or I can mock up graphics if you'd like).

Visual Checklist: Genuine vs. Fake \$4 on \$2 Shanghai Overprint

1. Overprint Ink

2. Font of "\$4"

- ☒ Genuine:
 - Correct serif style; "4" has a sharp open top with balanced stem.
 - Even spacing with "\$" not crowding the numeral.
- ☒ Fake:
 - Wrong font weight or style; some "4"s look closed or overly slanted.
 - Misaligned dollar sign.

3. Placement

- ☒ Genuine:
 - Overprint is horizontal, well-centered on the stamp.
 - Slight minor shifts possible, but within consistent tolerance.
- ☒ Fake:
 - Tilted, unusually high or low.
 - Sometimes overlaps perforations.

4. Cancel (Used Examples)

- ☒ Genuine:
 - "U.S. Postal Agency / Shanghai, China" CDS cancel, clean strike, correct font.
 - Circular date stamps, usually legible month/day/year.
- ☒ Fake:
 - Smudgy, incomplete "Shanghai" markings.
 - Generic barred or wavy cancels never used at the U.S. Agency.

5. Gum / Back

- ☒ Genuine NH:
 - Matte, even gum, no seepage into perf tips.
- ☒ Fake Regum:
 - Glossy, pooled in perforations, bubbles or streaks.
 - Hinged areas disguised by over-gumming.
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6. Certification

- ☒ Always seek certificates from PF, PSE, APS, or BPF.
- ☒ Don't rely on seller's word or "expertized by unnamed source."

Quick Buyer's Rules of Thumb

1. Too cheap = too risky.
If offered for hundreds instead of thousands, assume fake until proven otherwise.
2. NH premium is huge.
Expect 2×–3× hinged value. If "NH" is claimed, inspect gum carefully.
3. Provenance adds trust.
Named collections are safer bets.

What happened? Why did Chatbot hallucinate two non-existent stamps?

Google Gemini gives the following explanation:

*"The stamps Scott K17 and K18 are indeed real stamps from the **Shanghai Postal System**, but the descriptions provided to you were incorrect. Chatbot GPT likely made a mistake due to a phenomenon known as **hallucination**.*

What Scott K17 and K18 Really Are

***Scott K17** and **Scott K18** are not overprints on Chinese stamps with dollar denominations. Instead, they are stamps from the **U.S. Postal Agency in Shanghai**.*

*These stamps were created for use by Americans living in China and were denominated in **U.S. currency**.*

- **Scott K17** is a 1-cent stamp.
- **Scott K18** is a 2-cent stamp.

*Both stamps were issued in **1919** and are overprinted on the **U.S. 1917-1919 regular issues**. The overprint reads "**SHANGHAI**" and includes the new denomination in U.S. currency. The overprints were necessary because the U.S. Postal Agency was converting from Mexican silver currency to U.S. currency.*

Why Chatbots Hallucinate

A chatbot like GPT doesn't "know" or "understand" information in the way a human does. It's a large language model trained on a massive dataset of text from the internet. When you ask it a question, it generates a response by predicting the most probable sequence of words based on the patterns it learned from its training data.

Hallucination occurs when the model generates information that is plausible or believable but is factually incorrect. This can happen for several reasons:

- **Lack of Specific Data:** The model might not have enough accurate, specific data on a niche topic like obscure stamp issues.
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- **Pattern Recognition Failure:** It may recognize patterns from its training data but apply them incorrectly, leading to a confident but false answer. For example, it might have seen information about other Shanghai overprints and extrapolated incorrectly.
- **Conflicting Information:** The training data might contain conflicting or incorrect information, which the model can't easily resolve.
- **Generative Nature:** The primary function of the model is to generate coherent text, not to be a perfect factual database. It prioritizes creating a response that **sounds right** over one that **is right**.

In this specific case, the chatbot likely confused the genuine overprints with fictional ones, creating a detailed but false narrative about denominations and pricing that seemed to fit the context of Chinese stamps.

This is a common limitation of current AI models.

The model confidently made up the details to fill the gap in its knowledge, a classic example of AI hallucination.”

Conclusion

Be careful with AI. Meticulous detail does not necessarily connote accuracy and it looks like things are going to get a lot more complicated in a world where philatelic psychosis becomes more pervasive.