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**DEPARTMENT OF CONSUMER AFFAIRS COMMISSIONER MINTZ ANNOUNCES RESULTS OF
HOLIDAY GOLD BUYING SWEEP**

***Undercover Investigations Reveal Deceptive Weighing Practices and Widely Variable Pricing
Valuations***

Three out of Four Gold Buyers in Violation of Local Laws

Department of Consumer Affairs (DCA) Commissioner Jonathan Mintz today announced that undercover investigations revealed deceptive weighing practices and widely variable pricing valuations of the same pieces of gold. They also exposed widespread predatory practices that included not separating gold pieces when weighing, not testing for accurate karat rate and undervaluing of gold. Using three pieces of gold jewelry that were independently appraised at \$590, undercover inspections resulted in offers that ranged from \$175 to \$450. In addition, the business' daily rate of gold was often not disclosed and close to 70 percent of the time all three pieces were not separated by karat when weighed.

After conducting more than 450 inspections and close to two dozen undercover inspections and issuing violations to 74 percent of gold buyers inspected, DCA found a 26 percent compliance rate. Violations included failing to keep accurate records, false advertising, and missing signage, which is required by law. The Department has also issued subpoenas to entities advertising "cash for gold parties" to review their records for compliance.

"With the strong price of gold, the gold buying industry is booming, and yet our inspections reveal that selling your gold can be a risky proposition for consumers," said DCA Commissioner Jonathan Mintz. "Our undercover inspections exposed wide price valuation and deceptive valuation practices and so in addition to the new regulations the Department is putting forward today, we strongly urge consumers to always shop around to get a fair price for their gold."

DCA's undercover inspections found a range of prices, from \$175 to \$450, for the same pieces of jewelry which were independently appraised at \$590. Though undervaluing property is not illegal, the wide discrepancy underscored the need for greater transparency in sales practices as well as the value in comparison shopping.

To help consumers make more informed decisions when selling their gold, the Department released a package of new regulations designed to increase transparency and fairness. The new rules for gold buyers require disclosing the basis on which they price each item including the troy weight of the consumer's items for sale; the purity (karat) of each item offered for sale; and the price per unit weight to compute the purchase price. The new rules would also mandate that the gold buyer: weigh each prospective item for sale in full view of the consumer; advise the consumer of the total amount offered for each piece and the total amount offered for the aggregate number of pieces if more than one; and provide a written receipt to the consumer after the purchase which includes a specific description of each item purchased and the date, license number, address, and name of employee.

Although not all are gold buyers, DCA currently licenses more than 4,800 secondhand dealers and close to 400 pawnbrokers. Consumers can instantly check to see if a secondhand dealer or pawnbroker is licensed or file an official complaint about a gold buyer online at nyc.gov/consumers or by calling 311. Consumers can also send enforcement tips by tweeting [@NYCDCA](https://twitter.com/NYCDCA) or posting to DCA's [Facebook](https://www.facebook.com/nycdca) page.

DCA enforces the Consumer Protection Law and other related business laws throughout New York City. Empowering consumers and businesses to ensure a fair and vibrant marketplace, DCA licenses more than 78,000 businesses in 55 different industries. Through targeted outreach, partnerships with community and trade organizations, and informational materials, DCA educates consumers and businesses alike about their

rights and responsibilities. DCA's Office of Financial Empowerment (OFE) is the first local government initiative in the nation with a mission to educate, empower, and protect New Yorkers with low incomes so they can build assets and make the most of their financial resources. Toward that end, OFE seeks to increase access to high-quality, low-cost financial education and counseling; improve access to income-boosting tax credits; connect households to safe and affordable banking and asset-building products and services; and enforce and improve consumer protections to enhance financial stability. For more information, call 311 or visit DCA online at nyc.gov/consumers.

Tips for Selling Gold

- **Only sell to a licensed secondhand dealer.** Businesses buying and selling gold in New York City must be licensed as a secondhand dealer and sometimes also as a pawnbroker. Check if the location buying your gold is licensed by calling 311 or visiting nyc.gov/consumers.
- **Shop around.** Be wary of stores that advertise that they offer the “highest” price. Instead, visit several buyers to get the best price possible because the offers you receive will vary greatly. Don't be afraid to negotiate.
- **The buyer has to tell you the weight (measured in Troy weight) and the quality (measured in karats) of the gold and the price per unit that's used to determine how much you're being offered.** If you ask for this information and they won't give it, walk away.
- **Information is power. Research the price of gold before you go.** The value of gold can fluctuate from day to day. Buyers don't have to offer you the market value of the gold but knowing it will help you negotiate a better price and know whether the buyers are being truthful.
- **Request that your items are weighed separately on a scale in front of you and, although it's not required, ask that they give you a written estimate and receipt.**
- **Make sure when you visit a gold buyer that the scale they are using has a DCA seal.** Scales must be inspected by DCA to ensure they are accurate so you get the right price.
- **Bring your ID.** Gold buyers are required by law to check your ID. Don't sell to a buyer who doesn't ask for ID.
- **A gold buyer must hold your items for 15 days before re-selling it.**
- **Be wary of “cash for gold” parties.** Don't be lured by invitations to attend or host a party. If you're looking to sell your gold, go to a licensed dealer and make sure they are providing you with the information you need to get the best price. Think twice before you go to a stranger's home with your valuables and a lot of cash trading hands. If you are thinking about hosting a party, know that you need a license to sell second hand goods.
- **File a complaint if you feel you've been taken advantage of while selling gold.** Call 311 or visit nyc.gov/consumers to file a complaint.