



National Conference on Weights and Measures

"That Equity May Prevail"

**FOR RELEASE: Monday, October 27, 2011, 8:00 a.m. EDT**

**CONTACT:** Don Onwiler, Executive Director (402) 434-4880 or [don.onwiler@ncwm.net](mailto:don.onwiler@ncwm.net)

## **Gold Prices Create "Seller Beware" Market**

Record gold prices have created a modern day gold rush. Buyers, like the miners of old, are scrambling to rivers of citizens eager to cash in on old jewelry. But today's gold rush is not restricted to California. It is booming throughout the nation. Some buyers set up shop in a different hotel every weekend, moving from city to city while others move through neighborhoods conducting home "gold parties." Neighbors bring their jewelry to sell while chatting and enjoying refreshments.

"In the midst of the fun, people need to maintain their guard and beware of bandits," warned Maureen Henzler, Weights and Measures Program Service Administrator for the Kansas Department of Agriculture. "Those selling their gold jewelry to cash in on high prices may be getting a lot less than they bargained for." Regulatory officials across the country echo the warning.

"You need to know the purity level before you sell to guard against a reverse 'thumb on the scale' and to have assurance of full payment," said Henzler. The purity of gold affects the price paid for an item. She explained that some dealers use testing acids to verify karat weight of gold. Acids are typically found in varieties specific to karat values of 10K, 14K, 18K and 24K. When a specific acid such as 10K acid is applied to gold, the gold will turn brown unless it is the respective karat weight; in this case 10K gold. An unscrupulous gold buyer will intentionally apply a higher grade of acid to a lower grade of gold, such as 18K acid on 14K gold, causing the gold to turn brown and discolor and, subsequently, offer a lower payment. "Watch and ask the gold buyer what is being done with your jewelry items," said Henzler. "You have a right to know how the gold buyer is determining the purchase price for your items."

"Sellers can also be shortchanged through improper use of the scale," Henzler added. "Many gold buyers use scales to determine the weight of jewelry. It is important to know that the scale has been inspected, sealed, and approved for weighing precious metals. Even then, the scale must be level, positioned so the customer can witness the entire weighing process, and protected from influences like vibrations and strong air flows."

Kurt Floren, Chairman of the National Conference on Weights and Measures agreed. "Weights and measures officials throughout the country work diligently to test scales and gas pumps, inspect packaged goods, and monitor price scanner accuracy in hundreds of thousands of businesses to ensure accuracy and integrity in the marketplace. As transactions such as the buying and selling of gold increase in untraditional, private settings, consumers must be equally diligent in protecting themselves from fraudulent or negligent practices and in reporting suspicious transaction activities to their local weights and measures agencies."

Floren, who is Director of Weights and Measures for Los Angeles County, California, provided the following tips to consumers dealing with gold buyers:

- Get written estimates from two or more dealers that identify the items and their worth in detail.
- Closely observe all scale use. It should be level and indicate “zero” before weighing begins. Look for fans or air vents that might affect the weighing process.
- Observe the weight displayed and compare it to any value calculation and receipt.
- Sell only to reputable dealers and get a receipt with their contact information.
- Ask questions. Leave with your gold if the buyer is hesitant to fully explain what is being done.

“Lastly,” said Floren, “if you believe you have been cheated or that there was an attempt to cheat, contact your weights and measures authority immediately.”

The National Conference on Weights and Measures is a professional nonprofit association of state and local weights and measures officials, federal agencies, manufacturers, retailers and consumers. NCWM has developed national weights and measures standards since 1905. The organization brings the right interests together to keep pace with innovative advancements in the marketplace.

-###