



PENNSYLVANIA SHERIFFS' ASSOCIATION

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NEWS YOU CAN USE

We Buy Gold! Top Prices Paid! Sell your gold and unwanted jewelry . Two days only! Turn your trinkets into cash and so on and so on.

We've all seen these day, weekend, or week-long events advertised imploring you to turn your unwanted or broken jewelry into immediate cash. Are these legitimate ads or just come-ons to get you to part with your gold and silver? Are these "buyers" here today and gone tomorrow? Have they gotten the proper licensing from the local Sheriff to conduct these buyouts of your precious metals? Are the scales used to weigh your jewelry accurate? What if you get duped—where do you turn?

Read on for some good information and some things that you can do to protect yourself from scams.

PRECIOUS METALS LAW IN PENNSYLVANIA

In 2008, when the housing bubble burst and the stock market crashed, many people saw their retirement savings evaporate. Commodities got pricier including the price of precious metals such as gold, silver, and platinum. People saw an opportunity to make some money on the precious metals they owned and buyers saw an opportunity to acquire these precious commodities. That all sounds nice, however there are specific laws in Pennsylvania that require purchasers and sellers of precious metals to conduct business in a very specific way.

In 1984, Senate Bill 288 became Act 17, known as the Precious Metal Sale Regulation Act, when it was signed in to law by Governor Dick Thornburgh. The Act laid out requirements for individuals and businesses engaged in the purchase of precious metals for the protection of all involved. One such requirement is registration with the County Sheriff's Office. Buyers or dealers must make application and obtain a license from the Sheriff in each and every county in which said dealer purchases precious metals. The law also requires that accurate and detailed records of the transactions be recorded, including information about the seller or buyer, the quantity and type of metal purchased or sold, date and time of each transaction, along with any serial numbers or identifying marks on items sold or purchased. Dealers are required by law to publicly post the prices for various metals and use inspected and certified scales that have been tested by the Department of Agriculture or appropriate municipal or state officials.

Once a transaction has been completed, precious metals must be retained, in unaltered condition, for five, full, working days*, after report of the purchase has been filed (continued on page 2)

PRECIOUS METALS LAW IN PENNSYLVANIA (CONTINUED)

with the district attorney or his designee of the county where the transaction occurred. Retention will occur in the county where the transaction(s) took place. The district attorney may choose to have records delivered to the police department of the appropriate municipality. Dealers are also required to keep the records of each transaction on file for a period of one year and make those records available for inspection, if requested, by any federal, state, or local law enforcement official. Not only does this protect the seller and buyer, but it is an important aid in the recovery of stolen items. If a law enforcement official has reason to believe an item of precious metals has been stolen, written notification is given to the dealer. Upon receipt of this notice, the precious metals dealer must continue to retain the item for an additional seven working day period.

In addition, dealers may purchase precious metals from minors if they follow the law's requirements below:

- Written authority from a parent or guardian
- Verification that the sale has been authorized by said parent or guardian
- Three full day waiting period before minor may receive payment from the sale

Dealers who fail to obtain a license from the County Sheriff or licensed dealers who violate any other sections of the precious metals law can be convicted of a third degree misdemeanor which is punishable by up to one year in prison and a \$2,500.00 fine.

Please note that registration requirements and other regulations do not apply to financial institutions that are licensed under state or federal laws, individuals purchasing precious metal items for personal use, or purchasers of precious metals who purchase from a seller seeking a trade-in or allowance, in whole or part of gold, silver, or platinum.

**Working days—excludes Saturdays, Sundays, and federal or state legal Holidays*

To view the Precious Metal Sale Regulation Act in its entirety, please visit our website at www.pasheriffs.org and click on legislation.

WHAT DEFINES PRECIOUS METALS?

As per the act, the following defines what constitutes gold, silver, platinum, and precious metals, and what is excluded.

GOLD—Any alloy of the element gold, ten karat or of greater fineness. A karat is 1/24 part, by weight, of the alloy of the metallic gold.

SILVER—Any alloy of the element silver, 900/1000 or more parts per thousand, by weight, of pure silver.

PLATINUM— Any

alloy of the element platinum, 750/1000 or more parts per thousand, by weight of pure platinum.

PRECIOUS METALS— Items containing or being of gold, silver, or platinum, including but not limited to, jewelry and silver services, but excluding coins, ingots, bullion or photographic film or any article containing less than five percent of gold, silver or platinum by weight.

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PA ASSOCIATION OF WEIGHTS AND MEASURES

CONSUMER GUIDELINES FOR SELLING PRECIOUS METALS

During the past several months the prices of precious metals (gold, silver, platinum) have soared to new record levels. Associated with this phenomenon, precious metals buyers have popped up everywhere urging consumers to clean out their drawers of old or unused gold and silver and bring it to them for “top dollar” prices. Many of these buyers are from out of town or even out of state and are set up in motels and hotels for just a day or two and then they leave town with their purchases.

Before you decide to sell your valued possessions, you should arm yourself with some basic guidelines which are well defined in Pennsylvania laws and regulations. Unfortunately, the state and local entities charged with enforcing these requirements have been pretty much missing, so be advised, you are on your own.

Following are some basic recommendations to follow if you decide to sell some of your valuables or heirlooms.

1. When you walk into a gold dealer’s premises ask the person in charge if they are currently licensed with their county sheriff. Present law requires any person who purchases precious metals to be licensed with their county sheriff’s department. **If they say no or don’t know, walk away.**
2. Ask them where their current prices are posted for gold, silver or platinum. Present law requires the dealer to clearly post these prices for the customer to see. **If they aren’t posted, walk away.**
3. If they are going to weigh your products, number one make sure the scale is visible so you can observe the weighing operation and make sure the scale bears a current seal of approval from weights and measures. **If either of these requirements is not met, walk away.**

4. Most consumers are not very familiar with the metric or troy systems of weights and measures. Therefore dealers are required to post a conversion chart so the consumer has a chance to understand exactly how much their product weighs and how much they are being offered for it. **If the conversion chart is not posted, walk away.**
5. Should all the previous requirements be met and you decide to proceed with the sale, make sure you receive a complete and descriptive receipt. The law requires the dealer to provide a receipt that includes;
 - (1) the name, age, address of the seller.
 - (2) An accurate description of the product including its weight.
 - (3) Records are to be maintained by the dealer for a period of one year and be available for inspection.
 - (4) A copy of all receipts must be submitted to the county District Attorney within 24 hours of the transaction.
6. All precious metals purchased by a dealer shall be kept in “unaltered condition” for a minimum of five days and be available for inspection upon request.
7. If possible, have your items examined and weighed by a local jeweler to establish a baseline weight and value.
8. It is never advisable for you to send your precious metals off by mail to an unknown metals dealer. (cont. on page 4)

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**We're on the web
www.pasheriffs.org**

Please note these requirements are for Pennsylvania dealers only. Should you have a problem or need to lodge a complaint, contact your local district attorney, sheriff or the local police. You can also lodge a complaint with the state attorney general's office at 717-787-3391 or with weights and measures at 1-877-837-8007.

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