



## ARIZONA DEPARTMENT OF WEIGHTS AND MEASURES

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### **State Investigators Find Problems Once Again, at “Gold Buying Stores”**

*AZ Weights and Measures Investigators discover 1/3 of commercial scales not in compliance*

(Phoenix) – Unannounced inspections were conducted over the past 2 months by the Department of Weights and Measures at 40 different gold and jewelry buying businesses throughout the state. In all, 11 different businesses were cited for non-compliant violations and were levied \$8,400 in civil penalties assessed against them.

A total of 50 scales were audited at these gold buying locations, 17 of those scales were cited for a violation (a 66% overall compliance rate). The violations ranged from non-licensed and inaccurate scales to businesses using scales that were not legal for trade. In many cases, investigators found scales which under-registered the actual weight indicating a situation detrimental to the customer. Still there were other instances where the businesses used scales that had no required tamper-proof seal thus leaving the ability of tampering.

“It is our experience that many of these gold buying locations operate with illegal measuring devices, and then close up shop nearly as quickly as they open” stated Kevin Tyne, Director of the Department of Weights and Measures, “Clearly, we need to stay on top of this as these most recent inspections lead us to conclude that additional evaluation is necessary to ensure fair business practices and proper measuring devices.”

This is the third round of inspections specifically geared towards this specific industry given their past abysmal compliance rates discovered over the past three years. In 2010, “gold buying” inspections revealed 39 businesses out of 44 were cited for multiple infractions and \$45,000 in civil penalties levied. In 2011, 18 of 40 gold buying businesses were also cited for similar violations.

These most recent inspections additionally revealed 9 of the 40 gold buying locations were cited for not posting the “buying” price of gold from consumers as required by state law. This leaves the customer guessing as to whether they were being paid a fair amount compared to the market price or versus other gold buying locations. In addition, 9 of the 40 retail businesses were cited for violations of under registering or under weight to the detriment of consumers.

Department officials advise “would be sellers” of gold to do their homework, investigate whether a business has complaints against it. As a rule, know the weight and karat of gold ahead of time as it will clearly determine the fair market value before you attempt to sell your gold.

To file a complaint with the Department of Weights and Measures please call (602) 771-4920 or to file a complaint online at [www.azdwm.gov](http://www.azdwm.gov).