

Scrap Gold Buying – Seller Beware

January 2010

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With the price of gold hovering at record levels, many people are rushing to cash in their precious gold and silver jewelry.

Kern County Sealer of Weights and Measures, Ruben Arroyo, advises citizens to use caution.

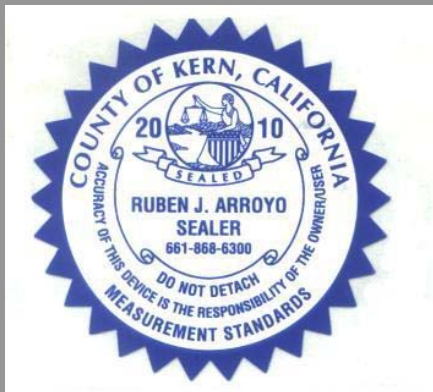
The scale, used for the buying of gold and other precious metals, must be a legal for trade scale and it must be tested and sealed by Weights and Measures. If the scale has been inspected by Weights and Measures, it should have a current year's seal displayed.

During the transaction the scale should also be positioned so the weight displayed can be easily viewed by the customer/seller.

Kern County Weights and Measures staff has recently increased its surveillance to focus on precious metals transactions, but recognizes that there is no substitute for consumer awareness in assuring fair and equitable transaction.

“A little education can go a lone way to ensure a fair transaction when selling jewelry, coins and other precious metals”, County Sealer Arroyo stated. If some one is offering to buy your gold or other precious metals across a scale that does not display a Weights and Measures seal, your best course of action is to walk away and call our office at 661-868-6300.’

If the scale has been inspected by Weights and Measures, it should have a current year's seal displayed where the customer can see it.



During the transaction, the gold should be weighed in front of the seller and the seller must be able to see the weight displayed.

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Consumers should become familiar with the term and the different unit of measurement used to measure precious metals.

- Precious metals such as gold are sold in troy ounces or in grams. A troy ounce is equal to 31.1 grams, slightly heavier than the regular (avoirdupois) ounce which is 28.3 grams.
- Gold purity is typically measured in karats, with 24 karat gold being 100 percent pure and 12 karat gold measuring 50 percent gold.

County Sealer Arroyo suggests consumers check the spot price of gold just prior to any transaction. The spot price which may fluctuate day to day may be obtained from the commodities column of most newspapers or on the internet. Refiners typically pay less than spot price for gold or silver because there are cost in transporting, handling and purifying the metals. Coins and assayed ingots are typically sold by retailers above spot prices because the purity is assured in these items.



A Chart is provided below showing the percentage of gold by karat increment with spot value based on \$1,000 per troy ounce:

GOLD VALUE AT \$1000 PER TROY OUNCE

US Karat	Percent Pure Gold	Value of One Ounce **	Value of One Gram **
10K	41.64%	\$417	\$13.41
14K	58.33%	\$583	\$18.74
18K	75.00%	\$750	\$24.11
24K	99.99%	\$1,000	\$32.15

** Remember to expect to receive less than the spot value when selling.

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