



**STATE OF OKLAHOMA
DEPARTMENT OF CONSUMER CREDIT**

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PRESS RELEASE

Oklahoma Department of Consumer Credit warns Oklahomans of gold buying requirements

Oklahoma City, OK- The current price of gold has led to a dramatic increase in the number of persons purchasing the precious metal without a precious metal and gem dealer license issued by the Department of Consumer Credit. According to Scott Leshner, Administrator of Consumer Credit, entities and individuals that purchase used precious metals and gems, such as gold, silver, platinum and diamonds need to be aware of the licensing requirements for purchasing such items. "Most people are unaware that purchasing gold requires a state issued license," says Leshner. "As a result of the unfamiliarity of state licensing laws, the Department has issued seven cease and desist orders against unlicensed persons in the last five months," says Leshner.

"The legislature recognized the significance of unlicensed gold buying last session and passed legislation authorizing civil penalties up to \$5,000.00 for offering to engage or engaging as a precious metal and gem dealer without a license," states Leshner. The legislation became effective July 1. Leshner also warns that purchasing precious metals and gems without a license is a criminal misdemeanor and subsequent convictions are felonies.

Leshner indicates that some entities are developing creative business practices to avoid state licensing requirements. "At least two companies the Department is aware of are now involved in gold buying parties at private residences," says Leshner. "Companies pay a fee and or a percentage of sales to a person for hosting the gold buying party at their home." "The party host invites family and friends to attend the party and sell their unwanted gold or jewelry." "Regulation of gold buying parties is difficult because the Department typically does not know when and where the parties occur," says Leshner.

Leshner states that unlicensed and unregulated activity greatly increases the likelihood of stolen merchandise being sold in the state. According to Leshner, Department staff is studying ways to combat the problem and that the Department may request further assistance from local law enforcement to crack down on unlicensed dealers.

Leshner advises entities and individuals to contact the Department prior to operating as a precious metal and gem dealer in Oklahoma. The current cost of a dealer license is \$425.00 and a \$10,000.00 surety bond is required. Employees of a precious metal dealer are also required to be licensed and pay a \$100.00 license fee. Please contact Dennis Mullins at 405-521-3653 for more information.