
Thinking about Getting Cash for Your Gold? Read This First

Rep. Weiner Introduced Legislation to Regulate Industry

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The sluggish economy combined with a lively gold market means big business for companies that urge [consumers to sell their old gold](#).

We've all seen the ads for the company that bills itself as the number one [gold buyer](#) in the country, Cash4Gold. Last year, "[Good Morning America](#)" tested Cash4Gold and two other gold-buying companies by sending in packets of [gold](#) that a certified gemologist appraiser said could receive optimum offers of about \$350. All three companies offered us far less and Cash 4 Gold was the lowest of all. It offered us \$66.05 for our gold. When "GMA" called and asked for the gold back, the company more than doubled its offer to \$137. Cash4Gold CEO Jeff Aronson defended the offer. "That's what that material was worth to me at that time. That's what it was worth to me to process. I make no apologies for pricing, whatsoever. I'm a service business," Aronson said.

Rep. Anthony Weiner, D-N.Y., said Cash4Gold is trying to take advantage of its customers. "Unfortunately, Cash 4Gold, their business model is built upon ignorance of consumers," Weiner said. Weiner said his office has received dozens of complaints about Cash4Gold's business practices.

Customers complained that their gold was melted down before they got a chance to turn down the company's offer or they said their gold was lost in the mail when they asked for it back and they were not reimbursed.

Weiner said that is why he introduced the Gold Act legislation on Tuesday.

"It takes a little bit of the pressure off and puts the ball back in the consumer's court," Weiner said.

The Gold Act would require companies to notify customers of their offer amount and give them 12 days to accept or reject it before destroying their jewelry. It would also require gold companies to insure jewelry for the same amount the customer did when returning it through the mail.

Gold Act Legislation Introduced This Week

"We're not looking to put anyone out of business. But we are looking to have some rules of the road here that let consumers have some defense," Weiner said.

Last year Florida passed a law outlining specific recordkeeping requirements for mail-in gold buying companies, including what companies must do if the gold is stolen. Cash4Gold said in a statement, “Cash4Gold is extremely proud to have worked closely with Florida officials to create and implement the first law of its kind regulating the mail-in gold buying industry and we welcome the opportunity to work with lawmakers in Washington on a similar bill that is national in scope.”

Weiner is also asking the Federal Trade Commission to investigate all mail-in gold buying companies and look at whether violations have occurred or whether additional rules are needed.

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