



New tactic used to combat fake bars

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A creative new tactic is being used to help alert the public to the risk of counterfeit and altered Engelhard bars being offered for sale in eBay online auctions and online stores.

Seven months ago, I wrote about a new website www.allengelhard.com that was posting information on varieties of Engelhard gold, silver and platinum bars and rounds, including census estimates by variety and a developing body of information about counterfeit and altered pieces.

The operators and supporters of the website, as one of their activities, follow eBay sales of Engelhard products to try to identify the fakes and modified pieces. I particularly direct readers to click on their home page menu choice for “Counterfeits” and the subheading of “Assay/Laboratory Research.” Their efforts to have eBay eliminate such listings and bar such sellers from eBay have had little success.

In eBay’s defense, it would be impossible to ascertain the authenticity of each of the millions of items offered for sale on its website. Numismatists and bullion purchasers may be concerned about their part of the market, but eBay has to consider the problem of counterfeits and altered products in all categories. It cannot simply pick one category to try to ferret out fraudulent postings and ignore all the rest. Taking this into account, it would be less expensive for eBay to simply reimburse customers who acquired spurious items if the buyer was unable to get a refund from the seller.

Another problem that eBay really cannot control is that when it does shut down a seller for selling fake products (or the sellers themselves close down accounts when they get negative feedback for selling bad goods), such sellers then often open up new accounts and start all over.

Given the relative lack of support from eBay at trying to eliminate the sale of counterfeit and altered Engelhard bars, the operators of allengelhard.com have come up with a creative way to alert eBay customers to the risks. In a current eBay auction posted by a supporter of allengelhard.com (see item number [121545618065](#)) the headline describing the sale of a genuine rare variety of 100- ounce Engelhard silver bar included the text “BUYERS BEWARE of FAKE BARS ON EBAY !!!!” In the product description, there is a box at the end that begins “ATTENTION ENGELHARD BUYERS:.” The information in the box then alerts readers to the risks of fake and altered Engelhard products and directs people to the website allengelhard.com.

On the website, viewers will see information on bad pieces and also the identity of some of those who repeatedly offer to sell them on eBay. Note that the information posted in most instances is from judgments made by viewing photographs of the online lots and comparing them to known genuine, altered and counterfeit pieces. These are not judgments made, in most instances, by actual direct inspection of the bars or from the outcomes of criminal or are not judgments made, in most instances, by actual direct inspection of the bars or from the outcomes of criminal or civil cases. However, in some instances, some items were purchased by the people operating or supporting the website in order to further their research and to take bad product off of the market.



When I checked with the folks at allengelhard.com over the weekend, they reported having received a spurt of at least 500 hits on the website since posting this particular sale on eBay. They also said they have not received any flak from eBay itself.

Publicizing counterfeit and altered Engelhard bars and the sellers that push these products onto the market has antecedents in American monetary history. When private manufacturers in California struck their own gold coins to help with the shortage of circulating specie before the establishment of the San Francisco Mint in 1854, early issues were melted and analyzed (probably by competitors) for weight and purity. Those who made coins with insufficient gold content were publicized and quickly failed (which today, ironically, makes their surviving specimens extremely rare and valuable).

Later, when the U.S. government tried to force the public to accept and circulate paper money after the Civil War, the people of California were the last to come around. Into the 1870s, if a patron of a California business tried to pay for their purchase with paper money, the merchant would legally be forced to accept it. However, the merchant would then post information that such a customer was paying with fiat money instead of gold and silver. As a result, other businesses would refuse the patronage of such potential customers. By the end of the 1870s, California merchants became accustomed to the use of paper money, joining the acceptable usage already in place in the rest of the nation.

Patrick A. Heller was the American Numismatic Association 2012 Harry Forman Numismatic Dealer of the Year Award winner. He is the owner emeritus and communications officer of Liberty Coin Service in Lansing, Mich., and writes "Liberty's Outlook," a monthly newsletter on rare coins and precious metals subjects. Past

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