



# POLICY AND PROCEDURE

# NO.342

## Pawnbrokers

Date Issued September 17, 1998	Date Effective September 17, 1998	Revision No. 2	No. of pages 8
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### **Worcester Police Department regulations for the licensing and operation of pawnbrokers. #342**

These regulations are effective immediately and supersede all previously issued bulletins, orders and regulations concerning pawnbrokers.

#### **1. LICENSING:**

- A. License required: The Police Chief may license suitable persons to carry on the business of pawnbrokers in Worcester, pursuant to the provisions of Chapter 140 of the General Laws and of Chapter 14 of the Revised Ordinances of the City of Worcester, 1996. No person shall operate a pawn broking business unless licensed.
- B. The Police Chief may deny the application of any person for a license, if, in his/her discretion, the Chief determines that-
  - I. Such applicant has made a material false statement or Concealed a material fact in connection with his/her application.
  - II. Such applicant, any officer, director, stockholder or partner, or any other person directly or indirectly interested in the business was the former holder, or was an officer, director, stockholder or partner, in a corporation or partnership which was the former holder of a pawnbrokers license which was revoked or suspended by competent authorities.
  - III. Such applicant or any officer, director, stockholder, partner, employee, or any other person directly or indirectly interested in the business, has been convicted of a felony, or of any crime involving violence, dishonesty, deceit, indecency, degeneracy or moral turpitude, within seven years of the date of their application.
  - IV. Such applicant has failed to furnish satisfactory evidence of good character, reputation and fitness.
  - V. Such applicant is not the true owner of the pawnshop.
- C. No person may employ any person who has been convicted of a felony, or of any crime involving violence, dishonesty, deceit, indecency, degeneracy or moral turpitude, within seven years of the date of their employment. All employees must be approved by the Police Department.
- D. Applications: Applications for new licenses under this rule may be filed at any time at the Worcester Police Department, 9-11 Lincoln Square, Worcester, MA 01608. Applications for the reissue of existing licenses should be filed at least thirty days before the expiration of such licenses.
- E. Expiration of License: All licenses issued under this rule continue in force until May first unless sooner revoked, except that licenses may be issued in April to be valid for twelve months beginning the next succeeding first day of May. Persons whose licenses have expired

and have not been reissued will be liable to prosecution if carrying on the business for which the license is required.

- F. Revocation: The Chief of Police may revoke such license at his/her pleasure and for any cause which the Chief of Police deems sufficient. Offenses, which may result in the suspension or revocation of a pawnbroker's license, include, but are not limited to the following:
  - I. A violation of any of these rules and regulations for pawnbrokers, in part or in whole.
  - II. The conviction of the licensee or any partner, officer, agent or employee of such licensee of a felony, or any crime involving violence, dishonesty, deceit, indecency, degeneracy or moral turpitude.
  - III. The conviction of the licensee or any partner, officer, agent or employee of such licensee for fraud or fraudulent practices in relation to the business conducted under the license, or when licensee or any partner, officer, agent or employee of such licensee been found guilty of inducing another to resort to fraud or fraudulent practices in connection with the licensed business.

Upon revocation of such license, written notice of such revocation shall be given to the licensee by delivering it to him in person or by leaving it at the place of business designated in the license.

- G. Form of License: Such License shall set forth the name of the licensee, the nature of the business, and, the building or place in which the business is to be carried on.
- H. Transfer of License, Location: To transfer a license from one location to another, the Licensee must make an application to transfer the license. Such application must be approved by the Chief of Police, the License Division, and the Building Commissioner. A license issued for one location shall not be valid or protect the holder thereof in a building or place other than that designated in the license.
- I. Weighing and Measuring Devices: All Licensees using weighing or measuring devices for the purpose of selling or pawning goods, wares or merchandise shall have such devices annually tested, adjusted and sealed by the sealer of weights and measure for the City of Worcester.

## **2. RETENTION OF PAWNED ITEMS, PROCEDURES:**

- A. Retention Period Pawned Items: Articles deposited in pawn with a licensed pawnbroker shall, unless redeemed, be retained by him on the premises of the business for at least four months after the date of deposit. After the expiration of the applicable period of time, the Licensee may sell the articles by public auction apply the proceeds to the debt or demand and the expense of the notice and sale. The Licensee will pay any surplus to the person entitled thereto on demand, provided, a written notice of the intended sale shall have been sent by registered mail to the person entitled to the surplus payment. The registered mail shall be addressed to his residence as appearing in the records of such pawnbroker. Proof that such registered mail has been sent shall be kept on file for one (1) year with the required records.
- B. Retention Period Purchased Items: If an item, including precious metals and gemstones, is purchased it shall be retained for at least one month after said date.
- C. Prohibition: No article taken in pawn by any pawnbroker shall be disposed of otherwise that as provided above. Any agreement or contract between the parties to the contrary, notwithstanding. (M.G.L. c.140, s.71)

### **3. RATE OF INTEREST; ADDITIONAL CHARGES PROHIBITED:**

- A. Police Chief To Set Rate: The Chief of Police or a person designate by the Chief of Police may fix the rate of interest, which such pawnbrokers may receive on loans. No licensed pawnbroker shall charge or receive a greater rate of interest that so fixed, and interest shall be determined on the precise sum advanced by the lender. These rates will not be compounded.
- B. Rates: The rates of interest, which may be charged in Worcester are set forth in appendix A to these rules and Regulations and may be amended from time to time by the Chief of Police. Any change in rates will be transmitted to the Licensee in writing, and shall become part of these rules and regulations. These rates shall be posted in a clear designated area for customer review and a copy of said rates be handed to each customer upon completion of pawn transaction.
- C. No Additional Charges: No pawnbroker shall make or receive any extra charge or fee for storage, pictures, care, handling or safe keeping of any goods, articles or items pawned with him. (M.G.L. c.140, s.72)

### **4. AUTHORITIES MAY ENTER PAWNBROKER'S SHOP; EXAMINATION OF ARTICLES, BOOKS, AND INVENTORIES:**

- A. Police Officers May Enter: Any officer of the Worcester Police Department may, at any time, enter upon any premises used by a licensed pawnbroker for the purpose of his business, to ascertain how he conducts his business. The officer may examine all articles taken in pawn, kept, stored in or upon said premises. He may examine all books and inventories relating thereto. Every such pawnbroker, or his clerk, agent servant or other person in charge of the premises shall exhibit to such officer on demand any or all articles, records, and inventories. (M.G.L. c.140, s.73)
- B. Transparent Storage Required: All items that are stored in any type of container shall be stored in transparent containers, or in containers with a transparent window sufficient to allow the item to be seen and identified.

### **5. REQUIRED RECORDS:**

- A. Computerized Records: Every pawnbroker shall keep a computerized record of style and design approved by the Chief of Police. Included shall be all transactions of pawn loans and purchases, which shall be recorded, in the English language. A clear distinction shall be made between pawned items and purchased items and shall reflect the amount of the pawn or purchase.
- B. Identification of Customer: For all loans and purchases, every pawnbroker shall also require positive identification and record the type of identification presented and record the date of birth on approved cards from any person pawning, selling or pledging any article. Positive identification shall mean any picture identification card issued by a governmental agency.
- C. Requirement That Records Be Kept, Provided and Retained: The pawnbroker shall record the name and residence, date of birth, and social security number of the person pawning, selling or pledging such articles. The Pawnbroker shall furnish a correct and complete record of such transactions by an approved method once daily, or as otherwise determined, to the Detective Bureau or to any person designated by the licensing authority. The above described records shall be transmitted electronically in a specifically stored format along with any other

information deemed necessary by the Chief of Police or his designee. No entry of said entry shall be erased, obliterated, defaced, or changed.

- D. Photographs Required: Every pawnbroker shall photograph any person pawning, selling or pledging articles and keep such photographs with said books as part of his records for at least ten years. The required photographs shall be clear and of such quality that the person pawning, selling or pledging the items can be clearly identified. A photograph shall be required each time a person makes a separate transaction. The photos shall be stored in a digitized format. The image must be retrievable and a clear copy provided to police upon request. (M.G.L. c. 140, s.79)
- E. Accurate Transaction Records Required: The transaction records shall accurately describe all items including but not limited to, all distinguishing marks, model names or numbers and serial numbers. Any etchings or engravings will be noted. Any jewelry with affiliation of any institution or organization shall include the name any year indicated along with inscribed initials. Jewelry items inventoried shall include a complete description to include the material, ring size, weight, chain length, shapes, carat weight and color. Coins, stamps, collectable cards, autographed items, figurines, or other collectibles of any description shall be recorded with a complete description, including but not limited to all of the following which may apply: particular identifying features such as name of item, date, denomination, color, size, brand name, vintage, and image represented. Required elements of the description may be amended by the Chief of Police or his designee by written notice to the Licensee.
- F. Whoever is in the business of purchasing gold, silver or platinum shall enter in a book kept for that purpose a description of the item, quantity purchased, the purchase price and the name and address of the seller; provided the purchase price of such item is at least fifty dollars. Any person who sells gold, silver or platinum shall be required to show to the buyer prior to the sale identification, which includes a photograph of said seller. (M.G.L.c.266, s.142A)
- G. Inventory of Media: All forms of media transmission whatsoever, (cassette or video tape, compact disc, electronic games, game cartridges etc. or any future medium developed) shall be inventoried by title and artist. Any electronic, or computer or computer associated equipment or software shall have its identifying numbers and titles inventoried.
- H. Items Must Be Recorded in Worcester: Notwithstanding the origin of an item taken in pawn or purchased by a Licensee, said item shall be recorded as if the item were originally obtained at the licensed premises in Worcester. Items transferred from another licensed pawnshop located within or outside Worcester shall be recorded in the licensed premises to which they are transferred. Any item taken in pawn or sold, which is disposed of other than by sale or auction at the licensed premises, shall have a notation in the record indicating the method of its disposal.
- I. All records required to be maintained by these regulations or by any other statute, rule or regulation shall be maintained for the time required by the controlling statute, rule or regulation, but in no event shall any records be maintained for less than two years.

## **6. MEMORANDUM OF TRANSACTION:**

- A. Memorandum Required: Every such pawnbroker shall, at the time of making such loan, deliver to the person who pawns any article a memorandum or note signed by the him or her. The pawnbroker shall affix an assigned transaction number to every article pawned or purchased by him. The assigned transaction number shall remain affixed to every item until redeemed or

sold. No charge shall be made or required by any pawnbroker for such entry, memorandum or note. (M.G.L. c.140, s.80)

- B. Signature Required: Each pledge shall be required by the pawnbroker to sign his name on a record the size and style of which shall be approved by the Chief of Police. The pawnbroker or his agent shall be responsible for correctly obtaining and listing all other information required on such entry.
- C. Assignment of Number, Entry in Record: Every licensed pawnbroker shall, at the time of making any loan, attach a number to the article taken in pawn and shall make entry of such number in the record approved by rule 5.

## **7. REPORTS OF STOLEN ITEMS:**

- A. Licensee Required to Report: Pawnbrokers shall immediately report to the police department all incidents where a person claims that articles stolen or wrongfully taken from him have been pawned at, or are located in, said pawnbroker's place of business. In the event a person makes such a claim the pawnbroker shall ask the complaining party to remain in the shop until a police report can be made. The pawnbroker or his agent shall then contact the police department, report the incident and request a police officer to make a report. The item in question shall then be stored in a safe place in the shop and shall not be disposed of by the pawnshop owner or his agent until the pawnshop unit has investigated the incident. If the complaining party does not wish to wait for the arrival of the police, the pawnbroker or his agent shall gather as much information as possible from the complaining party and a report of such incident shall be made forthwith to the pawnshop unit for investigation. All other unusual or suspicious activity which might involve criminal behavior that occurs in or near such pawnshop shall in good faith be reported forthwith to the pawnshop unit by the pawnbroker or his agent. If any goods or articles pawned or pledged are determined to be stolen property, a police "HOLD" will be placed on the item and it shall not be removed from the Pawnshop until so directed by the investigating officer. The item may be held in safekeeping at said Pawnbroker at the investigating officer's discretion or removed from the premises and stored in the police evidence facility until the outcome of the investigation.

Said property shall be returned to the rightful owner after the investigation officer has determined it will not be needed for court evidence.

## **8. SIGNS; HOURS OF OPERATION:**

- A. Signs Required: Every keeper of a pawnshop shall put in a suitable and conspicuous place on his shop, a sign having his name and occupation legibly inscribed thereon in large letters.
- B. Signs Prohibited: No pawnbroker shall place or maintain any signs or devices upon or in connection with his licensed premises indicating or tending to indicate that any form of business is conducted therein which he is not authorized to pursue by the Chief of Police.
- C. Hours of Operation: No pawnbroker shall have his shop open for the transaction of business, except between 7:00 a.m. and 9:00 p.m. of any day except Sunday and legal holidays, unless given permission to be open by the Chief of Police.

## 9. PROHIBITED ACTS:

- A. Minors: No pawnbroker shall make a loan or purchase items, directly or indirectly to a minor (under the age of eighteen) knowing or having reason to believe him to be such.
- B. Firearms: No Pawnbroker may purchase, nor loan money secured by a firearm, rifle, shotgun or machine gun. (M.G.L. c.140, s.131B)
- C. Identifying Items To Be Intact: No keeper of a pawnshop shall purchase or take in and pawn any item if it appears that such item has had any serial numbers or any other identifying marks, forged, altered, or obliterated. For the purpose of this rule identifying marks shall include but not be limited to engravings, initials or similar inscriptions on rings, watches or other jewelry or similar inscriptions on other items.

## 10. COMPLAINTS:

- A. Complaints to be Investigated: Complaints concerning licensed pawnbrokers shall be investigated by the pawnshop unit of the Worcester Police Department. An investigation shall be made in all such instances and a report with recommendations shall be forwarded to the Chief of Police. In the event the Chief of Police determined that disciplinary action should be instituted against a licensed pawnbroker, the pawnshop unit shall cause to be served upon the licensed pawnbroker, notice as to the time, date and place of hearing of the charges with a statement of the reasons for the proposed disciplinary action. The hearing will be conducted by the Chief of Police or by his/her designee.

## 11. EFFECTIVE DATE:

These regulations are effective immediately, and shall remain in effect until modified, changed, superseded or otherwise amended by the Chief of Police.

## APPENDIX A:

### TO THE WORCESTER POLICE DEPARTMENT'S RULES AND REGULATIONS FOR PAWNBROKERS

#### PAWNBROKERS INTEREST RATES

(Effective, August 1, 1997 and until superseded by the Chief of Police)

- 1. Initiation Fee: Up to a maximum of \$3.00 per loan. (This may include charges for photo, tickets, labor, etc.)
- 2. Interest
  - a) Loans to \$50: 2% each week for 20 weeks. Not more than a maximum of 2% per month thereafter.
  - b) Loans from \$51 to \$100: 1% each week for 20 weeks. Not more than a maximum of 2% per month thereafter.
  - c) Loans \$101 and over: 3% per month. 4 months maximum.

	Loans to \$50.00 2% each week for 20 Weeks		Loans \$51.00 to \$100.00 1% each week for 20 weeks		Loans over \$100.00 3 % per month 4 months max.
Loan Amount=	\$ 25.00	\$ 50.00	\$ 75.00	\$ 100.00	\$ 150.00
Initiation Fee=	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00
SubTotal=	\$ 28.00	\$ 53.00	\$ 78.00	\$ 103.00	\$ 153.00
Week#					
1	\$ 28.50	\$ 54.00	\$ 78.75	\$ 104.00	
2	\$ 29.00	\$ 55.00	\$ 79.50	\$ 105.00	
3	\$ 29.50	\$ 56.00	\$ 80.25	\$ 106.00	
4	\$ 30.00	\$ 57.00	\$ 81.00	\$ 107.00	\$ 157.50
5	\$ 30.50	\$ 58.00	\$ 81.75	\$ 108.00	
6	\$ 31.00	\$ 59.00	\$ 82.50	\$ 109.00	
7	\$ 31.50	\$ 60.00	\$ 83.25	\$ 110.00	
8	\$ 32.00	\$ 61.00	\$ 84.00	\$ 111.00	\$ 162.00
9	\$ 32.50	\$ 62.00	\$ 84.75	\$ 112.00	
10	\$ 33.00	\$ 63.00	\$ 85.50	\$ 113.00	
11	\$ 33.50	\$ 64.00	\$ 86.25	\$ 114.00	
12	\$ 34.00	\$ 65.00	\$ 87.00	\$ 115.00	\$ 166.50
13	\$ 34.50	\$ 66.00	\$ 87.75	\$ 116.00	
14	\$ 35.00	\$ 67.00	\$ 88.50	\$ 117.00	
15	\$ 35.50	\$ 68.00	\$ 89.25	\$ 118.00	
16	\$ 36.00	\$ 69.00	\$ 90.00	\$ 119.00	\$ 171.00
17	\$ 36.50	\$ 70.00	\$ 90.75	\$ 120.00	
18	\$ 37.00	\$ 71.00	\$ 91.50	\$ 121.00	
19	\$ 37.50	\$ 72.00	\$ 92.25	\$ 122.00	
20	\$ 38.00	\$ 73.00	\$ 93.00	\$ 123.00	
	2% per month thereafter	2% per month thereafter	2% per month thereafter	2% per month thereafter	3% per month for 4 months maximum

Per:

A handwritten signature in black ink, appearing to read "Gary J. Gemme". The signature is written in a cursive style with a light blue rectangular highlight behind it.

*Gary J. Gemme*  
Chief of Police

(Policy #342 Pawnbrokers 9-17-98 was revised on 7-10-07)