



A few weeks ago the US authorities proclaimed the discovery of a single 10 oz tungsten-filled gold bar in Manhattan's jewellery district, which led to the uncovering of a gold-counterfeiting operation.

These counterfeit bars had been identified previously by UK authorities and this is no longer an isolated case. Previously the powers-that-be had wrongly thought that the forgeries had been distributed and sold solely to the UK and Europe. Now they have crossed the Atlantic to the USA.



Tungsten-filled Gold bars have surfaced in New York. These bars are very credible and even carry the markings of a reputable source, Credit Suisse, with serial numbers to boot.

The good news so far is that the counterfeiting case seems to be isolated to just 10 oz bars. You may ask why only these 10-oz bars are produced? The answer is that these gold bars are immensely popular with retail buyers. But shockingly it is not known how many of the fake gold bars have been produced and are in circulation, although many have been sold to dealers and many fake bars have been purchased by the public, the authorities believe.



This photo (left) is of a fake bar uncovered, revealing the fact that all that glitters may not be gold! Members beware that I predict that these will make their way to Asian markets, if they are not already here.

It is interesting that one gold dealer discovered that four of the 3-inch-by-1-inch gold bars he bought, worth about \$72,000 retail, were counterfeit.

Another dealer, with a Master's degree in Chemical Engineering, and over 40 years in the industry, purchased four fake bars from a well-known Russian salesman with whom he had done business previously. I am sure you'll agree this buyer was no fool and, even though he did his due diligence- X-raying the bars to ascertain the purity of the gold and also weighing the bars to double check - he was duped. He commented to the press that even the Swiss markings were perfect! You have been warned. When buying gold bars only buy through a very credible source that can show where the stock was bought.

Members should particularly note that all gold purchased by RIO Professional Investors Fund "gold holdings" are both acquired and stored in association with our merchant bank. They in turn source their gold directly from a certified provider and consequently the holdings are not susceptible to a secondary market, where the counterfeit operation has taken place.

It should be noted that tungsten is an industrial metal and, more importantly in this case, is the fact that it weighs nearly the same as gold (hence the counterfeiters choice). Tungsten costs a little over \$1 an ounce!

Perhaps more worrying, I would also predict that it should be expected that there will be more stories of tungsten replacement into broader gold circulation under retail sales of physical gold. Thus it is very much the case of buyer beware and check before purchasing gold bars.

For members who are interested in these fakes the photo opposite is an example of the flip side of the fake 10oz bar seen at the top of this page.



Any member interested in buying and selling gold safely without the worry of theft or the burden of insurance costs and, very importantly, the exposure to fraud and counterfeit operations, such as those identified by government authorities, as above, should email RIO in relation to our up and coming new gold and silver investment account. This will be launched in March or April 2013.

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The RIO Club