



Lies Versus Facts: The Truth Behind Gold and Silver IRA Scams

Fraudulent precious metals dealers push the idea of retirement plan rollovers for one simple reason: That is where most people have the bulk of their investing dollars. These scam dealers also set their sights on people in or near retirement because they have saved the most. Here are five common lies gold and silver IRA scams use and facts you should know.

Lie: *Putting all your retirement savings in precious metals is safe and secure.*

Facts: **Thanks to excessive markups and fees, you may never make a profit.** Dealers will always charge more than the current spot price when you buy, and pay less than the spot price when you sell precious metals back. This “spread” can range anywhere from 30 to 300 percent or more. The higher the spread, the more the spot price would have to climb simply for you to break even. There may also be ongoing storage, insurance, and administrative fees.

Gold and silver prices can be highly volatile just like other commodities or other types of investments. Different types of assets react to economic conditions differently. The safest strategy is holding a mix of assets rather than putting all your eggs in one basket.

Lie: *I can trust this dealer because we share political or religious views.*

Facts: **Fraudulent metals dealers target their ads to political or religious programming just to gain your trust.** Fraudsters sometimes steal the images of popular personalities and fake endorsements. They will purchase and spam follower email lists. Programs may not know or approve of the advertisers supporting them.

Lie: *The government can't seize collectible coins.*

Facts: **There is no special federal protection for collectible coins.** They are just like any other asset. This is a common lie that goes hand in

hand with lies about economic crashes or socializing citizens' assets. Fraudulent coin dealers use scary forecasts to instill fear, create false urgency, and pressure you to buy.

Lie: *There are secret tax loopholes or advantages to owning precious metals.*

Facts: **First, only certain bullion coins can go in an Individual Retirement Account.¹** If someone tries to sell you higher priced “collectibles” for an IRA, the coins likely are not rare and you're being scammed. **There are no secrets to IRA or 401(k) rollovers**, just ask your tax advisor. And, there are no special tax breaks for self-directed IRAs, if anything the rules are more complex and the fees are higher.

Lie: *You're speaking to an expert advisor or someone with inside information.*

Facts: **Most likely you're talking to a telemarketer whose only experience is separating people from their money.** Scam dealers don't care who they hire as long as they can make sales. If someone tells you what to buy, how much, or when to buy or sell, they are providing investment advice and must be registered with the SEC (adviserinfo.sec.gov), FINRA (brokercheck.finra.org), or your state's securities regulator (nasaa.org/contact-your-regulator). If they are offering advice about buying futures or options they may also need to be registered with the CFTC (see National Futures Association nfa.futures.org/basicnet). Check registrations before acting on any advice you receive.

¹ Check with the Internal Revenue Service to verify eligible bullion. <https://www.irs.gov/retirement-plans/investments-in-collectibles-in-individually-directed-qualified-plan-accounts>.

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