

Gem Scams

By Richard K Diran, professional gemologist

In every trade and business where big money is involved, the unscrupulous will find a way of separating the naive and the greedy from their cash. Fake antiques, fake paintings, fake coins and fake gemstones. Here in Thailand, the internationally-recognized precious gemstone hub of Asia, tricksters, hucksters, and conmen abound. Imitation stones, those made to look like the real thing, have been around since the time of the Egyptians. Synthetic stones having the same physical, chemical, and optical properties as the genuine stone it imitates have been around since the time of Verneuil, who first synthesized rubies at the turn of the century. There is nothing wrong with a synthetic stone as long as it is represented as such; it is only when the unwary are offered such a stone as genuine that problems arise. To compound the problem, many natural stones are subjected to man-made processes to enhance their beauty, such as heat treatment. What are you as a buyer to do? First and foremost, a buyer must deal with a reputable company. If you have a friend who is a gemologist, you should ask your friend to accompany him to the store and see the merchandise. Don't get hoodwinked into believing that gemstones are an investment. You are buying at retail and if it came time to sell you would be selling at wholesale or below. The stories the touts offer about buying stones and then selling in the states or Europe for huge profit margins are just bunk. Think about it. If a dealer had a stone worth, say, \$10,000 and who told you that you could take it to New York and sell for \$15,000, why would he not simply do it himself? Would you really believe some kid on the beach in a torn tee shirt offering you a five-carat ruby out of a matchbox for a few hundred dollars? Many have. They shell out the money, get back to their home countries, only to be horrified to find they have been cheated. Often synthetic stones are not the only problem in getting your money's worth. A seller can represent a lesser valued stone for a much higher price than it is worth. Buying gemstones, with the exception of diamonds, is not the same as buying something with a set value like gold or pork bellies. Gemstones are rather subjective in value even within the community in which they are traded. "Oh, you paid \$1,000 for that?" "Yeah; did I get a good deal?" "I could get you the same stone for \$500." "Hey, okay, I can use another one; maybe I'll make some earrings for my wife." "Yeah, well I don't have one at the moment". Ultimately, the value of gemstones is in their inherent beauty, but everyone wants to know if they are getting the real thing and if they are paying a fair price. After twenty years of being a professional and trained gemmologist buying and selling gemstones all over the world, I can say categorically that there are few exceptional deals. Good deals exist, yes; exceptional deals, generally no. Consider for a moment a Lisu tribesman in Mogok, the area of famed gem mines in what is today Burma (or Myanmar) described by Marco Polo 800 years ago, and mined much earlier, perhaps from the neolithic era. This guy finds a ruby of 20 carats in the rough crystal. He cuts it to fine proportions; it is fire-engine red, clean, bright. Now, after having been cut, it weighs 10 carats. It is worth one hundred thousand dollars per carat, a million dollars. In the not so distant past, he would go himself or send a runner to the border and contact a buyer. Today he picks up his mobile phone and calls Geneva, New York, or Israel from the jungle and the buyer flies in with cash. Can the uninitiated compete? It is quite impossible for me to describe to a buyer what to look for to distinguish natural gems from synthetic ones dangerous generalities. Bangkok is fortunate to have several labs in town for the testing of gemstones. I would suggest to a buyer to have a certificate of authenticity issued -- not by the seller, but by a recognized gem lab, before any hard-earned money is forked over on a gem purchase. Let the buyer beware. If the deal is too good to be true, it certainly is. Never be ruled by greed. Greed is a thief in your own household. There are many knowledgeable and reliable gem dealers in Bangkok. Seek them out. *****

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