POLICY AND PROCEDURE NO. 342

Pawnbrokers, Second Hand Dealers and Junk Collectors

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1. PURPOSE:

The purpose of this policy is to assign responsibility within the Department for the licensing, oversight, and investigation of pawnbrokers, second hand dealers, and junk collectors licensed by the Chief of Police, and to establish uniform procedures for the use of licensee transaction records, the placement of police holds on property, and the denial, suspension, or revocation of a license.

This policy governs Department personnel. The rules and conditions binding licensees are set out in the Worcester Police Department Regulations for Pawnbrokers, Second Hand Dealers and Junk Collectors issued by the Chief of Police.

2. POLICY:

It is the policy of the Worcester Police Department to administer these licenses fairly and consistently, to use licensee transaction records for the identification and recovery of stolen property, and to take enforcement action only on cause and with the notice and opportunity to be heard required by ordinance. A licensing decision shall not be based on a person's race, color, ethnicity, national origin, religion, sex, gender identity, sexual orientation, disability, or socioeconomic status, consistent with Policy 211 Bias-Free Policing.

3. SCOPE:

This policy applies to all Department employees assigned to the administration of these licenses, to personnel who use licensee transaction records, and to any officer who enters licensed premises or places a police hold on property.

4. DEFINITIONS:

Pawnbroker – A person licensed by the Chief of Police under Chapter 14, section 7 of the Revised Ordinances of the City of Worcester and Massachusetts General Laws chapter 140, sections 70 to 85, to loan money on the deposit or pledge of personal property, or to purchase personal property on condition of selling it back at a stipulated price.

Second Hand Dealer – A person licensed by the Chief of Police under Chapter 14, section 7A of the Revised Ordinances and Massachusetts General Laws chapter 140, section 54, as a scrap metal processor or as a collector of, dealer in, or keeper of a shop for the purchase, sale, or barter of junk, scrap metal commodities, old metals, or second hand articles.

Junk Collector – A person licensed by the Chief of Police under Chapter 14, section 8 of the Revised Ordinances to gather, collect, or deal in junk, second hand articles, bottles, clothes, or rags about the city.

Licensee – Any person holding a license described in this section.

Regulations – The Worcester Police Department Regulations for Pawnbrokers, Second Hand Dealers and Junk Collectors issued by the Chief of Police under Chapter 14, section 7(e) of the Revised Ordinances and Massachusetts General Laws chapter 140, sections 54 and 78.

Police Hold – A direction by an officer, which may be given verbally, that an identified item in a licensee's possession not be sold, redeemed, altered, or removed pending the outcome of an investigation.

5. LICENSING ADMINISTRATION:

The Chief of Police is the licensing authority. The License Division administers all licenses issued under Chapter 14, sections 7, 7A, and 8, and is responsible for receiving and processing applications and renewals, verifying that the license fee and, for pawnbrokers, the bond required by ordinance have been filed, conducting the suitability review described in Section 6 of this policy, preparing licenses for issuance, and maintaining the licensing file. Fees are received and receipted in accordance with Policy 351 Revenue and Cash Fund Management.

Before a new license is issued, the License Division shall inspect the premises where the business is to be carried on.

Licenses expire on May first following the date of issue. Applications for renewal should be filed not less than thirty days before expiration. The number of pawnbroker licenses that may be issued is limited by ordinance.

Massachusetts General Laws chapter 140, section 54 requires that additional rules, regulations, and restrictions imposed by the licensing authority on a second hand dealer or junk collector be expressed in the license. The License Division shall ensure that the Regulations, or a schedule of the conditions applicable to that license class, are printed on or attached to and incorporated by reference in every license issued under Chapter 14, sections 7A and 8.

The License Division shall provide each licensee with the Regulations when a license is issued or renewed, shall notify licensees of any amendment, and shall inform each pawnbroker and second hand dealer applicant of the electronic reporting requirement in the Regulations and of how to arrange a reporting account.

The License Division shall maintain a current list of licensees, license classes, and business locations, and shall make it available to the Detective Bureau.

6. SUITABILITY REVIEW AND CRIMINAL HISTORY:

The License Division shall review each application for suitability. The review extends to the applicant, to each person holding an ownership interest in the business, and to any manager or other person named in the application as purchasing articles for the business. Relevant considerations include the truthfulness and completeness of the application, whether the applicant is the true owner of the business, whether the applicant or a person with an ownership interest previously held a license of any class that was suspended or revoked, and whether the

criminal history of a person under review includes offenses bearing a direct and substantial relationship to the conduct of the licensed business, including receiving stolen property, larceny, fraud, forgery, or offenses involving the falsification of records.

Criminal history record information shall be requested, received, stored, disseminated, and destroyed in accordance with Policy 302 DCJIS/CJIS and Central Records. Record checks are limited to the queries that policy authorizes for local licensing and require a signed CORI Acknowledgement Form. The passage of time since an offense, evidence of rehabilitation, and the relationship of the offense to the licensed activity shall be considered.

Before an application is denied or a license is suspended or revoked on the basis of criminal offender record information, the License Division shall notify the applicant or licensee of the potential adverse decision; provide a copy of the criminal offender record information relied upon and identify its source; provide a copy of the Department's criminal offender record information policy and the information published by the Department of Criminal Justice Information Services concerning the process for correcting a criminal record; identify the portion of the record that appears to disqualify the applicant or licensee; provide an opportunity to dispute its accuracy and relevance, together with information regarding the appeal process; and document each step taken. This procedure is required by 803 CMR 2.21.

The Department does not otherwise approve or disapprove employees of a licensee.

7. LICENSEE TRANSACTION RECORDS:

The Regulations require pawnbrokers and second hand dealers to transmit transaction records, including the photographs and identification images the Regulations require, to a regional law enforcement information sharing system. The Department does not receive or store these records. Personnel with authorized access may query the system for official purposes.

The Department does not actively monitor transmitted records. The records are available for query in connection with a reported theft, a recovered item, an investigation, or a request from another law enforcement agency.

Personnel who learn that a licensee is not transmitting records as the Regulations require should notify the License Division.

8. ENTRY AND EXAMINATION OF LICENSED PREMISES:

Massachusetts General Laws chapter 140, section 73 authorizes the Chief of Police, or any officer authorized by the Chief, to enter premises used by a licensed pawnbroker, ascertain how the business is conducted, and examine all articles taken in pawn or stored on the premises together with all books and inventories relating to them. Chapter 14, section 7A(f) of the Revised Ordinances authorizes the Chief or a designee to enter the premises of a second hand dealer and examine all articles, books, or inventories kept there whenever the business is operating and open.

All sworn personnel are authorized by the Chief of Police to enter and examine under these provisions. Entry should be made during business hours absent an investigative reason to do otherwise. An officer refused entry, or refused production of articles, books, or inventories on demand, shall document the refusal and notify the Detective Bureau and the License Division.

Entry under this section is for the purposes stated in the authorizing provisions. It does not authorize a search for evidence beyond those purposes, and an officer who develops probable cause to search for evidence of a crime should apply for a warrant.

Apart from the inspection before issuance described in Section 5 of this policy, the Department does not conduct scheduled compliance inspections. The License Division may examine a licensee's records and premises for regulatory compliance where a complaint, a renewal issue, or information from the Detective Bureau gives reason to do so.

9. STOLEN PROPERTY AND POLICE HOLDS:

A licensee who receives a claim that property in the licensee's possession was stolen or wrongfully taken is required by the Regulations to report it to the Department. The responding officer shall take a report, identify and describe the item, and notify the Detective Bureau.

Any officer who has reason to believe that an item in a licensee's possession is or may be stolen property should place a police hold on the item. The hold may be given verbally to the licensee or the person in charge of the premises. The officer should identify the item to be held, document the hold in the incident report, and notify the Detective Bureau.

A hold remains in effect until the officer who placed it, or the Detective Bureau, tells the licensee it is released. A hold should be released when the investigation no longer requires it.

Where the Detective Bureau determines that an item in a licensee's possession is stolen, the investigator should advise the licensee of that determination and recover the item as the Department recovers other stolen property. Recovered property shall be handled and released to its owner in accordance with Policy 410 Handling Evidence and Property.

A request from another law enforcement agency concerning property in a licensee's possession should be referred to the Detective Bureau.

Massachusetts General Laws chapter 140, section 82A provides that a pawnbroker who violates the record keeping requirements of section 79 with respect to articles later found to be stolen is liable for the loss incurred by the loan, and that the article may be reclaimed by its owner. Investigating officers should document record keeping deficiencies encountered in connection with a stolen property claim and notify the License Division.

10. CATALYTIC CONVERTER TRANSACTIONS:

Massachusetts General Laws chapter 266, section 148 imposes identification, documentation, record keeping, and payment method requirements on second hand dealers, junk dealers, junk collectors, and scrap metal licensees who purchase or acquire catalytic converters, and requires that those records be made available to the Chief of Police or a designee on request. The section does not apply to pawnbrokers licensed under Chapter 14, section 7, and does not apply to the acquisition or purchase of whole motor vehicles.

Section 148 assigns enforcement to the police department having jurisdiction and authorizes a civil fine against the license holder for each catalytic converter sold in violation, together with escalating penalties for repeat offenses, and permits suspension or revocation of the license. A licensee that maintains its license for thirty-six consecutive months without a violation is treated as a first offender on any subsequent violation.

An officer who develops information that a licensee has acquired a catalytic converter in violation of section 148 shall document it and notify the Detective Bureau and the License Division. The Department enforces section 148 through criminal investigation where the facts support it and through the licensing process, and the License Division shall refer the matter to the Chief of Police where suspension or revocation is warranted. A civil fine under section 148 may be issued only with the approval of the Chief of Police.

11. COMPLAINTS:

A complaint alleging criminal conduct by a licensee, an employee of a licensee, or a person transacting with a licensee shall be referred to the Detective Bureau for investigation.

A complaint alleging a violation of the Regulations, the ordinance, or a condition of the license, including record keeping, transmission, rates, fees, hours, signage, or storage, shall be referred to the License Division. The License Division shall investigate, document its findings, and forward a report with a recommendation to the Chief of Police where enforcement action is warranted.

Where a complaint presents both criminal and regulatory issues, the Detective Bureau and the License Division shall coordinate, and regulatory action should not be taken in a manner that compromises an active criminal investigation.

A complaint alleging misconduct by a Department employee shall be handled in accordance with Policy 500 Bureau of Professional Standards Investigations.

12. DENIAL, SUSPENSION AND REVOCATION:

The License Division shall forward each application it recommends be denied, with the reasons, to the Chief of Police. A denial of an application for a license or a renewal shall be in writing, shall be signed by the Chief of Police, shall state the reasons, and shall advise the applicant of any hearing available under Chapter 14 of the Revised Ordinances. A denial based on criminal offender record information shall follow the procedure in Section 6 of this policy.

The Chief of Police may suspend or revoke a license issued under Chapter 14 for a violation of any provision of that chapter, of the Regulations, or of a condition of the license.

A notice of suspension or revocation shall be in writing, shall be signed by the Chief of Police, shall state the grounds for the action, shall be delivered by a police officer or constable or sent by regular mail, and shall contain a statement that the licensee is entitled to a hearing before the licensing authority or a designee. A licensee who requests a hearing in writing shall be afforded one within fifteen days of receipt of the request. These requirements are established by Chapter 14, sections 9(e) and 12(a) of the Revised Ordinances.

The License Division shall prepare and serve the notice, document the date and method of service, schedule any hearing requested, and record the disposition in the licensing file.

Enforcement of a violation of Chapter 14 may also proceed by civil process, by criminal process, or by non-criminal disposition, and the ordinance provides that a license is subject to revocation upon three or more violations occurring over any three day period.

13. RECORDS:

Licensing files and records of enforcement action shall be retained in accordance with applicable retention requirements. Access shall be limited to personnel with an official need to know. Licensee transaction records are maintained on the regional information sharing system and are not stored by the Department.

A request from outside the Department for records held under this policy shall be processed in accordance with Policy 302 DCJIS/CJIS and Central Records. Criminal offender record information shall not be released except as authorized by law.

14. POLICY REVIEW:

The License Division and the Detective Bureau shall jointly review this policy and the Regulations upon any material change to Chapter 14 of the Revised Ordinances, to Massachusetts General Laws chapter 140, sections 54 to 56 or 70 to 85, to Massachusetts General Laws chapter 266, section 148, or upon any action of the Commissioner of Banks affecting the approved pawnbroker interest rate or the Department's pawnbroker regulations.

Per:

Paul B. Saucier
Chief of Police

Revisions:

November 2, 2026–

Replaced the licensee rules formerly carried in this policy, including the Appendix A interest rate schedule, with a reference to the Regulations for Pawnbrokers, Second Hand Dealers and Junk Collectors issued by the Chief of Police. Expanded the title and scope to second hand dealers and junk collectors. Added purpose, policy, scope, and definitions. Added License Division and Detective Bureau responsibilities; replaced the pawnshop unit with the Detective Bureau. Replaced the seven-year conviction bars and Department approval of employees with trade-related suitability criteria and the procedure required by 803 CMR 2.21. Replaced revocation at the pleasure of the Chief of Police with the notice and hearing required by ordinance, and added written denials. Added inspection before issuance, transaction records, recovered property, outside agency requests, catalytic converter, records, and policy review provisions. Replaced references to the Revised Ordinances of 1996 with the Revised Ordinances of 2008.

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