

[JTC: From <https://globalbullionsuppliers.com/blogs/blog/are-there-gold-bars-filled-with-tungsten-at-major-banks> , a Canadian bullion seller. (1/30/2019, unsigned.) The bad news is, yes, such frauds happen. The good news is, they're rare.]

Are There Gold Bars Filled with Tungsten at Major Banks?

Long ago, before the derivatives were major threats, something more obviously dangerous was around.

For millenia, banks, governments and merchants worry about fraud. In Ancient Roman times, for instance, people would shave-off the edges of gold coins while governments reduced the fineness of coins over time. Fast forward to the modern day. People counter-fit currency while governments devalue it. Moving past our talk about [how to test if a gold bar is real](#), and since most gold bars are held by institutions, are there gold bars filled with tungsten at major banks?

Fraud, scams and counterfeit are a regular concern for most players working in and around the financial industry.

The rise of digital identity theft has led major institutions to hire teams of people to deal with the issue. Issues with protecting crypto-currency e-wallets cements the nature of this problem.

Unfortunately, small investors seem to be the overwhelming target for such schemes. Gold dealers and buyers alike are no strangers to fraud. In fact, scams such as counterfeit precious metals gold industry is no stranger to scams and counterfeit. The world of precious metals is filled with underground stories. For instance, in a [recent post](#), we described how smuggling in India has been on the rise because of hefty foreign import duties.

Consider these supporting factors. First, it is worth noting that central banks and well-respected gold dealers have a close relationship with refineries. By relying on COMEX and LBMA approved sources, they mitigate the risk of fraud. This leaves "amateur manufacturers," especially in developing nations, as the source of tungsten filled bars.

It takes a real measure of mechanical acumen to remove the gold from a bar, fill it with tungsten, and patch it back up to look the way it was before. The amount of time, skill, and effort required to pull such a thing off so as to fool an expert gold buyer makes it unlikely.

Frankly, the day-to-day risk of buying fake gold from a [Big 5 Canadian Bank](#) is low. Furthermore, [gold conspiracies](#) suggesting that tungsten filled bars line the the US Federal Reserve are difficult to prove. With that in mind, the last time Fort Knox opened its doors was 1974. Major gold vaults are notoriously non-transparent and that inevitably raises serious questions of public accountability.

But how do you avoid buying tungsten-filled gold from the bank, or elsewhere? Here are some counterfeit scams to be aware of.

Tip 1: Avoid Gold Coins from China.

[Rod Gillis](#), the education director at the American Numismatic Association, has spoken publicly about the counterfeit gold coins. At the time of writing, the majority of these are coming from manufacturers in China.

Tip 2: Stay Away from Fake "slabs."

Coin slabs (tamper-proof plastic cases often issued by [coin graders](#)) have, for a long time, been a sign of authenticity. Recently, some [counterfeit coins](#) have been reported in fake slabs.

So if all of this has not yet put the fear of god in you, you can usually find fake products online through, AliExpress, Amazon, and eBay... Keep your eyes out for any small gold bars for sale on the site - but that's about it. [Reputable gold dealers](#) will always do the research on where the gold comes from to ensure they recognize the refinery. As usual, the small investor that has to be most vigilant because there are fewer testing mechanism in place and a good deal on some gold is hard to pass up.

Why is the small investor more at risk of fake bullion? Most banks trade with 400 oz bars that stay within a carefully guarded system. Often, in fact, no gold moves at all. It's just ticker symbols and computer screens that change. On top of that, to get into the LBMA and COMEX systems, gold (and silver) must be carefully vetted for both minimum finesses and origin. Forbes' [Tim Worstall](#) went as far as calling a Swiss refiner that allegedly produced a tungsten-filled gold bar found in Manhattan. Not true, says Tim. Apparently, this was an unsubstantiated myth and the refinery had no idea what Tim was talking about.

Are there Gold Bars Filled with Tungsten at Major Banks? No, but be careful.

What about tungsten-filled gold coins? How dangerous are these?

Answering are there gold bars filled with tungsten at major banks would be incomplete without a short section on tungsten-filled gold. Note first that tungsten filled does not mean "gold plated," although it can. In high-end counterfeits, a tungsten bar is put into a hollow cavity in a real gold bar, to mimic size and density. Unfortunty, while you get some gold, you are still significantly under.

This happens a little less often with gold coins. Unfortunty, fake gold coins are still very common. All over the world, these fake coins have snuck their way into unsuspecting buyers' pockets. Could some have snuck into storage facility of some of the most influential banks? It's hard to say, but unlikely because the banks stick, normally, to gold bars.

Why is tungsten is the most popular materials for counterfeiting gold? It has a density close enough to gold to pass even the most sophisticated of tests. Most initial gold testing is external. Unless you want to do a fire assay on your precious metals, you may have a hard time getting much better than surface-level testing.

According to the [CBC](#), a fake gold bar purchased from the Royal Bank was not manufactured in their facilities. This seems almost prima facie true. Funny enough, many sophisticated buyers and sellers stay far away from banks for another reason. The fees on gold bullion can be overwhelming... It is often the same reason why you would not want to [buy gold from the post office](#).

