



# Pawn biz refuses to 'sell out'

## Won't give cops info

**EXCLUSIVE**

By KATHIANNE BONIELLO

They refuse to be pawns to a police state.

A city pawnbroker company is suing the NYPD in Brooklyn federal court for \$61 million, claiming it's being bullied to reveal transactions in a national database.

The Gem Pawnbrokers chain says cops harassed staffers at its Brooklyn and Queens shops, threatened them and even slapped them with penny-ante violations in an effort to get the shops to sign up for a service called LeadsOnline that enables law enforcement to track goods and the people who pawn them, a suit charges.

Pawn shops are required by law to keep, and let cops inspect, records of what they buy and sell, the date and time of the transaction, along with the seller's physical description, name and address.

LeadsOnline collects this information in an online database police can access from their desks, but pawnshops aren't required to participate in the system.

Gem's owners say they stopped using the Texas-based LeadsOnline because they feared the service violated federal privacy laws, which they are required to follow.

Because pawnbrokers often loan people money in exchange for merchandise, they are similar to banks and required to keep most transaction information private from the general public, Gem lawyer Paul Solda said.

The lawyer charged that police are using LeadsOnline to circumvent the spirit of the law when it comes to pawnshops. Instead of inspecting Gem's books on a regular basis for irregularities, wanted

suspects or known stolen items, police are simply fishing for arrests by zeroing in on the names of ex-cons.

"What the police were doing was calling every other day and asking them to put criminal holds on [merchandise]" without court paperwork, Solda said.

Police say keeping track of pawnshop business is a key weapon in catching crooks fencing stolen property.

Gem, with more than 20 stores in the five boroughs, "has been targeted by the NYPD for the last two years plus, because they got off LeadsOnline," the lawyer said.

Staffers were "subjected to constant threats, intimidation and disruptive actions," according to the suit.

Police allegedly made clear the crackdown would "only end when and if they cede to the demands of the NYPD and 'become compliant,'" Gem charges in court documents.

About 2,100 law-enforcement agencies across the country use LeadsOnline, says the service, which bills itself as helping police solve crimes.

Solda said cops issued more than half a dozen misdemeanor violations to their shops in Brooklyn and Queens, all of which have been dismissed in court.

He slammed the NYPD's alleged actions as "shocking" and said they reveal an "inherent prejudice" that assumes pawnshops are a hotbed of criminal activity.

"What the police don't understand is that, 99.9 percent of the time, these are good people doing good transactions," he said.

LeadsOnline did not return a request for comment. The city had not yet reviewed the lawsuit, a Law Department spokeswoman said.

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