

Now I ain't sayin' he a gold digger...

By SARAH MASLIN

The first thing people pawn is their gold. Then they hock their electronics, their tools, and their appliances (in that order).

If you bring a gold ring to the pawn window in the back corner of M & M Pawnshop — above the fake-marble countertop, below the neon sign that blinks “PAWNS,” to the left of the shelf stacked with 25 guitars (9 acoustic, 16 electric), and to the right of the mounted brass clock that says it’s 5:30 PM at Dodge City Train Station — owner Mike Criscio will rub your ring on a rough slab of rock called a touchstone.

Then, squinting, he’ll squeeze nitric acid onto the streak left by the ring on the stone. If the streak turns green, or disappears quickly, you’re out of luck. It’s fake gold. Your ring is worth almost nothing. A milky-gray color indicates gold-plated silver — which in some pawnshops might fetch you a few bucks — but Criscio, a picky buyer, won’t take it. M & M’s jewelry cases are already packed and the price of melted-down silver is less than 2% of the price of melted-down gold.

If the streak remains on the stone, your ring is real. But don’t expect to pocket anything close to \$1,300 per ounce (the value of gold bullion on the international market). After all, this is a pawnshop. Pawnshops offer quick and easy short-term loans on which pawnners’ belongings, called “pawns,” act as collateral. In exchange for convenient cash, pawnners can expect low appraisals and high interest rates: while a standard 18-karat gold wedding band sells for around \$300 in a jewelry store, it’ll snag just 30 bucks at a pawn window.

You can haggle with Criscio, and you can curse him when he refuses to budge, but in the end, you’ll take the cash. Most pawnners lack property and a decent credit score. They can’t get loans anywhere else.

You’ll trade your ring for a pawn ticket, promising yourself that in 30 days you’ll come up with the money — and the 24% interest — to buy it back.

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M & M Pawnshop sits on a quiet corner of New Haven, CT, America’s fourth most dangerous city. Head east a few blocks and you’ll find yourself amid Yale’s ivory towers; wander north and you’ll end up in Dixwell, a neighborhood with a crime rate nearly twice the New Haven average.

Next door to the pawnshop is a five-story, 142-unit housing project. Down the block is a rundown gas station. Kitty-corner is a Salvation Army store. Across the street is an abandoned lot.

A yellow awning wraps around the pawnshop, announcing in thick black letters: “M & M PAWN SHOP AND CHECK CASHING CO. WE BUY GOLD.” Inside, through a heavy metal door (which stayed shut last year when a robber attempted to drive through it with a truck), half the floor is covered with gray carpet, half with off-white linoleum. One side of the ceiling is lined with swirly stucco, the other, vinyl tiles — the kind you can punch through. A Spiderman action figure dangles down from one of them.

Walking into M & M Pawnshop feels like walking into Home Depot, Toys “R” Us, Best Buy, Zale’s Jewelers, Sports Authority, and PetCo all at once. The shelves are so crowded with

secondhand stuff that the walls are barely visible. DVD players sit alongside bongo drums. Wheelchairs share floor space with strollers and tricycles. Hot Wheels and Barbies share a shelf with a leather saddle. The power drill collection sits next to the Pastamatic, which sits next to the Cuisinart, which sits next to the Grand Slam turkey fryer — which, according to the description on the box, doubles as a seafood kettle. There are 150-odd musical instruments, 50-some PlayStations, more than a hundred flat-screen TVs, dozens of clocks, three washing-machines, a tank full of fish, a fishbowl full of condoms, a Donkey Kong arcade machine, a moped, a scooter, a deer head, and six artificial Christmas trees.

A glass cage between the porn collection and the gumball machine houses a 6-foot python. Two years ago, the snake escaped. It was missing in the store for a month.

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There are 307 gold rings on display in the main room of M & M Pawnshop: flashy rings with big diamonds, simple rings with a single pearl, a hazelnut-sized Indian headdress ring with a jewel atop each gold feather. Mike Criscio tested every single one of them. Criscio is 6'1", with gray-green eyes, buzzed blonde hair, and a red face that alternates between a smirk and a scowl. He dresses in jeans and XXL t-shirts, one of which says "Superbowl XLV," another "Fuck Cancer," and a third that has a picture of Paddington Bear.

After 22 years at the pawnshop — which also operates as a thrift store, a check-cashing outlet, a Western Union, a locksmith, and a Connecticut Lottery ticket vendor — Criscio has gotten pretty good at recognizing what's real and what's fake.

Hundred-dollar bill? Hold the watermark up to the light. ID? Match the picture to the image on the computer screen when the customer presses his thumb to the fingerprint scanner.

But spotting forged checks can be tricky. In recent years, M & M's sixteen security cameras and four concealed guns have cut back on actual robbery attempts. "People know if they try to rob us, they'll get shot," Criscio says. However, since there's still no foolproof test for detecting fake checks, Criscio has learned to read people.

"You get a vibe right off the bat," he says. He claims that he can usually tell the loyal customers from "the crooks" and "the assholes."

Criscio is not naïve to the fact that many people, if asked to describe a pawnbroker in two words, might well choose "crook" and "asshole." Pawnbrokers are routinely accused of usury, thievery, and greed.

"People like to say that, but they're wrong," Criscio says. In addition to running M & M Pawnshop, Criscio owns three check-cashing stores, manages five New Haven properties, coaches high school football, promotes professional boxers, and receives retirement benefits from the state. "My accountant says I'm losing," he says, but his impish grin, his \$120,000 Land Rover, his 40 Rolexes, and his \$70,000 casino jaunts tell a different story.

"I like money," he says, with a shrug. But he insists that he's a go-getter with a heart of gold. "I raised half the neighborhood," he says. Every couple of months, a mother will drag her misbehaving teenager into M & M Pawnshop. Usually the teenager has been smoking too much weed, sassing his parents, or failing in school. Criscio takes care of it: "I grab him by the neck, throw him against the wall, and say, 'You better straighten your ass out.'"

Criscio, who talks in a brisk blue-collar New England accent, is loud, animated, and honest to the point of being offensive, especially when it comes to attractive women or people he doesn't like. Still, he comes across as neither a crook nor an asshole.

But you can't help thinking to yourself that altruism doesn't usually come at 24% interest. And that saviors don't usually profit from their saved souls' falls. You can't help wondering whether Criscio is the real thing, or whether he's just fool's gold.

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When Criscio tells his life story, it sounds like "Rumpelstiltskin," the fairy tale about an imp who can spin straw into gold.

"I started hustling when I was six years old," he says.

Raised by second-generation Italians in North Branford, CT, Criscio spent his spare time as a kid cutting lawns, delivering newspapers, and growing vegetables to sell to his elementary school teachers.

He didn't get an allowance. "So," he says, "I was always out to make a buck."

When Criscio was eight, he asked for a job at a nearby construction site. The contractors told him that he was too young. But Criscio stuck around. When the workers realized they weren't going to get rid of him, they started giving him odd jobs. "That's how I learned to solder, put on siding, and hook up electrical stuff," he says. Nowadays, at the properties he manages, he does all of his own repairs.

Criscio loved the thrill of spending money he'd earned himself. When he was nine, he made his first purchase: a \$300 snowmobile. In high school, while working as a bouncer at New Haven bars (at 5'9" and 195 pounds, he had no trouble passing for 18), he discovered another perk of having cash. "I hooked up with a lot of married women," he says. His father (Mike Criscio Sr., who goes by "Pop") would catch him fooling around in cars at three in the morning. "But," Pop says, "working kept Mike out of trouble."

In college, Criscio got gigs as a construction worker, a foreman in a local labor union, and a truck driver who delivered donuts to grocery stores in the middle of the night. After dropping out of school to play football for the Tampa Bay Bandits (a USFL team that folded just months after Criscio signed), he began seeking jobs with higher risks and higher rewards: bail bondsman, police officer, prison guard, bounty hunter.

He was particularly fond of the last one. "It was easy," he says. "You got \$500 for kicking down a door."

One day in 1991, while Criscio was working as a prison guard at the New Haven Correctional Center, a fight broke out among 84 inmates. Criscio got caught in the middle, and he ended up in the hospital with a dislocated shoulder, a herniated disk, and a torn ACL. "You're done," his doctor told him. After settling with the state for worker compensation benefits, Criscio retired at age 26. He says he's sworn to secrecy about the amount he receives from the state. "But it works out good," he says.

A year later, Criscio and his father bought space in a commercial building on Howe Street and opened M & M Pawnshop. "M & M" comes from their shared first name, "Mike." Within a week, the store had hundreds of daily customers. "We were busy as hell," says Pop. In 1995, Criscio bought the entire 12,000 square-foot corner complex and expanded the pawnshop business to include check cashing and a Western Union. M & M currently processes more than

50,000 pawns a year and has 2.7 million customers in its computer system. Pop guesses that if he sold the store with everything in it, it would be worth more than \$10 million.

“Mike’s got a lot of balls,” Pop says. “He takes a shot at anything. If it doesn’t work out, he’ll lose a couple of dollars. If it works, he gets millions.”

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Cathy Criscio wears magenta nail polish, a Bluetooth earpiece, and a diamond Rolex (a recent gift from her son). In her purse, she carries orange Tic Tacs and a James Patterson novel. She doesn’t visit her son at work often, but when she does, she makes herself at home.

It’s a busy afternoon at M & M Pawnshop. Criscio’s on the landline in the cramped back hallway, rocking back and forth and fiddling with a wooden sword. He hangs up to greet his mother, dodging her kiss like a teenager, then surveys the scene around him. A woman in a hijab with a baby across her chest stands in line to pick up a money order. A construction worker in a bright yellow vest waits to buy a lottery ticket. A firefighter cashes a paycheck. Half a dozen customers wait at the pawn window, their voices getting louder as they compete to be heard by the employees behind the glass. Criscio lifts both hands in surrender. “It’s a crazy day,” he says, and heads back to the phone.

The front door of the pawnshop opens. In walks a huge guy with a scrunched face and a shaved head. Clad in a white and grey tracksuit, he looks like a giant bulldog. The resemblance deepens when he starts to talk — bobbing his head, licking his lips, and saying, “Forget about it!” over and over again.

David Fitzgerald was “just a plumber going through a rough patch at home” when he met Criscio in 1990. The two clicked, and Fitzgerald began spending afternoons at the pawnshop and eating dinner with the Criscios several times a week: “Meatballs, ziti, forget about it!” he says. Fitzgerald has immense respect for the Criscio family. “Mike built this place up from nothing,” he says, describing the neighborhood before the pawnshop opened. Drug dealers and prostitutes were everywhere, he says. The Criscios cleaned the block up. In the 20 years since, they’ve given jobs to ex-convicts, clothed needy children, and bought countless pizzas for hungry customers.

“Forget about it,” Fitzgerald says. “There’s a place in heaven for what they’ve done.”

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The universal pawnbrokers’ symbol consists of three gold spheres hanging from a curved metal bar, like Poseidon’s trident turned upside down. Pawnbroking is thought to have originated in 5th century China, but the symbol — the pawnshop version of a barber pole — began appearing above doorways in Europe sometime during the Middle Ages. According to one theory, the gold balls represent three coin-filled purses given by Saint Nicholas to a man on the verge of selling his daughters into prostitution. The purses paid the daughters’ dowries, their dire fate was averted, and the father’s bad rap was passed down to the pawnbrokers.

History has not been kind to hock shops. Pelted with charges of usury and blamed for all sorts of social ills, pawnshops have been depicted for centuries as dens of chaos where the billfold and the bottle reign supreme. In 1744, an anonymous Londoner published a treatise titled, “An Apology for the Business of Pawnbroking, By a Pawnbroker.” The treatise’s 77 pages were filled with verbose refutations of various claims leveled against the pawn industry: “Objection

One: This Business gives Harbour and Encouragement to Thieves,” “Objection Two: This business is rather prejudicial than serviceable to the Public,” “Objection Seven: But almost Every Man says, That Pawn-brokers are a sad and pernicious set of Men: And what almost every man says, must be true.” In a series of eighteenth-century engravings by William Hogarth, titled *The Four Stages of Cruelty*, the health of the pawnshops correlates inversely with the health of society: one engraving, “Gin Street,” shows dilapidated buildings, heaps of garbage, and drunks in the act of hanging themselves. The pawnshop, however, is thriving.

More than two hundred years later, a 1964 Hollywood film called *The Pawnbroker* perpetuated the stereotype, portraying pawnshop owners as callous apathetes and pawners as “scum.” Told from the perspective of a bitter Holocaust survivor who runs a pawnshop in Harlem, the film also exposed the deep-rooted anti-Semitism that plagued the pawn industry for centuries. Historically, the majority of both European and American pawnshop owners were Jews. Widespread prejudice against them contributed to the stigma surrounding pawnshops.

Today’s crop of pawnshop-themed reality TV shows are making headlines for their attempt, in the words of a *New York Times* article, to “chang[e] the back alley image of the pawn business.” But despite the rising popularity of shows like the History Channel’s *Pawn Stars* and TruTV’s *Hardcore Pawn*, and despite the National Association of Pawnbrokers’ efforts to improve the industry’s image, pawnshops are still routinely painted as shady and possibly illegal establishments. The industry’s sour reputation has a lot to do with its business model, which has remained unchanged for hundreds of years.

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Here’s how it works: a customer walks into a pawnshop and asks for a loan. He hands over a possession (for example, a gold ring) to serve as collateral. Most of the ring’s worth is sacrificed the moment the customer enters the store: Criscio only pays pawners a third of what he expects to resell the item for. Thus, a customer who walks in with a ring for which he originally paid \$1000, but which Criscio plans to price at \$300, will walk out with a mere \$100. The customer then has a set amount of time — usually 30 days — to buy back his ring, for the original \$100 plus 24% interest. If the customer fails to pay within a month, the ring becomes the property of the pawnbroker.

It’s a common misconception that pawnshop owners want pawners to fail on their payments. In reality, they make far more from interest than they do from reselling abandoned pawns. Here’s why: If, after 30 days, the customer lacks cash to redeem his pawn, he can buy a 30-day extension for an additional 24% of the original loan. Hence, the customer who pawns a ring for \$100 will owe \$148 after two months. If, at that point, he still doesn’t have the money, he can extend the loan again — for another 24 bucks. And so on.

Criscio says that one M & M customer has been paying monthly interest on a \$500 gold chain since 2006. “It’s crazy,” he says. “Apparently the chain has sentimental value.” Each extension costs the customer \$120. That means that over the past seven years, the pawner has paid over \$10,000 in interest to M & M Pawnshop.

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With such usurious interest rates, it's a wonder pawnshops get any business at all. According to historian Wendy Woloson, most pawnshop customers have no other options. In the 1800s, pawnshops were the only institutions that loaned money to poor people; today, banks and other lenders require down payments on loans, and good credit scores, which many low-income customers don't have.

Woloson's new book, *In Hock: Pawning in America from Independence to the Great Depression*, casts pawnshops as inevitable byproducts of the growth of American capitalism. Pawnbroking, Woloson explains, is a "fringe economy" created by the widening gap between the rich and the poor.

At the turn of the 19th century, America's rising industry and swelling immigrant population created the perfect conditions for pawnshops to flourish. Factory workers with insufficient wages began using their personal possessions as collateral on small cash loans to get them through the week. In cities along the eastern seaboard, America's poverty industry was born. Pawnshop loans were so essential to the working class that by 1828 there was one item in pawn for every New York City resident.

Woloson seeks to correct what she sees as history's unfair characterization of the pawnbroking industry. She argues that pawnshops provided — and continue to provide — a unique and necessary service to millions of Americans. They were our country's first equal-opportunity lenders.

Troy Stokes, a teddy-bear-like 27-year-old who has worked at M & M Pawnshop for five years, wonders what New Haven would be like without them. "For people who are desperate — their kids have nothing to eat, they're on food stamps — if there were no pawnshops, what would they do?" They might steal, he says. Or worse. While many people think that pawnshops encourage crime, Stokes thinks they prevent it.

Pawning nonetheless takes a toll on its customers. Failure to pay can mean losing precious belongings, and continued renewal can cost hundreds — or thousands — of dollars.

"Pawnbroking demonstrated quite clearly," Woloson writes, "that the promise of capitalism was broken for countless Americans."

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The promise of capitalism is certainly broken for Brenda, the woman with the scarred face who fell behind on her taxes last year and had to pawn her grandmother's ring. It is broken for Helio, the Brazilian contractor who hasn't been paid in a month. It is broken for Penny, the mentally disabled cancer survivor who has a habit of forgetting her weed bag on the pawn counter.

On a rainy morning in November, half a dozen customers wait outside M & M Pawnshop. It's cold out, but they need money. At 10:00 a.m. sharp, Pop unlocks the door. A huge man in a cream-colored polyester suit wheels a bicycle to the pawn counter, its broken lock hanging around his neck. He's followed by a short guy who has one hand in his pocket and the other hand raised to his lips. *Shh*, he mouths to Stokes, who's working in the back.

The federal Truth in Lending Act of 1968 requires pawnshops to register transactions so that local authorities can track stolen items. But a few years ago, when police stopped reimbursing confiscated goods, pawnbrokers started telling people not to bother with police reports.

“You’re better off just buying back your stolen stuff here,” Pop says, explaining that the legal process to redeem stolen items can take months. If the police don’t get involved in the first place, he says, you’ll get your stuff back sooner.

Every week, an orthodox Jewish man with a beard and a long black coat enters M & M Pawnshop, looking for a pair of silver candlesticks. They were stolen from his dining room two months ago, he says.

It’s not uncommon for an item to be stolen overnight, pawned by the thief the next morning, and repurchased by its rightful owner in the afternoon. This is a flaw in the pawn system, but how to fix it (and whether it’s the responsibility of the police or the pawnbrokers) is not entirely clear.

New Haven police are more responsible than they used to be when it comes to pawnshops. Fifteen years ago, it was common to see a swarm of cop cars parked outside M & M Pawnshop — not because officers were closely monitoring transactions, Pop says, but because Criscio had set up a room in the back of the pawnshop for the cops to watch dirty movies.

Nowadays, the former porn room houses only pawns. There are thousands upon thousands of them, filling every inch of five storage rooms and a 4,000-square-foot basement. Taped to each item is a small slip of paper listing the pawner’s name, the original loan amount, the pawn date, and the item’s history (number of extensions, etc.). It is clear why the windows in the front of the pawnshop are all boarded up. To uncover them would be a waste of window-washing fluid. M & M Pawnshop makes most of its profit from the items in the back of the store, from the collection of broken promises gathering interest, gathering dust.

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Across the parking lot from M & M Pawnshop, a billboard-sized banner hangs from a brick wall. A black-and-white image of a boxer stares passersby down: shadowy eyes, triangular jaw, sculpted abs, clamped fists, and huge, flexed biceps. “A New Haven notable,” the banner proclaims, “Chad Dawson was rated by The Ring Magazine as number one Light Heavyweight boxer in the world.”

Before becoming the world’s top Light Heavyweight boxer, Chad Dawson walked into M & M Pawnshop and asked Mike Criscio for help. It was 2001, and, says Criscio, “Chad was getting screwed by his manager.” The young athlete knew the pawnshop owner from the Howe Street YMCA, where Criscio used to coach basketball. He thought that the financial expertise and negotiation skills Criscio had acquired as a pawnbroker might make him a good boxing manager, so he asked Criscio to take over. Four years later, Dawson was winning every fight. “But then he screwed me, too,” Criscio says.

Dawson had started hanging around a group of New Haven “bloodsuckers,” throwing parties and draining money on cars and clothes. In 2008, he stopped supporting his family; in 2009, he ditched Criscio; in 2010, he lost his first fight. His career spiraled. Nowadays, Dawson’s mother is homeless, and Criscio is suing him for \$200,000. Criscio doubts he’ll ever see the cash. “What am I going to get blood from, a rock?” he says.

Stories like Dawson’s run a dime a dozen in the boxing world, Criscio says. A poor kid from a bad neighborhood has “never seen money in his life,” so he blows through his earnings all at once and finds himself penniless.

The real winners are the promoters and the managers, says Joe Tessitore, an ESPN sportscaster and a friend of Criscio's. Like pawnbroking, Tessitore explains, boxing is "pure unbridled capitalism at its finest." And boxing managers, like pawnbrokers, navigate a world inhabited by people "for whom a duffel bag full of cash means more than a contract." That's why Criscio is such a successful boxing manager, Tessitore says. "He's a fearless entrepreneur and he has balls. Have you ever been in a hardcore city ghetto where you felt uncomfortable? You gotta know how to handle those people. Mike does." Tessitore believes that Criscio knows how to "handle those people" because he deals with them every day at M & M Pawnshop.

Dawson's fame brought other boxing hopefuls to the pawnshop door. Criscio currently works with 40 professional fighters (eight from New Haven), setting up their training camps in Las Vegas and L.A., publicizing their matches, and earning 10% of the \$50,000-\$200,000 they make on each fight. But he scowls whenever someone mentions Chad Dawson. It seems fitting to him that during Hurricane Sandy, Dawson's banner was the only thing on the block that blew down. "Karma's a bitch," he says.

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The yellow awning above M & M Pawnshop survived the storm. The next day, M & M was back to business as usual. Seventy-mile-per-hour winds didn't stop the stock market, and they didn't stop the pawnshop, either.

And while many New Haven businesses were hurt by the recent recession, M & M's transactions doubled: from 30,000 in 2007 to 60,000 in 2008, with high rates ever since. Pawnshops thrive during times of economic turmoil: with increasing numbers of people abandoned by traditional banking institutions (according to the FDIC, as of 2013 one in four Americans is "unbanked or under-banked"), it is fringe economies that pick up the slack.

Every day, some 200 customers flock to 32 Howe Street, lugging secondhand jewelry, tools, appliances, and electronics. Behind the counter stands Mike Criscio, the owner of M & M Pawnshop, one of 10,000 pawnshops in America. America, this land of promise where the streets are paved with concrete and the sign above the pawnshop door says, "WE BUY GOLD."