



THE OKLAHOMA PHILATELIST

The Official Quarterly Newsletter of the Oklahoma Philatelic Society

1st Quarter 2012 Issue

Adding Stamps to Your Collection: eBay an Option

Article by Charles Wallis

How do you survive Oklahoma's diverse weather? One suggestion, take out your stamp collection, sit in a comfortable room for the day and look at what you might still need to complete that special set or just simply add new stamps to your stamp album.

How do you accomplish this goal? One way is to mark your calendar and make sure you attend your local stamp club meeting, particularly when they host a stamp auction. I know both Oklahoma City and Norman Stamp Clubs provide this option. Another is to sort through the stamp circuit books. Sorry Norman, you miss out on this opportunity for not subscribing to either OPS or APS circuits. If you subscribe to stamp publications such as Linn's Stamp News or receive the American Philatelic Society's bulletin, you can peruse through seller's advertisements and add new items to your collection from those sources. If you can't find that special stamp, most dealers advertising in the philatelic sources just mentioned also provide email links to web pages where hopefully you can find stamps and/or covers you need and at prices you can afford.

Another option and one that can be informative in other ways (which will be expanded upon shortly), is through eBay. If you have internet access, this is a sure way to add stamps to your collection; also covers or anything else related to stamps and stamp collecting. By going to this site you can narrow down your search quickly by using the various search engine options provided.

You can check out this website by simply going to www.eBay.com. However, to buy items you will need to fill out the requested information, which will include providing eBay a credit card number since any purchases you make will normally be paid through eBay's subsidiary PayPal. Some sellers will take other means of payment. However, you must check their sites to see which will and what methods of payment they will ac-

Continued on next page

OPS SALES DIVISION HAS EXCELLENT 2011 SALES

John Mangelinkx, O.P.S. Sales Division Manager, reports that the Sales Division in 2011 had total sales of \$12,572.93 and provided \$325.00 in rebates. Adjustments have been made in 2012 due to the USPS postage increases that took effect on January 22nd. Minimum sales value per book is now \$40.00 and new circuit books are now \$1.25 each.

Winter is a good time to get some empty books and fill them with your duplicates. You get to sell at your price to fellow collectors, who can buy at their club meetings or at their stamp desk at home. It is still one of the very best ways to raise a little extra cash to use to buy those missing key items for your own collection. A consignor recently was overheard saying, "There is nothing nicer than getting a check from OPS Sales just before Christmas". **Contact John today at OPS Sales Division , 2408 Briar Ridge Drive, Ponca City, OK. 74064.**

FROM THE PRESIDENT.....

By Brady R. Hunt

Hello to all my fellow OPS members. I hope your collecting is going well and you are finding that elusive item that perfectly fits your collection. Now that the internet is here, it is possible for everyone to search and find items to collect. But the fun really starts when you begin to share your interests with others by way of stamp club meetings and exhibiting in shows.

If you are in the midwinter doldrums with your collecting, let me encourage you to be thinking towards next fall and specifically OKPEX which will be the annual meeting for the OPS. If you have never been, you should mark your calendars for next October and go. There you will find all manner of stamps and supplies for your collecting interests. Let me encourage you to make an effort to

Continued on next page

OPS Contacts:

Brady R Hunt President bradyh18@sbcglobal.net	Bob Hyer Secretary rehyer@cox.net	John Mangelinkx OPS Sales Department Jj114m@yahoo.com	Reggie Hofmaier Editor regbar91@aol.com
Joe Crosby Vice President joecrosby@cox.net	Ray Janz Treasurer yantz868@yahoo.com	Steve Brandt Speakers Bureau chippr@sbsglobal.net	

Continued from page 1 **FROM THE PRESIDENT**

exhibit your stamps there also. Whether it's a one frame, novice collection or the maximum ten frame exhibit, you will find an appreciative audience for your exhibit. The chances of you finding more folks with your interests are greatest when you exhibit.

Exhibiting takes time and effort to do well. Now is the time to begin that gold medal award winning stamp display. The biggest mistake one can make is to begin putting together an exhibit too late. With proper planning and time you will be able to gather that one elusive item that makes the page come to life for the exhibitor and viewer.

OKPEX is always looking for good exhibits from OPS members. Won't you take the time to share your collecting interests with others next fall. You will be making OPS and OKPEX a better experience if you do.

FROM THE EDITOR.....

I know you are wondering, after just recently receiving a newsletter, if *THE OKLAHOMA PHILATELIST* is going to become a monthly publication. Not yet, maybe sometime in the future, the far distant future. At this time the newsletter will continue as a quarterly publication. I thought that by publishing it at the beginning of the quarter, everyone would know when to expect it and when to get their articles regarding Oklahoma philately to me for publication.

Seriously, I desperately need articles for the newsletter. Write about what you collect and it does not have to be about Oklahoma philately. It can also be about how the mail is processed. Such as what those little yellow stickers mean and why they are applied. Maybe mail that was salvaged from a train or plane wreck is what you love to collect. Write about it so others can also learn about it. The point I am trying to make, I need articles in order to give

Continued on page 5

THE OKLAHOMA PHILATELIST 1st Quarter 2012 Page 2

Continued from page 1 **Adding Stamps....**

cept. Furthermore, eBay has basically made it almost impossible to sell or buy through their site unless you have set up a PayPal account.

There are two search options on eBay that I particularly utilize. Search option links can be found along the left side of your screen once you have linked onto the site. One is "stamps", the other "collectibles". The latter will occasionally bring up listings that will not come up when using the search engine for stamps, or other sub-categories listed under stamps, such as "postal history".

For instance, "post cards" show up as a sub-category under "collectibles", not under "stamps". This is understandable as post cards by themselves are not stamps or other printed government securities (e.g. embossed stamped envelopes and postal cards). Still, if you are interested in Oklahoma postal history related items, occasionally you will find an interesting posting that not only includes a photo view (real photo postcard) or picture of a particular town or building within such (e.g. post office or library), accompanied by a postmark from that location. This is one option for obtaining territorial postings that may have been overlooked by others. More than likely only the larger towns and cities will provide this opportunity, unless the post card was mailed at one of the surrounding smaller, outlying post offices. Typically the dealer posting the card only states that the post card is "used" and does not provide either a scanned image of the message side, nor state the location of the posting in their description. If they are aware of the significance of the town's postmark, more than likely they will also list it under postal history or at least cross reference the lot under more than one search option. It costs the dealer more to list this way; however, it increases the chance that viewers will see the listing. This is particularly important, as listings are only available for a short time (seven to ten days is the maximum exposure one can use for the auction page). You can ask the seller to provide you with this type of information if you are able to make contact before the listing closes. If they do not provide you a scan of the postmark, you have to make a decision as to whether the card might be worth your investing in the item; taking a chance that it

Continued on next page,

Continued from page 2 **Adding Stamps....**

might be a winner with a great cancel.

Another aspect of eBay's web site is it can be used as a great reference tool to quickly find out whether or not a particular stamp is scarce, or perhaps just "hard to obtain". Just because it was printed in the millions or perhaps billions and is listed in one of Scott's catalogues at the lowest possible catalogue value (now twenty cents) does not mean it will be readily available; particularly in used condition. Once you decide on the best window to open, such as "stamps" (searching under "United States" only), type in the Scott number of the stamp you are interested in, hit "search" and quickly see how many examples are currently available for sale. This viewing lists by earliest closing date (unless you reset your search engine otherwise), those stamps currently for sale in eBay's auctions, along with those listed in the various dealer's eBay Store "buy now" pages.

Keep an account of the number of stamps that appear for the stamp in question and what they end up selling for. Particularly make note of the condition of the stamp. A poorly centered, heavily cancelled stamp with other faults (thins, short perforations, tears, etc.) whether listed or not, shouldn't bring in much of a bid (if any) for a common stamp.

Don't be fooled by a listing that shows a current bid amounting to just a few cents (less than \$1.00), particularly when a number of days remain before the listing closes. This doesn't mean the stamp must not be worth anything. Typically dealers list the stamp at what appears to be an unrealistically low opening bid (costs seller less to list the item this way), expecting buyers to run the bid up to what the stamp should sell for in the closing hour of the auction. Some buyers subscribe to a "snipe" computer-generated bid program that electronically enters their bid at the last split second of the bidding process, thereby effectively locking out anyone else from raising the bid over the maximum amount the snipe bidder has entered. This can be determined by looking at the final bid summary. The snipe bidder's entry and amount paid should show up in the summary page the second before the auction closes.

An eBay search option that I particularly like is their "completed auctions" link, which appears along with other options on the left side of the viewer page. However, you will not be able to open this link unless you are an eBay subscriber. When you click on this link, you should see how many of the stamps in question listed over the past several weeks have sold and at what prices. If most did not sell because of not receiving opening bids, this observation alone demonstrates that there is little interest in this stamp, particularly if some were listed well below Scott catalogue.



Figure 1

As an example, I recently won at an Oklahoma City Stamp Club auction as the only bidder, a particularly nicely centered Scott #166A King George VI, Hong Kong, ten dollar high-value stamp in the set (see Figure 1), for about one-half Scott catalogue. At the time I believed I had made a great purchase, at the right price. With this in mind I began the

process of listing my recently acquired stamp on eBay for sale. Before pricing, I typically check to see what my competition might be. To my surprise there were already somewhere between 15 to 20 copies of the same stamp listed for sale; some in worse shape and some of equal centering. Opening bids varied, with some being well below the price I had paid for my stamp. When I checked completed auctions I observed that most of the previously listed stamps did not receive opening bids; with one example of about equal centering, not even selling for its \$1.00 opening bid. Still, I decided to list my stamp with an opening bid at what I had paid for the stamp. If it had sold for that amount, I would have barely recovered my costs even with adding \$1.25 postage and handling fee to the total. Listing at these prices does not take into account time spent scanning, describing and listing the stamp for sale. If I were to view selling on eBay from this angle, I would soon see that I wasn't making minimum wages and should have kept my day job (more on selling on eBay in a future article).

I'm not saying, don't buy stamps in the Club auctions, simply that there will be options on eBay to fill those same blanks in your collection; quite possibly at lower prices if you shop carefully. However, you will miss the thrill of instantly acquiring an item and taking it home that night. Also, you will not have the chance to view the item up close for faults and other details that might not be visible on scanned images provided by the seller on eBay.

When bidding, take a close look at what the seller's add-on costs are. Some may add a closing cost of \$4.50 for postage. This might not be so bad, if they mailed your purchase in a Priority Mail envelope, posted with a Priority Mail stamp. This rarely is the case. On one occasion, I received a stamp that I had won posted by a common definitive stamp, loose in an unsealed envelope, with little protection provided to keep the stamp in its' mint, very fine centered, non-hinged described condition. Fortunately, in this case it arrived in the condition described. I don't recommend mailing items that way.

Most sellers charge reasonable postage and handling costs, in many cases even providing free delivery,

Continued on next page,

Continued from page 3 **Adding Stamps....**

particularly now that eBay is also charging an additional value-added fee for added costs such as postage and handling (for lower cost items typically around 10% of the selling price).

This came about as a result of the IRS and eBay arriving at a compromise involving two areas: one, the level of sales for the year that will result in the IRS being notified (e.g. \$20,000 sales total and more than 200 transactions for the year); and second, how eBay resolved the issue of profits for payments made through PayPal.

At the end of this tax year eBay will be sending out 1099-K forms to those sellers that have more than \$20,000 in sales and conducted more than 200 transactions for the year. At the same time they will notify the IRS of this fact. As eBay has all the data concerning sales available in their computer database, there is no way they can say this is impossible for them to know or produce the information for the IRS, if requested. Sales calculations are based on PayPal accounts.

The IRS had an issue on how eBay calculated their PayPal profit line, which was based on the total PayPal transaction, not just the sale price of the eBay item before added costs (which the seller considered business expenses).

As it now stands, PayPal charges an additional value-added fee for postage and handling charges. For example, an added \$1.25 postage and handling charge now costs the seller an additional fourteen cents which shows up as a separate PayPal transaction in the seller's account. This was not the case before the IRS became involved; just the sale price for the item sold was charged a value-added fee.

I file with the Oklahoma Tax Commission (for in-state sales only) and the IRS in regard to profits under my registered business name. This is not because I might somehow now fall under the IRS's eye per the eBay compromise, since I will probably never realize the \$20,000 in yearly sales; even though I easily surpass the more than 200 transactions per year bench-mark. I have done so since first selling through eBay, but it is a lot of paperwork to keep the total sales straight in case I were to be audited.

I do not have businesses outside of the state, consequently I do not have to collect, calculate nor report sales taxes for out-of-state sales. This may change some day, but before this can happen, all states will have to come up with a universal tax plan. For Oklahoma it can involve calculating taxes for cities, counties and the state.

An issue for the seller is that the PayPal total provided to the IRS will not separate out business expenses such as:

cost for item and postage and handling charges, from the actual selling price. Apparently to satisfy the IRS issue in regard to eBay's profit line, this was how eBay elected to handle the matter. However, postage is a cost against the seller's profit line, as are other charges such as eBay's value added fee, listing fees and PayPal's fees. I'm not sure how the IRS will determine what amount of the total reported, for those making more than \$20,000 in yearly sales, is taxable; this will probably be left up to the seller to document whenever they file their taxes.

How do you know who to buy from on eBay? Take a close look at the seller's feedback profile. If they are a responsible dealer who has been in the business for a while, they should show a better than 99% feedback. If there are more than three negative feedbacks in a short period of time, eBay will take a close look at the seller and perhaps even place the seller on probation until the problem has been resolved. Most sellers work very hard to prevent negative feedbacks and will work closely with the purchaser to insure that they are satisfied with their purchase. Many offer return privileges with full refunds without questions, if the item is not as described and is returned within a reasonable time. The feedback page should give you a good idea of the seller's habits. Feel comfortable when dealing with sellers who strive to achieve and maintain these standards.

Several months back, I noticed an eBay transaction selling what was reported to be a scarce Scott UX27C postal card (catalogue value \$250.00). The item sold for \$105.50. The description stated "money back if misdescribed in any way" along with a suggestion that if he (the seller) were the winner he would submit the item for certification. I hope the purchaser follows up with this suggestion. Even though scanned items can appear different from the actual item, based on the scan provided and the late date of posting, the card did not appear to be Scott UX27C, but the common Scott UX27, worth less than a quarter.

Be aware, when one submits an item for certification and it comes back negative, typically the seller (if refunding) will not reimburse the purchaser their cost for submitting an item for certification. I don't believe the seller in this case (who has a 100% positive feedback profile) is unethical, simply not correctly identifying the postal card. In this case, the mistake could be costly to someone.

Not all sellers on eBay are unethical; only a very small fraction of the total, which is quickly weeded out by eBay, based on complaints and negative feedbacks. I will provide three examples which follow; one involving one of my purchase transactions. The other two are reported cases.

Continued from page 4 **Adding Stamps....**

There recently was someone selling high-priced coins on eBay and scamming buyers of their money. The scam involved the seller somehow obtaining access codes for sellers who had not conducted business on eBay for some time. The perpetrator then listed high-priced gold coins for what seemed to be very reasonable opening bids, using the inactive parties' eBay accounts. Once auctions closed, the seller quickly sent out email notices informing the winners that somehow the seller's PayPal account had been messed up due to a recording error and subsequently for the buyer to send payment directly to the seller's bank account. This was aided by the out-of-date eBay accounts having inactive or non-functioning PayPal accounts; therefore, if the buyers attempted to pay for their purchases through normal PayPal channels they would have received an error notice. Not surprising, the fraudulent seller quickly cleaned out and closed their bank account as soon as payments arrived and left town. There were no actual coins involved and no way for the purchasers to have recourse at recovering their money through either eBay or PayPal, as the transactions (payments) took place outside of eBay. Hopefully eBay will find a way to keep this from happening again.

Another example, reported sometime back, involved a seller working out of Canada, simply scanning photos of high-priced stamps from an auction catalogue and listing the items for sale on eBay. The problem was that he didn't have any of the stamps. I seem to remember one of the examples was a Scott C3a, upside down Flying Jenny stamp. One of the high bidders provided a stipulation for payment, suspect of the dealing. He indicated that he would be making a trip to Canada and once having personally viewed the stamp, would make his payment at that time. In an attempt to set up an appointment, the seller constantly came up with conflicts on why he would not be able to set up an appointment for the viewing. By this time, others were complaining to eBay that they hadn't received their stamps. Even though the case was taken up by the Canadian authorities, they indicated there was little they could do. In eBay's case, all that they could do was suspend the seller from conducting further sales on eBay.

A case that I was actually involved with took place more than five years ago and involved the sale of a scarce, high-valued gaming card that my son wanted. Since he didn't have an eBay account, he asked if I would place a bid on his behalf. At the time of closing, I received an email from an eBay viewer stating that I needed to proceed cautiously in regard to this sale, as it looked suspicious.

When I checked out the seller's eBay feedback profile, I observed several red flags: for one, all of the positive feedbacks were recent and involved sales of little value amounting to less than ten cents each (not items such

as the lot I had bid on). Furthermore, there were a number of repeat participants involved in the feedbacks, against which I also checked out their feedback profiles as well and found a similar pattern.

At this time, one could actually determine who bidders and sellers were. Not the case anymore, as eBay in their attempt to keep others from determining their competition (e.g. privacy issue) now provides a coded ID for bidders (letter followed by three asterisks, ending in another letter and accompanied by their feedback profile number).

This seller was having known accomplices help set up a positive feedback profile. When it came time to pay for the item, I stalled even though this could have resulted in my eventually receiving a negative feedback for failure to make payment in a timely fashion. This was also before eBay acquired PayPal and came up with their current policy of "preferred payments thru PayPal". Personal checks, money orders, cash and cashier checks were other options at the time

The seller repeatedly inquired about when I was going to make payment. I responded to each inquiry with some excuse of why payment hadn't yet been sent. After a couple of weeks the seller mysteriously disappeared from eBay, replaced by a notice of a closed seller account. Apparently the game was over; eBay had begun to receive negative inquiries from others.

The lesson, check out seller's feedback profiles. If there is a spotty history, or it appears suspect in other regards, don't bid on the item.

Today eBay has instigated a number of other protections for the buyer. These can be viewed on eBay. One is a money-back refund policy if the item isn't received. The loser in this case is the seller, unless the item was sent insured and with a tracer; not something that I usually do as I typically sell low-cost items. In the future, I plan to do an in-depth article on how to sell on eBay.

Continued from page 2 **FROM THE EDITOR**

you an interesting and educational newsletter.

I was very surprised when reading Art von Reyn's summary of the recent TPA/OPS Winter Auction 2012, results found on page 6, that there was so little participation in the auction by members of the OPS. I would like to thank Joe Crosby for his continued support of OPS. He donated several lots to the auction to benefit OPS, bringing in \$119.50 for OPS.

Auction participation declines for the second time

By Arthur P. von Reyn

Participation in the TPA/OPS Auction declined for the second time, with total sales of \$2009, versus \$2,198.50 for last summer's effort and the record \$2,699 posted a year ago. The number of lots offered does affect results considerably. There were 92 items up for grabs in the 2012 Winter Auction, while 72 were available last summer and 122 a year ago. Another reason for the less than stellar results may be the lack of any "star" attractions; last summer's auction included a U.S. 1926 White Plains souvenir sheet.

Three U.S. lots drew seven bids each: a 10¢ Green Washington Type II (Scott #32); a cover from Chicago, Illinois, to Friedrichshafen, Germany, franked with the 50¢ U.S. Graf Zeppelin (Scott #C18); and a set of all different Washington-Franklin denominations. A never-hinged, very fine 5¢ Panama-Pacific (Scott #399) realized the highest price, \$125 versus a \$160 Scott catalogue value. Less than a third of the lots were foreign; and eight of the 11 offerings that failed to see any action were from other countries, the other three were American.

As a test, the auction lot listing on the TPA website was periodically updated to indicate not only the number of bids received but also the second highest bid on those items having multiple bids. This procedure helped to reduce underbids on popular items and will be used in future auctions.

Of the 39 participants, 17 bid only by mail, three by both mail and on the website and 19 by the Internet exclusively. Only one OPS member bid on anything in the auction, but two OPS members did submit lots, including Joe Cosby, who included several donation items to benefit the OPS, bringing in \$111.50 for the treasury. A total of 249 bids were received in the auction. Eight bid-

Lot	Price	Lot	Price	Lot	Price	Lot	Price	Lot	Price	Lot	Price	Lot	Price
1	80.00	15	47.00	28	0.00	41	28.00	54	39.00	67	10.50	80	0.00
2	60.00	16	26.00	29	50.00	42	25.00	55	5.00	68	0.00	81	60.00
3	52.00	17	125.00	30	15.50	43	50.00	56	50.00	69	0.00	82	6.00
4	30.00	18	90.00	31	12.50	44	8.50	57	15.00	70	0.00	83	12.00
5	30.00	19	16.50	32	16.00	45	5.00	58	10.50	71	7.00	84	6.50
6	55.00	20	25.00	33	68.00	46	8.00	59	10.50	72	10.50	85	3.00
7	17.50	21	23.00	34	12.50	47	3.00	60	46.00	73	0.00	86	0.00
8	55.00	22	16.50	35	8.00	48	12.50	61	0.00	74	0.00	87	78.00
9	9.00	23	31.00	36	10.00	49	15.00	62	15.50	75	15.00	88	11.50
10	12.00	24	28.00	37	9.00	50	12.00	63	14.50	76	21.00	89	10.00
11	11.50	25	8.50	38	10.50	51	0.00	64	34.00	77	0.00	90	15.50
12	16.50	26	36.00	39	13.00	52	18.50	65	10.00	78	32.00	91	6.50
13	14.00	27	11.50	40	11.50	53	10.00	66	12.00	79	11.50	92	50.00
14	20.00												

Lots are being accepted through May 12, 2012, for the TPA/OPS Summer Auction 2012. Both commission and donation items are welcome, but the minimum lot value is \$10. As always, items that cannot be accepted include common U.S. first day covers and plate blocks, damaged stamps and sets containing them, and collections of cheap material. Sellers should be conservative when grading material and setting minimum bid amounts; note that Scott catalogues use a grade of "very fine" for their "retail" valuations while most older material on the market is just "fine" or "fine to very fine" in grade. Minimum bid amounts not set in accordance with the condition of the material being offered may result in no bidding action.

A lot submission form may be downloaded from the TPA website www.texasphilatelic.org or be obtained by writing to Arthur P. von Reyn, P.O. Box 561622, Dallas, TX 75356-1622..