

Assignment and Report

1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY) CITY PAWN OF ELIZABETHTOWN INC PAWN SOUTH 1401 W BROAD ST ELIZABETHTOWN, NC 28337, BLADEN		2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) 763025-2017-0226-B1B		
		3. PERMIT/LICENSE NUMBER 156017029H41029	4a. TARGET DATE 5/5/2017	4b. TARGET HOURS 40
		5. REQUESTED BY (SIGNATURE, TITLE AND DATE)		
6. ATF OFFICER(S) ASSIGNED (b)(6) - Lead Investigator				
7. ASSIGNED BY (SIGNATURE, TITLE AND DATE) (b)(6), Area Supervisor, 03/06/2017				
8. PURPOSE/SPECIAL INSTRUCTIONS CONDUCT FULL DE/COMPLIANCE INVESTIGATION				
9. INSPECTION RESULTS <input type="checkbox"/> CHECK IF NO VIOLATIONS, ADJUSTMENTS, ETC				
NO. OF VIOLATIONS	2	NO. OF REFERRALS	1	10. TRAVEL EXPENSES (OPTIONAL)
NO. OF TECS CHECKS	3	NO. OF TECS HITS		2111 - PER DIEM
NO. OF TAX ADJUSTMENTS		\$ VALUE OF TAX INCREASES		2112 - P.O.A.
		\$ VALUE OF TAX DECREASES		2113 - COMM. AIR
NO. OF ASSESSMENTS		\$ VALUE OF ASSESSMENTS		2114 - RENTAL CAR
NO. OF CLAIMS		\$ VALUE OF CLAIMS		2115 - GPV EXPENSES
NO. OF TAX PERIODS		\$ VALUE OF TAXES VERIFIED		2116 - MISC.
11. ATF OFFICER'S RECOMMENDATION				TOTAL \$ FOR INSP.
Submitted (b)(6) - Industry Operations Investigator				
Submitted on: 09/12/2017				
Viols WL ONLY and Recall Inspection				
12. TIME ACCOUNTING DATA				
ATF OFFICER'S NAME (MONTH, YEAR, HOURS) (b)(6)				
MAR 2017 2.00				
APR 2017 39.00				
ATF OFFICER'S SUBTOTAL		41.00	ATF OFFICER'S SIGNATURE	
TOTAL HOURS		41.00		
13. REVIEW AND ROUTING				
REVIEW COMMENTS AND RECOMMENDATION				
PII Folder Created				
Viols WL ONLY and No Recall Inspection				
<input checked="" type="checkbox"/> REVIEWED <input checked="" type="checkbox"/> CONCUR <input checked="" type="checkbox"/> SEE COMMENTS <input checked="" type="checkbox"/> FINAL DISPOSITION				
SIGNATURE AND TITLE (b)(6) - Area Supervisor			REVIEW DATE 09/11/2017	
ROUTING SEQUENCE AND DATE				
<input type="checkbox"/> 1. _____				
<input type="checkbox"/> 2. _____				
<input type="checkbox"/> 3. _____				
<input type="checkbox"/> 4. _____				
CONTROL FILE POSTED DATE _____				

Report of Violations

Instructions

Please write firmly with a ball point pen when completing this form. ATF officers will prepare this form in quadruplicate. The original copy and the suspense copy (where required) will be given to the proprietor or a responsible representative. The remaining copies will be submitted with the completed inspection report. Supervisors will detach one copy from the completed report for their files.

Name of Proprietor City Pawn of Elizabethtown aka Pawn South Inc.	Street Address 1401 W Broad St	City Elizabethtown	State NC	ZIP Code 29337	County Bladen	Page <u>1</u> of <u>2</u> Pages
License/Permit/Registry Number (if any) 1-56-017-02-9H-41029		Expiration Date 3/1/2019	Date(s) or Period of Inspection April 10, 2017 - April 13, 2017			

Inspection Results

An examination of your premises, records and operations has disclosed the following violations which have been explained to you:

Number	USC or CFR Citation	Nature of Violation	Corrective Action to be Taken (If not corrected immediately)	Date Corrections to be Made (If not corrected immediately)
#1	27 CFR 478.131(a)(2)	(b)(3) - 112 Public Law 55 125 Stat 55 In one instance, the licensee failed to transfer a handgun to a non-licensee in accordance to North Carolina State law as an exception to the NICS check.		← The licensee will attempt to contact the customer to obtain a NC Pistol Purchase permit to ensure he was not prohibited for this transfer.
		(b)(3) - 112 Public Law 55 125 Stat 552, (b)(6)		
#2	27 CFR 478.102(a)	In two (2) instances, the licensee failed to contact NICS to conduct the background checks; failed to record the date, NTN and response from NICS.	The FFL immediately conducted NICS checks on the two customers.	
		(Continued to Pg. 2)		

I Have Received a Copy of This Report of Violations (Proprietor's signature and title)

Date

Signature and Title of ATF Officer

Date 4/13/17

COPY 2 - INSPECTION REPORT COPY

April 2020 Production

Report of Violations

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Please write firmly with a ball point pen when completing this form. ATF officers will prepare this form in quadruplicate. The original copy and the suspense copy (where required) will be given to the proprietor or a responsible representative. The remaining copies will be submitted with the completed inspection report. Supervisors will detach one copy from the completed report for their files.

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License/Permit/Registry Number (if any) 1-56-017-02-9H-41029	Expiration Date 3/1/2019	Date(s) or Period of Inspection April 10, 2017 - April 13, 2017				

Inspection Results

An examination of your premises, records and operations has disclosed the following violations which have been explained to you:

[illegible]

I Have Received a Copy of This Report of Violations (Proprietor's signature and title)

Signature: (b)(6) 101

Date 4-13-2017

Date 4/13/17

ATF Form 5030.5
Revised April 2005

FIREARMS INSPECTION REPORT

Name: City Pawn of Elizabethtown Inc.
Trade Name: Pawn South

UI#: 763025-2017-0226
FFL#: 1-56-017-02-9H-41029

Address: 1401 W Broad St (BLADEN COUNTY)
Elizabethtown, NC 28337
(910) 862-7296 (Business)
Business Hours: Monday-Friday: 9am - 5pm

1 - Introduction

Inspection Profile:

On March 6, 2017, Investigator (IOI) (b)(6) received an assignment with instructions to "Conduct a Full DE Compliance Investigation" on City Pawn of Elizabethtown Inc. dba Pawn South.

A background history check was performed on Kenneth Maurice Barnes, RP; NCDL (b)(6) p: 12/16/2018) and Robert Monteith Powell, President, that failed to disclose any prohibiting information. Information located in FLS was in compliance.

On April 10, 2017, IOI (b)(6) initiated an unannounced DE Compliance investigation on Pawn South. IOI (b)(6) interviewed (b)(6) (b)(6) Store Manager, during the investigation.

The investigation scope covered the periods from April 1, 2016 through March 31, 2017 with the onsite investigation occurring on April 10-13, 2017 with the closing conference occurring on April 13, 2017 without two violations issued.

Business Profile:

Pawn South is a pawnbroker that pawns and sells firearms, general merchandise to include tools, electronics and other miscellaneous items. The business also conducts transfers that accounts for a small amount of activity in comparison to the other aspects of the business.

Ownership and Control:

City Pawn of Elizabethtown Inc. dba Pawn South is a corporation operated by Robert Powell, President and Kenneth Barnes, RP. Pawn South has been in the firearms business since 1998.

The licensee stated there has been any change in control during 2007. The pawnshop informed ATF prior to the change and the corporation was moved under another corporation owned by Mr. Barnes and Mr. Powell.

Variance:

Variances are no longer requirements with ATF according to the ATF Ruling

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2016-1, which IOI (b)(6) informed Mr. Barnes although current using a computerized system, Pawn Manager. IOI (b)(6) advised Mr. Barnes of the proper method to utilize computerized records and for what is required for record keeping.

2 - Recommendation

Violations, Warning Letter Only and Recall

3 - Inspection History

Date and Type of Inspection: 2/29/12 – Compliance Investigation
UI#: #763025-2012-0181
Inspection Results: No Violations, No Further Action, No Referrals
Cited Violations:

Date and Type of Inspection: 8/3/06 - Recall Investigation
UI#: #763050-2006-0342
Inspection Results: Issue Violations Only
Cited Violations:

1. 27 CFR 478.124(c)(1)

Nature of violation: (b)(3) - 112 Public Law occasion, the licensee transferred a firearm to an individual who answered “no” to question 11L and “N/A” to question 12 in Section A of ATF Form 4473, Firearms Transaction Record. (b)(3) - 112 Public Law 55 125 Stat 552

(b)(3) - 112 Public Law occasion, the licensee transferred a firearm to an individual who left question 11J, “Have you ever renounced your U.S. citizenship?” blank. (b)(3) - 112 Public Law 55 125 Stat 552

Licensee response: The licensee stated new procedures would be implemented to rectify the situation and prevent noncompliance.

Corrective action: During the inspection, remedial training was given to all of the licensee's employees regarding the proper completion of ATF Form 4473, Firearms Transaction Record. The licensee was directed to ensure that all future customers provide accurate information in Section A of this form, before conducting a NICS check. The licensee was directed to contact these transferees and request that they return to the business premise and correct the answers on photocopies attached to the original ATF Form 4473. An NCIC check on the nonimmigrant alien revealed he is prohibited from firearm possession. An NCIC check for ATF Form 4473 number 176-06 was negative.

2. 27 CFR 478.102(a)

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UI#: 763025-2017-0226
FFL#: 1-56-017-02-9H-41029

Nature of violation: (b)(3) - 112 Public Law 55 125 Stat 552 occasion, the licensee failed to record the "type of documentation showing an exception to the nonimmigrant alien prohibition" for the transfer of a firearm to a legal alien in Block 20c in Section B of ATF Form 4473, Firearms Transaction Record. (b)(3) - 112 Public Law 55 125 Stat 552

Licensee response: The employee who completed the form stated she was unaware of the nonimmigrant prohibition and subsequent valid exception needed in order for these individuals to purchase a firearm. (She confused resident aliens with nonimmigrant aliens.)

Corrective action: During the inspection, remedial training was given to all of the licensee's employees regarding the proper completion of ATF Form 4473, Firearms Transaction Record. The licensee was directed to ensure that Block 20c of all future ATF Forms 4473 is correctly completed, when required. The licensee was directed to contact this transferee and request he obtain a valid exemption to the nonimmigrant alien prohibition and attach a copy of that documentation to the form as well as record it on the ATF Form 4473.

3. 27 CFR 478.124(c)(3)(i)

Nature of violation: (b)(3) - 112 Public Law 55 125 Stat 552 occasion, the licensee failed to record a valid identification document of a transferee prior to the transfer of a firearm in Block 20A in Section B of ATF Form 4473, Firearms Transaction Record. (The transferee presented a FLDL to verify North Carolina residence.) (b)(3) - 112 Public Law 55 125 Stat 552

Licensee response: The licensee stated new procedures would be implemented to rectify the situation and prevent noncompliance.

Corrective action: During the inspection, remedial training was given to all of the licensee's employees regarding the proper completion of ATF Form 4473, Firearms Transaction Record. The licensee was directed to ensure that Block 20A of all future ATF Forms 4473 is correctly completed prior to the transfer of the firearm. The licensee was directed to contact the transferee and request she complete the missing information on a photocopy of the form attached to the original ATF Form 4473.

4 - Acquisition & Disposition (A&D) Record - Inventory

IOIs (b)(6) and (b)(6) conducted a full physical inventory on April 10, 2017, with 470 firearms in inventory and reviewed by serial numbers. The licensee's A&D computerized record book is in compliance according to ATF regulations. Pawn South enters the firearms into the A&D record book by an assigned stock number that directly corresponds to the entry number in the A&D book and tags located on the firearms.

FIREARMS INSPECTION REPORT

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Trade Name: Pawn South

UI#: 763025-2017-0226
FFL#: 1-56-017-02-9H-41029

In the past 12 months, during the scope of inspection, approximately (b)(4) firearms acquired and (b)(4) firearms disposed. All inventory is stored onsite and the inventory is (b)(4) new and (b)(4) used. The FFL conducts monthly inventories.

On January 4, 2017, there was one Thefts/Loss report of loss inventory since the previous compliance investigation in 2014.

(b)(3) - 112 Public Law 55 125 Stat 552

5 - ATF Forms 4473 – NICS & Other Dispositions

There was (b)(3) - 112 ATF 4473 Forms on file for the past 12 months. The review is conducted for any prohibited transfers, multiple sales of firearms, and improper recordkeeping. There were discrepancies disclosed and forms with errors discovered during the review (**See Section 13-Violations**). The ATF 4473 Forms are in chronological order by date of sale.

There were 98 NICS transactions noted during the scope of the investigation. There was not any evidence of any falsification of the ATF Form 4473 disclosed.

6 - Multiple Sales

Results from the FFL query received from Violent Crime Analysis Branch, Pawn South has been associated with (b)(3) - 112 Public Law 55 125 Stat multiple sale transactions during the last 12 months to include (b)(3) - handguns.

7 - Suspicious/Prohibited Purchasers

See Section 10-Referrals

8 - Trace Activity

On March 22, 2017, the Violent Crime Gun Analysis Branch produced a Firearms Trace History report. The scope of the query was March 22, 2014 to March 22, 2017. According to the VCGAB report, Pawn South was associated with (b)(3) - 112 Public Law 55 125 Stat 55 firearm trace request during the scope of this investigation.

(b)(3) - 112 Public Law 55 125 Stat 552

The following trace requests all had the completion codes (b)(3) - 112 Public Law 55 125 Stat 552

(b)(3) - 112 Public Law 55 125 Stat 552

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UI#: 763025-2017-0226
FFL#: 1-56-017-02-9H-41029

9 - NFA/Importer/Collector/Manufacturer

This FFL does not hold an SOT tax stamp as an NFA dealer nor is an importer, collector nor manufacturer of firearms.

10 - Referrals

(b)(6), (b)(7)(C)

11 - Other

IOI (b)(6) conducted an interview with Mrs. Brown in reference to the internal controls of Pawn South.

Inventory

(b)(6) advised inventories are conducted on a monthly basis.

ATF Form 4473

Pawn South does has a system for a second employee to check the ATF 4473 form for accuracy prior to filing the forms. The serial numbers are checked for accuracy on the firearm prior to the sale.

Multiple Handgun Sale Reports

(b)(6) is aware of the requirement to report multiple sales to ATF. Pawn Manager will alert the FFL of the multiple sale.

Sales to Other Licensees

The licensee follows the ATF Regulation for transfers to other licensees. Copies of the FFL's licenses are maintained on file.

Gun Shows

Pawn South no longer participates in gun shows.

Employee Training

Pawn South has approximately 13 employees to sell firearms and facilitate the ATF 4473 forms.

Security

The building has an electronic security system with motion sensors with bars on the

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door and windows. The activation of one or the other sensors notified the Elizabethtown Police Department and the licensee. Long-guns are stored in a safe at the rear of the store and the handguns are stored in a wall unit of safety deposit boxes located on the back wall of the store. The licensee reported a theft/loss report.

Pawn Broker & Secondary Market

There were not any firearms queried in OpenFox. The FFL utilizes the Leads Online program to report pawned merchandise.

At the time of the investigation, the licensee complies with North Carolina General Statute 14-315.1 notification. The licensee complies with the Youth Handgun Safety Act and the 2006 Child Safety Act Law.

12 - Closing Actions

On April 13, 2017, IOI (b)(6) met with Mr. Kenneth Barnes, to execute the closing conference. A full review of ATF laws and regulations and record keeping requirements were discussed with licensees as outlined per the Acknowledgement of Federal Firearms Regulations Form (**Exhibit 2**).

13 - Violations

1. 27 CFR 478.131(a)(2)

Nature of Violation:

(b)(3) - 112 Public Law 55 instance, the licensee failed to transfer a handgun to a non-licensee in accordance to North Carolina State law as an exception to the NICS check (did not collect a NC Handgun Permit or perform a NICS check).

(b)(3) - 112 Public Law 55 125 Stat 552, (b)(6)

Licensee's Response:

We thought the credentials he presented us was a valid permit but we still did not conduct a NICS check. That was during a time we weren't sure about the process.

Corrective Action:

IOI (b)(6) advised the licensee to contact the non-licensee to collect a NC Handgun Purchase Permit. The purchaser was run in OpenFox with negative results.

2. 27 CFR 478.102(a)

Nature of Violation:


In two (2) instances, the licensee failed to contact NICS to conduct the background checks.

FIREARMS INSPECTION REPORT

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UI#: 763025-2017-0226
FFL#: 1-56-017-02-9H-41029

(b)(3) - 112 Public Law 55 125 Stat 552, (b)(6)



Licensee's Response:

I don't know how we missed that. We have a form review process and not sure how those two were missed.

Corrective Action:

The FFL conducted NICS background checks on the two non-licensees immediately.

X

Industry Operations Investigator

Index of Worksheets and Exhibits

Report of Violations

Two violations cited

Referral(s)

No Referrals generated

Exhibits

Exhibit 1 - (b)(3) - 112 Public Law 55 125 Stat 552, (b)(6)

Exhibit 2 - Acknowledgement of Federal Firearm Regulations

Exhibit 3 - Violation #1

Exhibit 4 - Violation #2

Worksheets

None

Work Notes

None



U.S. Department of Justice

Bureau of Alcohol, Tobacco,
Firearms and Explosives
6701 Carmel Road, Suite 200
Charlotte, North Carolina 28226

www.atf.gov

September 13, 2017

763025: (b)(6)
5300

WARNING LETTER

CERTIFIED RETURN RECEIPT REQUESTED

City Pawn of Elizabethtown Inc.
Pawn City
Attn: Anna Brown/Kevin Barnes
PO Box 2608
Elizabethtown, NC 28337

RE: FFL #1-56-017-02-9H-41029

Dear Ms Brown/Mr Barnes:

During a recent compliance inspection at your firearms business covering the period of April 1, 2016 to March 31, 2017, you were cited for violations of 27 Code of Federal Regulations, Part 478. A copy of the Report of Violations, Form 5030.5, issued at the time of the inspection is enclosed.

All violations were fully explained to you by the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) Investigator (b)(6). You indicated that you understood the requirements of the firearms laws and regulations. You further indicated that corrective actions would be taken to eliminate future violations.

The records you are required to maintain and the business operations you conduct are important to law enforcement in our continuing effort to reduce violent crime and protect the public. It is essential that you comply with all Federal laws and regulations that govern your firearms business. This is critical to carrying out our mission to protect the public and ensure that

City Pawn of Elizabethtown Inc.
Pawn City

RE: FFL #1-56-017-02-9H-41029

criminals do not gain access to firearms. ATF appreciates the efforts you and other industry members make in this area, and we look forward to continuing to work with you in that regard.

You are reminded that retention of your Federal firearms license is conditioned upon your compliance with Federal laws and regulations. Any future violations, either repeat or otherwise, could be viewed as willful and may result in the revocation of your license. Please ensure that future compliance is achieved.

Should you have any questions regarding this matter, please contact Investigator (b)(6)

(b)(6)

Sincerely yours,

(b)(6)

Area Supervisor, Charlotte Group III
Charlotte Field Division

Enclosure

cc: Federal Firearms Licensing Center
Charlotte Area Office