

Assignment and Report

1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY) Smoky Valley Guns, LLC Smoky Valley Gun Center 1818 County Rd 450 Oakley,KS 67748, LOGAN	2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) <p style="text-align: center;">779025-2018-0344-B1B</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">3. PERMIT/LICENSE NUMBER 548109019H03229</td> <td style="width: 33%;">4a. TARGET DATE 9/15/2018</td> <td style="width: 33%;">4b. TARGET HOURS</td> </tr> </table> 5. REQUESTED BY (SIGNATURE, TITLE AND DATE) 10/01/2017	3. PERMIT/LICENSE NUMBER 548109019H03229	4a. TARGET DATE 9/15/2018	4b. TARGET HOURS
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6. ATF OFFICER(S) ASSIGNED
 (b)(6) - Lead Investigator

7. ASSIGNED BY (SIGNATURE, TITLE AND DATE)
 (b)(6), Area Supervisor, 10/02/2017

8. PURPOSE/SPECIAL INSTRUCTIONS
 Compliance. Kansas Priority 2.

9. INSPECTION RESULTS		<input type="checkbox"/> CHECK IF NO VIOLATIONS, ADJUSTMENTS, ETC		10. TRAVEL EXPENSES (OPTIONAL)	
NO. OF VIOLATIONS	8	NO. OF REFERRALS		2111 - PER DIEM	
NO. OF TECS CHECKS	7	NO. OF TECS HITS		2112 - P.O.A.	
NO. OF TAX ADJUSTMENTS		\$ VALUE OF TAX INCREASES		2113 - COMM. AIR	
		\$ VALUE OF TAX DECREASES		2114 - RENTAL CAR	
NO. OF ASSESSMENTS		\$ VALUE OF ASSESSMENTS		2115 - GPV EXPENSES	
NO. OF CLAIMS		\$ VALUE OF CLAIMS		2116 - MISC.	
NO. OF TAX PERIODS		\$ VALUE OF TAXES VERIFIED		TOTAL \$ FOR INSP.	

11. ATF OFFICER'S RECOMMENDATION
 Submitted by (b)(6) Industry Operations Investigator
 Submitted on: 01/30/2018

 Viols WL ONLY and Recall Inspection

12. TIME ACCOUNTING DATA		
ATF OFFICER'S NAME (MONTH, YEAR, HOURS) (b)(6)		
NOV 2017	3.50	
DEC 2017	13.00	
JAN 2018	16.00	
ATF OFFICER'S SUBTOTAL	32.50	ATF OFFICER'S SIGNATURE
TOTAL HOURS	32.50	

Assignment and Report

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548109019H03229	9/15/2018						

13. REVIEW AND ROUTING

REVIEW COMMENTS AND RECOMMENDATION

JUSTIFICATION: VIOLATIONS – WARNING LETTER - RECALL

The inspection meets the standard for Warning Letter under the current Administrative Action Policy, ATF O 5370.1C (2/21/2017). The licensee was cited in Violation-1 for failing to timely/accurately maintain the A&D record (Acquisitions ^{(b)(3) - 112 Public Law 55 125 Stat} /Dispositions ^{(b)(3) - 112 Public Law 55 125 Stat} – WL at Sec. 6.c.(1) & (2); in Violation-3 for failing to obtain answers to questions 11 ^{(b)(3)} forms) and for failing to obtain buyer certification on forms (57 percent) – WL at Sec. 6.c.(3); in Violation-4 for failing to record any and/or complete ID ^{(b)(3)} forms, greater than 10 percent each) – WL at Sec. 6.c.(4) & (5); in Violations 6 & 9 for failing to conduct a NICS check and obtain a F 4479 for transfers to a non prohibited RP – WL at Sec. 6.c.(9)(c) & 10(c), respectively.

AS Review: 1/26/2018
 Recall staged: 1/26/2018
 WL sent: 1/29/2018
 PII sent: 1/29/2018

Viols WL ONLY and Recall Inspection

REVIEWED
 CONCUR
 SEE COMMENTS
 FINAL DISPOSITION

SIGNATURE AND TITLE	REVIEW DATE
(b)(6) Area Supervisor	01/26/2018

ROUTING SEQUENCE AND DATE

- 1. _____
- 2. _____
- 3. _____
- 4. _____

FILE POSTED DATE _____

(b)(6)

Report of Violations

Instructions

Please write firmly with a ball point pen when completing this form. ATF officers will prepare this form in triplicate. The original copy 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 Smoky Valley Guns, LLC Smoky Valley Gun Center	Street Address 1818 County Rd 450	City Oakley	State KS	Zip Code 67748-	County LOGAN	Page 1 of 5 Pages
License/Permit/Registry Number (If any) 548109019H03229	Expiration Date 8/1/2019	Date(s) or Period of Inspection 12/06/2016 through 12/06/2017				

Inspection Results

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

Number: 1

Nature of Violation:

Failure to maintain Acquisition & Disposition (A&D) Record as prescribed in 27 CFR 478.125(e).

(b)(3) - 112 Public L instances acquisitions were recorded, but not timely or accurately. In all (129) acquisitions reviewed, acquisitions were recorded as being received from "Smoky Valley Gun Center" in error. The FFL name/# from whom firearms were actually acquired is missing throughout. Additionally, (b)(3) - 112 Public L instance, the serial number for the firearm acquired was in error.

(b)(3) - 112 Public L instances, dispositions were recorded, but not timely or accurately in that disposition information did not include address for individuals to whom firearms were transferred.

Citation: 27 CFR 478.125(e)

Date Corrections to be Made: 12/31/2017

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

Not later than December 31, 2017, licensee shall amend the A&D Record to reconcile identified recordkeeping discrepancies by contacting his four primary vendors to obtain acquisition records and amend the A&D Record to accurately reflect from whom each firearm was acquired. In addition, disposition records shall be amended to include name and address of individuals to whom firearms were transferred.

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Name of Proprietor Smoky Valley Guns, LLC Smoky Valley Gun Center	Street Address 1818 County Rd 450	City Oakley	State KS	Zip Code 67748-	County LOGAN	Page 2 of 5 Pages
License/Permit/Registry Number (If any) 548109019H03229	Expiration Date 8/1/2019	Date(s) or Period of Inspection 12/06/2016 through 12/06/2017				

Inspection Results

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

Number: 2

Nature of Violation:

Failure to ensure that all information called for on each ATF Form 4473 was furnished as indicated by the headings on the form and the instruction on or pertaining to the form. Of the forms reviewed, the following discrepancies were identified:
instances ATF Forms were missing information pertaining to number/type of firearms transferred; transferee recertification was missing when actual firearm transfer date occurred on a different day from the date the buyer originally certified Section A of the form.

Citation: 27 CFR 478.21(a)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken: Violation uncorrectable/preventative action discussed.

(If not corrected immediately)

Number: 3

Nature of Violation:

Failure to ensure transferee accurately recorded responses on Section A of the ATF Form 4473 prior to the transfer of a firearm:

instances transferee failed to accurately certify the information provided on the ATF Form 4473 in that forms contained omissions in prohibiting questions (but buyer was not prohibited); and/or signature/certification date provided by buyer was either omitted or in error.

Citation: 27 CFR 478.124(c)(1)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken: Violation uncorrectable/preventative action discussed.

(If not corrected immediately)

Report of Violations

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License/Permit/Registry Number (If any) 548109019H03229	Expiration Date 8/1/2019	Date(s) or Period of Inspection 12/06/2016 through 12/06/2017				

Inspection Results

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

Number: 4

Nature of Violation:

Failure to verify the identity of the transferee by examining the identification document presented and noting on the ATF Form 4473 the type of identification used:

(b)(3) - 112 Public Law 55 instances licensee failed to record the identification number and/or expiration date of identification provided by the transferee.

Citation: 27 CFR 478.124(c)(3)(i)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken: Violation uncorrectable. Preventative action discussed.

(If not corrected immediately)

Number: 5

Nature of Violation:

Failure to record on the ATF Form 4473 the date on which the licensee contacted the National Instant Check System (NICS):

(b)(3) - 112 Public Law 55 instances the NICS transaction date (Block 19a) was either blank or in error, although a NICS Transaction Number (NTN) was recorded accurately.

Citation: 27 CFR 478.124(c)(3)(iv)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken: Violation uncorrectable. Preventative action discussed.

(If not corrected immediately)

Report of Violations

Instructions

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Name of Proprietor Smoky Valley Guns, LLC Smoky Valley Gun Center	Street Address 1818 County Rd 450	City Oakley	State KS	Zip Code 67748-	County LOGAN	Page 4 of 5 Pages
License/Permit/Registry Number <i>(If any)</i> 548109019H03229	Expiration Date 8/1/2019	Date(s) or Period of Inspection 12/06/2016 through 12/06/2017				

Inspection Results

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

Number: 6

Nature of Violation:

Failure to conduct a NICS background check when transferring a firearm to an unlicensed individual.

- In fourteen (14) instances, licensee (a Limited Liability Company) transferred a firearm to an unlicensed individual (b)(6) without conducting a NICS background check.

Citation: 27 CFR 478.102(a)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken: Violation uncorrectable. Preventative action discussed.

(If not corrected immediately)

Number: 7

Nature of Violation:

Failure to document the multiple sale of handguns as prescribed in 27 CFR 478.126a.

- In (b)(6) instance, involving (b)(6) firearms, licensee failed to submit, to ATF and local law enforcement, the required Report of Multiple Sale or Other Disposition of Pistols and Revolvers (ATF F 3310.4) by the close of business on the day the multiple sale occurred.

Citation: 27 CFR 478.126a

Date Corrections to be Made: 12/08/2017

(If not corrected immediately)

Corrective Action to be Taken: No later than close of business December 8, 2017, licensee will submit Report of Multiple Sale or Other Disposition of Pistols and Revolvers (ATF F 3310.4), via fax, to ATF and local law enforcement and verify submission by forwarding fax confirmations to IO (b)(6)

Report of Violations

Instructions

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Name of Proprietor Smoky Valley Guns, LLC Smoky Valley Gun Center	Street Address 1818 County Rd 450	City Oakley	State KS	Zip Code 67748-	County LOGAN	Page 5 of 5 Pages
License/Permit/Registry Number (If any) 548109019H03229	Expiration Date 8/1/2019	Date(s) or Period of Inspection 12/06/2016 through 12/06/2017				

Inspection Results

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

Number: 8

Nature of Violation:

Failure to execute a Firearms Transaction Record (ATF Form 4473) when disposing of a firearm to any person other than a licensee.

- 1 ^{(b)(3) - 112 PUBLIC LAW 55 125} instances, licensee (a Limited Liability Company) transferred a firearm to an unlicensed individual ^{(b)(3) - 112 PUBLIC LAW 55 125} without executing an ATF Form 4473.

Citation: 27 CFR 478.124(a)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

Violation uncorrectable. Preventative action discussed.

I Have Received a Copy of This Report of Violations (Proprietor's signature and title)	Date
Signature and Title of ATF Officer <i>Saura Lake, Industry Operations Investigator</i>	Date <i>1/5/18</i>



U.S. Department of Justice

Bureau of Alcohol, Tobacco,
Firearms and Explosives

Kansas City Field Division – KC III (Regulatory)

1251 NW Briarcliff Pkwy, Ste 600
Kansas City, MO 64116
www.atf.gov

January 29, 2018

779025 (b)(6)
5373

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Smoky Valley Guns, LLC
Db: Smoky Valley Gun Center
Attn: Mr. Leo Ottley, Manager
1818 County Rd 450
Oakley, KS 67748

RE: 5-48-109-01-9H-03229

Dear Mr. Ottley:

This letter summarizes the issues discussed with you during the recent compliance inspection conducted on December 6, 2017, related to Federal firearms licensee Smokey Valley Guns, LLC. The inspection covered the period of December 6, 2016 to December 6, 2017. During the inspection, your business was cited for violations of Title 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 acknowledged that you understand the requirements of the firearms laws and regulations. Additionally, you assured IOI Lake that you would take action to prevent future violations.

The records your business is required to maintain are important to law enforcement in our continuing efforts to reduce violent crime and protect the public. It is essential that your business comply with all Federal laws and regulations that govern its firearms activities as a licensed firearms dealer. This is critical to ATF carrying out our mission to protect the public and to ensure that 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.

Smoky Valley Guns, LLC
Db: Smoky Valley Gun Center
Attn: Mr. Leo Ottley, Manager
Page 2

You are reminded that retention of your company's Federal firearms license is conditioned upon its compliance with Federal laws and regulations. Any future violations, either repeat or otherwise, could be viewed as willful and could result in the revocation of the license. If you have any questions regarding this matter, please contact the ATF Kansas City Group III Office at (b)(6)

(b)(6) or our Wichita Satellite Office at (b)(6)

(b)(6)

Area Supervisor
Industry Operations (Kansas)
Kansas City Group III (Regulatory)
Kansas City Field Division

cc: National Licensing Center
Director of Industry Operations

FIREARMS INSPECTION REPORT

Name: Smoky Valley Guns, LLC
Trade Name: Smoky Valley Gun Center

UI#: 779025-2018-0344
FFL#: 5-48-109-01-9H-03229

Address: 1818 County Road 450
Oakley, KS 67748 (Logan County)

1 - Introduction

Inspection Profile:

On December 6, 2017, Industry Operations Investigator (IOI) (b) (6) conducted a full Disposition Emphasis compliance inspection of Federal Firearms Licensee (FFL) Smoky Valley Guns, LLC d/b/a Smoky Valley Gun Center, operating out of rural Oakley, Kansas. Responsible Person (RP) Leo "Kelvin" Ottley (KS D/L (b) (6)) was present for the inspection, as were employees (b) (6) and (b) (6). The inspection included all licensed business activities from December 6, 2016, through December 6, 2017. Advance notice was given due to licensee's sporadic business hours and distance from the Area Office.

Business Profile:

Kelvin Ottley operates Smoky Valley Gun Center as a part-time hobby to subsidize his income derived from farming and cattle ranching. The licensed premises is a large, Morton-type shop building located in rural Oakley, Kansas, on farmland owned by Ottley. The building houses farm implements and wares related to Ottley's farming/ranching activities. This license has been active since July 2013.

Ottley conducts firearms sales consisting of primarily (approximately (b) (4)) new firearms. He maintains a small inventory of firearms, but deals primarily in special orders for friends and family. In addition, he facilitates occasional sales to individuals through online brokers that are transferred to other licensed FFL's. Main suppliers are (b) (4). Ottley does not maintain a web site for this business.

In the past 12 months, licensee has acquired (b) (4) firearms, and has disposed of (b) (4) firearms, with approximately (b) (4) of the business consisting of long guns, and the remaining (b) (4) being handguns.

He does not utilize any off-site storage. Ottley stated he does attend an occasional gun show, but has not attended one during the inspection period. He does not perform gunsmithing, nor does he engage in manufacturing, importation activities, and is not an SOT dealer. The Type 01 (*Dealer*) license held is appropriate for the business activities, and is in compliance with all local requirements, including zoning.

FIREARMS INSPECTION REPORT

Name: Smoky Valley Guns, LLC
Trade Name: Smoky Valley Gun Center

UI#: 779025-2018-0344
FFL#: 5-48-109-01-9H-03229

Ownership and Control:

According to the Articles of Organization, Smoky Valley Guns, LLC, is in good standing with the Kansas Secretary of State. (**Exhibit #1**). The LLC was established in June 2013. Active members are Leo "Kelvin" Ottley (99% shareholder), and his wife (b) (6) who is not associated with the firearms activities. There have been no changes in ownership and no hidden ownership is detected.

Ottley stated he intends to add his daughter (b) (6) to the license as a Responsible Person. IOI (b) (6) reviewed the process with Ottley and sent him a letter template and fingerprint cards to submit in that regard.

Data contained in the Federal Licensing System (FLS) was reviewed with Ottley. He indicated that he had requested and applied to have (b) (6) added to the license as a Responsible Person in July 2013, however, FLS does not indicate that (b) (6) is currently an RP on the license. It is evident that (b) (6) is actively involved in the day-to-day functions of this firearms business. IO (b) (6) reviewed the process for adding Responsible Persons to the license, including the requirement to submit photographs and fingerprint cards along with a request to the Federal Firearms Licensing Center.

Variance:

No variance has been issued to this business and none were requested.

2 - Recommendation

Violations/Warning Letter Only/Recall Inspection

3 - Inspection History

Date of Inspection: May 2013
Type of Inspection: Qualification Inspection
UI#: 779025-2013-0506 B1B
Inspection Results: Application Approved
Cited Violations: No violations

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

The Acquisition & Disposition (A&D) Record consists of a locally produced A&D Record on pages which are hole punched and placed in a three-ring binder. At the time of this inspection, many of the pages had holes that were torn through and were loose in the binder. IOI (b) (6) advised licensee that this method was not optimal as the record must be maintained for 20 years. Ottley was encouraged to procure a commercially produced "permanently bound" record. He agreed and will transfer any open entries over to the new book once he acquires it. When Ottley does have inventory, it is stored

FIREARMS INSPECTION REPORT

Name: Smoky Valley Guns, LLC
Trade Name: Smoky Valley Gun Center

UI#: 779025-2018-0344
FFL#: 5-48-109-01-9H-03229

in a personal gun safe within the licensed premise. Personal firearms are segregated from business inventory as set forth in 27 CFR 478.125a.

A full review of the A&D Record and firearms inventory was conducted for the inspection. The following information was revealed from this segment of the inspection:

Firearms in inventory
Open entries in the A&D Record
Firearms acquired in the last 12 months
Firearms dispositions recorded in the last 12 months

A comparison of the bound book to physical inventory and transaction records revealed the following discrepancies.

- In instances acquisitions were recorded, but not timely or accurately. In all acquisitions reviewed, acquisitions were recorded as being received from "Smoky Valley Gun Center" in error. The FFL name/# from whom firearms were actually acquired is missing throughout. Additionally, in instance, the serial number for the firearm acquired was in error.

- In instances, dispositions were recorded, but not timely or accurately in that disposition information did not include address for individuals to whom firearms were transferred.

(See Section 13-Violations #1; Exhibit #2; Worksheet #1 Inventory, A&D)

No firearms with obliterated serial numbers or other illegal (unregistered NFA items) firearms were identified. There were no reports of thefts or losses during the past 12 months. No evidence of firearms trafficking was detected. Ottley indicated that (b) (6) and (b) (6) (RP's daughter) were primarily responsible for maintaining records for firearms transactions. Neither are listed as Responsible Persons on the license currently. IOI (b) (6) advised Ottley that he should consider adding both (b) (6) and (b) (6) to the license. Both (b) (6) and (b) (6) were present for the inspection and were advised of recordkeeping discrepancies identified.

5 - ATF Forms 4473 – NICS & Other Dispositions

IOI (b) (6) conducted a review of th TF Forms 4473 on file for the inspection period. Multiple discrepancies were identified to include:

1. 27 CFR 478.21(a)

Failure to ensure that all information called for on each ATF Form 4473 was furnished as indicated by the headings on the form and the instruction on or pertaining to the form. Of the forms reviewed, the following discrepancies were identified:

FIREARMS INSPECTION REPORT

Name: Smoky Valley Guns, LLC
Trade Name: Smoky Valley Gun Center

UI#: 779025-2018-0344
FFL#: 5-48-109-01-9H-03229

- In ^{03 Public Law 112-55}_(125 Stat. 352) instances ATF Forms were missing information pertaining to number/type of firearms transferred; transferee recertification was missing when actual firearm transfer date occurred on a different day from the date the buyer originally certified Section A of the form.

(See Section 13-Violations #2; Exhibit #3; Worksheet #2-4473)

2. 27 CFR 478.124(c)(1)

Failure to ensure transferee accurately recorded responses on Section A of the ATF Form 4473 prior to the transfer of a firearm:

- In ^{03 Public Law 112-55}_(125 Stat. 352) instances transferee failed to accurately certify the information provided on the ATF Form 4473 in that forms contained omissions in prohibiting questions (but buyer was not prohibited); and/or signature/certification date provided by buyer was either omitted or in error.

(See Section 13-Violations #3; Exhibit #4; Worksheet #2-4473)

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

Failure to verify the identity of the transferee by examining the identification document presented and noting on the ATF Form 4473 the type of identification used:

- I ^{03 Public Law 112-55}_(125 Stat. 352) instances licensee failed to record the identification number and/or expiration date of identification provided by the transferee.

(See Section 13-Violations #4; Exhibit #5; Worksheet #2-4473)

4. 27 CFR 478.124(c)(3)(iv)

Failure to record on the ATF Form 4473 the date on which the licensee contacted the National Instant Check System (NICS):

- In ^{03 Public Law 112-55}_(125 Stat. 352) instances the NICS transaction date (Block 19a) was either blank or in error, although a NICS Transaction Number (NTN) was recorded accurately.

(See Section 13-Violations #5; Exhibit #6; Worksheet #2-4473)

5. 27 CFR 478.102(a)

Failure to conduct a NICS background check when transferring a firearm to an unlicensed individual.

- In ^{03 Public Law 112-55}_(125 Stat. 352) instances, licensee (a Limited Liability Company) transferred a firearm to an unlicensed individual (personal collection) without conducting a NICS background check.

(See Section 13-Violations #6; Exhibit #2; Worksheet #2-4473)

FIREARMS INSPECTION REPORT

Name: Smoky Valley Guns, LLC
Trade Name: Smoky Valley Gun Center

UI#: 779025-2018-0344
FFL#: 5-48-109-01-9H-03229

6. 27 CFR 478.126a

Failure to document the multiple sale of handguns as prescribed in 27 CFR 478.126a.

- In [REDACTED] instance, involving [REDACTED] firearms, licensee failed to submit, to ATF and local law enforcement, the required Report of Multiple Sale or Other Disposition of Pistols and Revolvers (ATF F 3310.4) by the close of business on the day the multiple sale occurred.

(See Section 13-Violations #7; Exhibit #7; Worksheet #2-4473)

7. 27 CFR 478.124(a)

Failure to execute a Firearms Transaction Record (ATF Form 4473) when disposing of a firearm to any person other than a licensee.

- In [REDACTED] instances, licensee (a Limited Liability Company) transferred a firearm to an unlicensed individual (personal collection) without executing an ATF Form 4473.

(See Section 13-Violations #8; Exhibit #2; Worksheet #2-4473)

The FFL Audit Log provided by NICS contained data from November 2017 – December 2017. Licensee had a total of [REDACTED] NICS Transaction Numbers (NTN) on the F [REDACTED] Audit Report, which was verified by referencing a corresponding ATF Form 4473 [REDACTED] Proceed). There was [REDACTED] denied transaction on file, which is being maintained in a separate file from transactions where a transfer occurred.

ATF F 4473's are filed chronologically by transaction serial number. No sales to law enforcement officers occurred during the inspection period. No trafficking issues pertaining to purchasers were identified.

6 - Multiple Sales

As above, a review of the ATF F 4473's for the inspection period identified [REDACTED] unreported multiple sale, involving [REDACTED] firearms. The Violent Crime Analysis Branch FFL Master Query report (VCAB) did not reveal any remarkable information for this licensee.

7 - Suspicious/Prohibited Purchasers

IO [REDACTED] reviewed the ATF Forms 4473 to identify any suspicious firearm purchases. The focus was for multiple crime gun purchases, out of character purchases, structured purchases, and potential straw purchases. IOI [REDACTED] also reviewed purchases looking for multiple purchasers from the same address, or purchasers from significant distances. No suspicious purchasers were identified.

FIREARMS INSPECTION REPORT

Name: Smoky Valley Guns, LLC
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UI#: 779025-2018-0344
FFL#: 5-48-109-01-9H-03229

8 - Trace Activity

A further review of the Violent Crime Analysis Branch FFL Master Query report (VCAB) revealed no trace requests for this licensee during the inspection period. No unsuccessful trace requests identified.

9 - NFA/Importer/Collector/Manufacturer

The licensee does not conduct any activities as an Importer, Collector, NFA dealer or manufacturer.

10 - Referrals

No referrals generated as a result of this inspection.

11 - Other

Ottley was not aware that the Youth Handgun Safety Act pamphlet and a secure safety device were to be provided with all handgun transfers. Ottley had his current FFL posted, however the Youth Handgun Safety Act poster was not displayed as required.

Investigator (b) (6) conducted queries on Ottley and (b) (6) via the NCIC/NLETS. No significant findings. Further, queries regarding both gentlemen in FLS, NFORCE and e-Trace, were all negative.

12 - Closing Actions

IOI (b) (6) thoroughly reviewed Federal Firearms laws and regulations utilizing the Acknowledgement of Federal Firearms Regulations worknote (**Exhibit #8**) with Kelvin Ottley, (b) (6) and (b) (6). All parties acknowledged their understanding of the regulations by signing the form. Licensee was advised to retain a copy for his records. Ottley was provided with ATF P 5300.15, ATF Licensee Quick Reference and Best Practices Guide; ATF P 3317.2, Safety and Security Information for Federal Firearms Licensees; ATF Form 3310.11, Federal Firearm Licensee Theft/Loss Report; ATF P 5380.1, Loss Prevention for Firearms Retailers; ATF P 5380.2 How to Conduct a Firearms Inventory; and the ATF website address. All parties present were encouraged to visit the ATF website to utilize such features as FFL Ez-Check, the online learning theatre and the Distribution Center order form.

IOI (b) (6) answered questions posed by all parties present. They were encouraged to contact IOI (b) (6) or the local ATF office in the future should questions arise.

A closing conference was held (via telephone) with on January 5, 2018. The attached ATF Form 5030.5, Report of Violations, was issued (via e-mail), and the violations discussed. Additional emphasis was placed upon proper recordkeeping including, accurate recording of acquisitions/dispositions and proper completion of ATF Forms 4473. Ottley and (b) (6) both stated that they understood the violations cited and

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reiterated that they were embarrassed by the number of recordkeeping discrepancies identified and would ensure compliance with all Federal regulations pertaining to firearms transactions in the future. Kelvin Ottley signed the ROV and was instructed to retain a copy for his records.

On January 8, 2018, IO (b) (6) sent Ottley (via email) instructions regarding fingerprints and photographs, along with the letter template, for adding Responsible Persons to an existing FFL. Two sets of fingerprint cards (4 total) were sent by mail to licensee this date in order to facilitate the addition of (b) (6) and (b) (6) as Responsible Persons to this license.

13 – Violations

1. 27 CFR 478.125(e)

Failure to maintain Acquisition & Disposition (A&D) Record as prescribed in 27 CFR 478.125(e).

- In (b) (6) instances acquisitions were recorded, but not timely or accurately. In all (b) (6) acquisitions reviewed, acquisitions were recorded as being received from “Smoky Valley Gun Center” in error. The FFL name/# from whom firearms were actually acquired is missing throughout. Additionally, in (b) (6) instance, the serial number for the firearm acquired was in error.

- In (b) (6) instances, dispositions were recorded, but not timely or accurately in that disposition information did not include address for individuals to whom firearms were transferred.

Corrective Action:

Not later than December 31, 2017, licensee shall amend the A&D Record to reconcile identified recordkeeping discrepancies by contacting his four primary vendors to obtain acquisition records and amend the A&D Record to accurately reflect from whom each firearm was acquired. In addition, disposition records shall be amended to include name and address of individuals to whom firearms were transferred.

During closing conference held on January 5, 2018, licensee provided photos of the amended A&D Record to IO (b) (6) to verify that corrective actions had been completed as prescribed. **(Exhibit #2)**

Licensee response:

Licensee said he was not clear about what information was to be recorded in the A&D Record, but will ensure compliance with the regulations in the future.

Reference Report of Violations #1; Exhibit #2; Worksheet #1-Inventory, A&D

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2. 27 CFR 478.21(a)

Failure to ensure that all information called for on each ATF Form 4473 was furnished as indicated by the headings on the form and the instruction on or pertaining to the form. Of the [REDACTED] forms reviewed, the following discrepancies were identified:

- I [REDACTED] instances ATF Forms were missing information pertaining to number/type of firearms transferred; transferee recertification was missing when actual firearm transfer date occurred on a different day from the date the buyer originally certified Section A of the form.

Corrective Action:

Violation uncorrectable/preventative action discussed.

Licensee response:

Licensee will ensure compliance with regulations in the future.

Reference Report of Violations #2; Exhibit #3; Worksheet #2-4473

3. 27 CFR 478.124(c)(1)

Failure to ensure transferee accurately recorded responses on Section A of the ATF Form 4473 prior to the transfer of a firearm:

- I [REDACTED] instances transferee failed to accurately certify the information provided on the ATF Form 4473 in that forms contained omissions in prohibiting questions (but buyer was not prohibited); and/or signature/certification date provided by buyer was either omitted or in error.

Corrective Action:

Violation uncorrectable/preventative action discussed.

Licensee response:

Licensee will ensure compliance with regulations in the future.

Reference Report of Violations #3; Exhibit #4; Worksheet #2-4473

4. 27CFR 478.124(c)(3)(i)

Failure to verify the identity of the transferee by examining the identification document presented and noting on the ATF Form 4473 the type of identification used:

- In [REDACTED] instances licensee failed to record the identification number and/or expiration date of identification provided by the transferee.

Corrective Action:

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Violation uncorrectable. Preventative action discussed.

Licensee Response:

Licensee will ensure compliance with regulations in the future.

Reference Report of Violations #4; Exhibit #5; Worksheet #2-4473

5. 27 CFR 478.124(c)(3)(iv)

Failure to record on the ATF Form 4473 the date on which the licensee contacted the National Instant Check System (NICS):

- In ^{03 Public Law 112-55 (125 Stat. 552)} instances the NICS transaction date (Block 19a) was either blank or in error, although a NICS Transaction Number (NTN) was recorded accurately.

Corrective Action:

Violation uncorrectable. Preventative action discussed.

Licensee Response:

Licensee will ensure compliance with regulations in the future.

Reference Report of Violations #5; Exhibit #6; Worksheet #2-4473

6. 27 CFR 478.102(a)

Failure to conduct a NICS background check when transferring a firearm to an unlicensed individual.

- In ^{03 Public Law 112-55 (125 Stat. 552)} instances, licensee (a Limited Liability Company) transferred a firearm to an unlicensed individual (personal collection) without conducting a NICS background check.

Corrective Action:

Violation uncorrectable. Preventative action discussed.

Licensee Response:

Licensee was not aware this was required, but will ensure compliance with regulations in the future.

Reference Report of Violations #6; Exhibit #2; Worksheet #2-4473

7. 27 CFR 478.126a

Failure to document the multiple sale of handguns as prescribed in 27 CFR 478.126a.

- In ^{03 Public Law 112-55 (125 Stat. 552)} instance, involving ^{03 Public Law 112-55 (125 Stat. 552)} firearms, licensee failed to submit, to ATF and local law enforcement, the required Report of Multiple Sale or Other Disposition of Pistols and Revolvers (ATF F 3310.4) by the close of business on the day the multiple sale occurred.

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Corrective Action:

No later than close of business December 8, 2017, licensee will submit Report of Multiple Sale or Other Disposition of Pistols and Revolvers (ATF F 3310.4), via fax, to ATF and local law enforcement and verify submission by forwarding fax confirmations to IOI (b) (6)

IOI (b) (6) received an email from licensee on December 8, 2017, verifying that the corrective action had been completed as required. IOI (b) (6) conducted a query of the eTrace system to ensure the Multiple Sale Report had been received by the Tracing Center. (Exhibit #7)

Licensee Response:

Licensee said he didn't know the reporting requirement pertained to "two or more handguns", but will ensure compliance with the regulations in the future.

Reference Report of Violations #7; Exhibit #7; Worksheet #2-4473

8. 27 CFR 478.124(a)

Failure to execute a Firearms Transaction Record (ATF Form 4473) when disposing of a firearm to any person other than a licensee.

- In (b) (6) instances, licensee (a Limited Liability Company) transferred a firearm to an unlicensed individual (personal collection) without executing an ATF Form 4473.

Corrective Action:

Violation uncorrectable. Preventative action discussed.

Licensee Response:

Licensee was not aware this was required, but will ensure compliance with regulations in the future.

Reference Report of Violations #8; Exhibit #2; Worksheet #2-4473

(b) (6)

Industry Operations Investigator
January 8, 2018

Index of Worksheets and Exhibits

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Attachments:

- FLS
- FFL Audit (NICS) Log
- VCAB Report
- Report of Violations

Worksheets:

Worksheet #1 – Inventory & A&D Worksheet

Worksheet #2 – ATF Form 4473 (2012 & 2016) Review Worksheet

Exhibits:

1. Articles of Organization
2. A&D Record & Corrective Actions
3. ATF Forms 4473 containing violation of 27 CFR 478.21(a)
4. ATF Forms 4473 containing violation of 27 CFR 478.124(c)(1)
5. ATF Forms 4473 containing violation of 27 CFR 478.124(c)(3)(i)
6. ATF Forms 4473 containing violation of 27 CFR 478.124(c)(3)(iv)
7. ATF Form 4473 containing violation of 27 CFR 478.126a & Corrective Action
8. Acknowledgement of Federal Firearms Regulations