

Assignment and Report

1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY) AAR ENTERPRISES LLC 7 E. Kentucky St. STE 103 Clayton, IN 46118, HENDRICKS	2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) 773075-2018-0026-B1B			
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">3. PERMIT/LICENSE NUMBER 435063016K05440</td> <td style="width: 33%;">4a. TARGET DATE</td> <td style="width: 33%;">4b. TARGET HOURS</td> </tr> </table>	3. PERMIT/LICENSE NUMBER 435063016K05440	4a. TARGET DATE	4b. TARGET HOURS
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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, 10/03/2017

8. PURPOSE/SPECIAL INSTRUCTIONS
 FFL Recall. The last inspection resulted in an Report of Violations and a RECALL inspection. 773075-2016-0111

9. INSPECTION RESULTS		<input type="checkbox"/> CHECK IF NO VIOLATIONS, ADJUSTMENTS, ETC	10. TRAVEL EXPENSES (OPTIONAL)	
NO. OF VIOLATIONS	6	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

This Federal Firearms License (FFL) compliance inspection for AAR Enterprises LLC was completed by Industry Operations Investigator (IOI) **(b)(6)** in accordance with the provisions of the Industry Operations Manual (IOM) and special instructions.

An unannounced on-site firearms compliance inspection began on 12/14/2017. The inspection covered a 12-month inspection period, starting 12/14/2016 through 12/13/2017. Mr. Roy Kidd – RP/Owner and Mrs. Janet Kidd – RP/Owner – were present and interviewed during the course of the inspection. All field work was completed on 02/13/2018. A preliminary closing conference was held on 01/25/2018 which included a Federal Firearms Regulation Review and the issuance of a Report of Violations (ROV). Additional field work and an ROV was re-issued on 02/13/2018. An Acknowledgement of Federal Firearms Regulations and the ROV was signed by Mr. Roy Kidd and Mrs. Janet Kidd on 01/25/2018.

A total of six (6) violations were cited as a result of this inspection. Four (4) of the violations are repeat violations from previous inspections - 27 CFR 478.21(a); 27 CFR 478.124(c)(1); 27 CFR 478.124(c)(3)(iv); and 27 CFR 478.125e and two (2) violations were not previously cited on previous inspections - 27 CFR 478.126a and 27 CFR 478.129b.

Viols ROV ONLY and Recall

12. TIME ACCOUNTING DATA

ATF OFFICER'S NAME (MONTH, YEAR, HOURS)			
	(b)(6)		
NOV 2017	4.00		
DEC 2017	35.00		
JAN 2018	14.00		
FEB 2018	15.00		
ATF OFFICER'S SUBTOTAL	68.00	ATF OFFICER'S SIGNATURE	
TOTAL HOURS	68.00		

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13. REVIEW AND ROUTING

REVIEW COMMENTS AND RECOMMENDATION

The licensee was cited for six violations of which four violations were repetitive in nature regarding the ATF Forms 4473 and the Acquisition and Disposition Bound Book Record. It should be noted that these violations only rise to the level of a Report of Violations only.

The two newly cited violations are in reference (b)(6) Multiple Handgun Sales that were not completed (b)(6) ATF Forms 4473 that were not retained for the required 20 year period. The latter violation rises to the level of a Warning Conference.

Due to the overall limited number of instances regarding all of the cited violations, it is recommended that a Warning Letter be issued in lieu of a Warning Conference.

Viols WL ONLY and Recall Inspection

REVIEWED
 CONCUR
 SEE COMMENTS
 FINAL DISPOSITION

SIGNATURE AND TITLE (b)(6) Area Supervisor	REVIEW DATE 03/13/2018
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REVIEW COMMENTS AND RECOMMENDATION

Viols WL ONLY and Recall Inspection

REVIEWED
 CONCUR
 SEE COMMENTS
 FINAL DISPOSITION

SIGNATURE AND TITLE JALEDoux - Director Industry Operations	REVIEW DATE 03/13/2018
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ROUTING SEQUENCE AND DATE

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

CONTROL FILE POSTED DATE _____

FIREARMS INSPECTION REPORT

Name: AAR Enterprises LLC
Trade Name: AAR Firearms

UI#: 773075-2018-0026-B1B
FFL#: 4-35-063-01-9K-05440

Address: 7 East Kentucky Street, Ste. 103
Clayton, Indiana 46118 – Hendricks County

1 - Introduction

Inspection Profile:

This Federal Firearms License (FFL) compliance inspection for AAR Enterprises LLC was completed by Industry Operations Investigator (IOI) (b)(6) (b)(6) in accordance with the provisions of the Industry Operations Manual (IOM) and special instructions.

An Open Fox background check was completed on three (3) Responsible Persons (RP) – Mr. Roy Kidd, Mrs. Janet Kidd and Mr. Christopher Kidd. The query and results determined no prohibitive or suspicious information. IOI Wilson performed an ATF de-confliction through FLS, N-Force, Indianapolis III (CE), and INTEL which identified no open criminal enforcement investigations.

An unannounced on-site firearms compliance inspection began on 12/14/2017. The inspection covered a 12-month inspection period, starting 12/14/2016 through 12/13/2017. Mr. Roy Kidd – RP/Owner and Mrs. Janet Kidd – RP/Owner – were present and interviewed during the course of the inspection. All field work was completed on 02/13/2018. A preliminary closing conference was held on 01/25/2018 which included a Federal Firearms Regulation Review and the issuance of a Report of Violations (ROV). Additional field work and an ROV was re-issued on 02/13/2018. An Acknowledgement of Federal Firearms Regulations and the ROV was signed by Mr. Roy Kidd and Mrs. Janet Kidd on 01/25/2018.

Business Profile:

AAR Enterprises LLC (licensee) is a retail gun shop located in a suburban area of Clayton, Indiana. The licensee buys and sells new and used handguns and long guns (b)(4)% of the transfers completed were identified as new firearms and (b)(4)% were used firearms). The licensee also sells ammunition and firearm accessories along with knives, apparel, and reloading supplies.

During the 12-month inspection, the licensee acquired (b)(4) firearms and disposed of approximately (b)(4) firearms. The licensee has several suppliers including: (b)(4). The licensee also acquires firearms through the direct manufacturer. The licensee does conduct business at gun shows. The licensee advertises on Facebook and through its website

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AARfirearms.com. The licensee possesses a Type 01- Dealer of Firearms License and has been licensed since September of 2013.

Ownership and Control:

AAR Enterprises LLC operates and was verified as an Active Limited Liability Company (LLC) in the State of Indiana. The company is owned and controlled by Mr. Roy Kidd/RP and Mrs. Janet Kidd/RP who are the owners of the company. Mr. Christopher Kidd/RP is no longer active in the company, but will work at the shop occasionally. Mr. Roy Kidd/RP and Mrs. Janet Kidd share overall responsibility of all business transactions and the operations of the store. No indications of hidden ownership were determined during the inspection. No changes were made to ownership or control of the business.

Variance:

The licensee does not hold any current ATF variances.

2 - Recommendation

Report of Violation Only – Recall Inspection

Four (4) of the violations are repeat violations from previous inspections - 27 CFR 478.21(a); 27 CFR 478.124(c)(1); 27 CFR 478.124(c)(3)(iv); and 27 CFR 478.125e. In all instances of repeat violations, the licensee has significantly improved. There were two new violations cited as part of this inspection that do not rise to the level of a warning letter - 27 CFR 478.126a and 27 CFR 478.129b. The licensee has been warned not to repeat the violations.

3 - Inspection History

Date of Inspection: January 25, 2016
Type of Inspection: Compliance Inspection
UI#: 773075-2016-0111-B1B
Inspection Results: Six (6) Violations Cited, Report of Violations only with a Recall inspection recommended.
Cited Violations: 478.21 (a): Failure to complete #10a [REDACTED] form; #18 on [REDACTED] forms; #24/#25 [REDACTED] form; #30a [REDACTED] form; and #35 [REDACTED] form;
478.124(c)(1): Failure to ensure accurately completing: #3 on [REDACTED] form; #11L on [REDACTED] form; #13 on [REDACTED] forms; and #17 on [REDACTED] forms;
478.124(c)(3)(i): Failure to ensure that #20a was completed or accurately completed on [REDACTED] forms; and failure to obtain and document information in #20b on [REDACTED] forms;

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Name: AAR Enterprises LLC
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UI#: 773075-2018-0026-B1B
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478.124(c)(3)(iv): Failure to ensure that #21a and #21b was completed or accurately completed on (b)(3)-11 form; and failure to document a response in #21c on (b)(3) for ;
478.124(c)(5): Failure to complete #36 on (b)(3)-1 form;
478.125(e): Failure to document: the acquisition of (b)(3) firearms; the correct S/N for (b)(3)-1 firearm; the acquisition date of (b)(3)-1 firearm; and the address of whom the firearm was acquired from (b)(3)-112 P firearms.

Date of Inspection: May 5, 2014
Type of Inspection: Amended Application Inspection
UI#: 773075-2014-0305-B1B
Inspection Results: Application Approved: Address changed.
Cited Violations: N/A

Date of Inspection: March 17, 2014
Type of Inspection: Compliance Inspection
UI#: 773075-2014-0262-B1B
Inspection Results: Eight (8) violations cited. Report of Violations only with a Recall inspection recommended.

Cited Violations: 478.125(e): Failure to document the acquisition (b)(3)-112 P firearms, the disposition (b)(3)-112 firearm, the correct disposition date (b)(3)-112 firearm, and the acquisition and disposition date (b)(3)-112 firearm.
478.21 (a): Failure to complete #30a on 24 forms, #31 and #33 on (b)(3) forms, and #35 (b)(3)-112 forms.
478.124(c)(1): Failure to ensure #2 was correctly completed (b)(3)-112 instance, #3 was correctly completed (b)(3)-112 instance, and #17 was correctly completed (b)(3)-112 instances.
478.124(c)(3)(i): Failure to ensure that #20a was completed or accurately completed (b)(3)-112 instances.
478.124(c)(3)(iv): Failure to complete #21a (b)(3)-112 P instances and failure to accurately complete #21d (b)(3)-112 instances.
478.124(c)(4): Failure to complete or correctly complete #29 (b)(3)-112 instance a #30 (b)(3)-112 instance.
478.124(c)(5): Failure to complete #34 & #36 (b)(3)-112 instances.
478.124(b): Failure to retain all forms in alphabetical, chronological, or numerical order.

Date of Inspection: July 22, 2013
Type of Inspection: Qualification Inspection
UI#: 773075-2013-0441-B1B
Inspection Results: License Issued
Cited Violations: N/A

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UI#: 773075-2018-0026-B1B
FFL#: 4-35-063-01-9K-05440

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

IOI (b)(6) conducted a full inventory and reviewed the licensee's Acquisition and Disposition (A/D) records during the inspection. The A/D record is maintained in hard-bound form and both gunsmith and retail firearms were included in the same A/D record. All entries made to the A/D record were in the proper format. There no thefts or loss reports submitted during the inspection period. No firearms were found with obliterated serial numbers.

A complete inventory of new and used firearms was conducted and compared to the corresponding entries in the A/D record. The initial inventory completed found the licensee had 235 firearms in inventory and had [REDACTED] open entries. There were several discrepancies and violations identified in the A/D record during this inspection.

In completing the reconciliation process, IOI (b)(6) found [REDACTED] firearms were listed as open in the A/D record, but could not be located in the licensee's inventory. The licensee provided completed ATF Form 4473's to show that [REDACTED] firearms were sold, but failed to record them as disposed in the A/D record. The remaining [REDACTED] firearms were listed as open in the A/D record, but could not be found in inventory.

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

The licensee could not locate the firearms on an ATF Form 4473, but was able to provide both a sales invoice and photos from the buyers of the firearms to prove that they were not lost or stolen. In reviewing the ATF 4473's on file, IOI (b)(6) found several other transactions from the same buyers. The licensee claimed that they completed an ATF Form 4473 for the transactions, but could not locate them at the time of the inspection. The licensee indicated that they had recently expanded and took over more of the building and many things have been moved around over the last year. All other firearms were accounted for or found on a completed ATF Form 4473's. IOI (b)(6) completed an Open Fox/ III background check for both buyers and no prohibitive information was found. It was determined that the licensee has misplaced/lost the completed ATF Form 4473s.

The licensee was cited violations under 27 CFR 478.125e and 27 CFR 478.129b. (See Section 13 – Violations and the Report of Violations- ATF 5030.5)

Licensee Standard Operating Procedures: It was observed and through an interview of Mr. Roy Kidd and Mrs. Janet Kidd/RP that all handguns on the premises are locked in

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gun safes during closed hours and around 90% of the long guns are also locked in guns safes during closed hours. AAR Firearms receives firearms on the sales floor where they are processed. By the close of the business day, each firearm is removed from the box and all identifying information on the firearm is entered into the A/D record by either Mr. Roy Kidd or Mrs. Janet Kidd. A tag with an A/D serialized number is completed for each firearm. The dispositions are mainly maintained by Mrs. Kidd, both RP's make disposition entries in the A/D record. The licensee attempts to add all disposition information to the A/D record by the close of the business day following a transfer or within a few days after a gun show event. The licensee indicated that they complete an inventory two times a year.

5 - ATF Forms 4473 – NICS & Other Dispositions

It was determined that the licensee had [REDACTED] ATF Forms 4473 on file during the inspection period that included all "Denied" forms. The "Denied" ATF Forms 4473 were separately filed. The licensee transfers firearms to other licensed dealers and keeps the copies of the Federal Firearms Licenses obtained and verified the licenses through FFL EZcheck. The transfers were determined to have been completed correctly. There were no sales to law enforcement in an official capacity during the inspection period.

An FFL Audit log was obtained prior to the inspection and 50 NICS transaction numbers were compared to their corresponding numbers on the ATF Forms 4473. All of the transaction numbers reviewed were accurately entered on the ATF 4473's. The examination of the [REDACTED] ATF Forms 4473 completed during the inspection period determined that there were discrepancies on [REDACTED] ATF Forms 4473 (7.2% Error Rate). The violations were cited under the following Federal regulations:

- **27 CFR 478.21(a);**
- **27 CFR 478.124(c)(1);**
- **27 CFR 478.124(c)(3)(iv);**

Upon examination of the completed ATF form 4473's during the inspection period, it was determined that the licensee made over 33% of their errors under 27 CFR 478.124(c)(1) identified in Section A (Item #17) of the ATF Form 4473. IOI (b)(6) recommended that the licensee incorporate a secondary review of all forms prior to transfer to reduce the chances of repeated violations of this regulation.

In addition, 33% of the errors were identified under 27 CFR 478.21(a) in Section D (Item #33) of the ATF Form 4473. IOI (b)(6) again recommended that the licensee incorporate a secondary review of all forms prior to transfer to reduce the chances of repeated violations of these regulations.

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A review of [REDACTED] completed ATF Forms 4473 determined the licensee failed in [REDACTED] instances to retain a completed ATF Form 4473.

(See Section 13 – Violations and the Report of Violations- ATF 5030.5)
(See WS-2: ATF 4473 Review)

Licensee Standard Operating Procedures: It was observed and through an interview of Mr. Roy Kidd and Mrs. Janet Kidd that AAR Firearms LLC did not have a specific area dedicated for the completion of ATF Forms 4473. All completed 4473's are NOT secondarily reviewed. The licensee uses the information on the physical firearm to complete Section D of the ATF Form 4473. IO (b)(6) advised Mr. Kidd and Mrs. Kidd to conduct a secondary review of all completed ATF Form 4473's prior to the transferring the firearm.

6 - Multiple Sales

A Firearms Trace History report was requested and received prior to this inspection. The report listed the submission of 12 multiple handgun sales transactions reported to the ATF during the 12-month inspection period examined. During the inspection, the licensee's A/D record and the ATF Forms 4473 executed during the period were reviewed for multiple handgun sales transactions. It was found that the licensee failed to complete and submit [REDACTED] multiple sale forms to ATF.

The licensee was cited violations of 27 CFR 478.126a
(See Section 13 – Violations and the Report of Violations- ATF 5030.5)

7 - Suspicious/Prohibited Purchasers

There were no prohibited or suspicious purchasers identified during this inspection.

8 - Trace Activity

A Firearms Trace History report was requested and received prior to this inspection. Examination of the report and through ATF E-trace determined that during the inspection period 12/14/2016 through 12/13/2017, the licensee had [REDACTED] successful firearms trace.

9 - NFA/Importer/Collector/Manufacturer

The licensee is not licensed as an importer, collector, or manufacturer of firearms. The NFRTR was queried for the licensee and disclosed that the licensee does not manufacture, sell, or own any NFA weapons.

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10 - Referrals

No referrals of information were identified during this inspection.

11 - Other

There were five (5) Open Fox/III background checks conducted during the inspection which included the responsible persons listed on the license. No prohibitive information was provided.

The licensee operates as a Limited Liability Company (LLC) in the State of Indiana and as of 01/02/2018 was listed in Active status with the Indiana Secretary of State. During the inspection, IOI (b)(6) inspected several business and industry licenses required by the State of Indiana. IOI (b)(6) found the following licenses posted on the licensed premises: State of Indiana Retail Merchant Certificate TID (b)(3) - 26 USC 6103 and the State of Indiana License to Sell Handguns No. 50341.

12 - Closing Actions

On 01/25/2018, IOI (b)(6) conducted a final review of the inventory and records. IOI (b)(6) conducted a Federal Firearms Regulation Review with Mr. Roy Kidd/RP – Owner and Mrs. Janet Kidd/RP- Owner.

The applicable law, regulations and recordkeeping requirements were reviewed and a question/answer session was held. IOI (b)(6) thoroughly reviewed several areas of the regulations including:

- A/D Record
- ATF Form 4473 – All Sections- and special emphasis on including Items 11a.-11l.; 17; 19a.- 19e.; and 32-35;
- Corrections to the ATF Form 4473;

During the regulation review, IOI (b)(6) pointed out areas of the ATF 4473 that AAR Firearms LLC was falling short of compliance. Overall, IOI (b)(6) emphasized the importance of a secondary review of all completed ATF forms 4473 to minimize errors. Specific areas of the ATF Form 4473 were addressed as follows:

Under Section A, IOI (b)(6) emphasized the importance of verifying that all questions are answered and answered correctly for the licensee to move forward to Section B. and performing a background check. IOI (b)(6) instructed Mr. Kidd and Mrs. Kidd to not perform a background check if a “Yes” answer is identified in questions 11b.-11l. or if a blank (not answered) question is identified.

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(b)(6)

but Mrs. Janet Kidd signed the Acknowledgement of Federal Firearms Regulations form and IOI (b)(6) provided a copy of the form to Mrs. Kidd.
(See Exhibit 1: Acknowledgment of Federal Firearms Regulations)

On 01/25/2018, IOI (b)(6) presented ATF Form 5030.5 – Report of Violations and all of the discrepancies discovered on the ATF Forms 4473 and the A/D record completed during the inspection period were reviewed. IOI (b)(6) provided Mr. Kidd and Mrs. Kidd with a blank copy of an ATF Form 4473 showing the amount of errors per section and offered optional techniques and procedures that would help minimize ATF Form 4473 errors including secondary reviews. An ATF Form 5030.5 was issued, reviewed and signed by Mrs. Janet Kidd/RP. All questions posed by Mr. and Mrs. Kidd were answered and there were no objections to the violations cited by anyone present at the closing conference. A copy of the ATF Form 5030.5 – Report of Violations was provided to Mrs. Janet Kidd/RP.

On 02/13/2018, IOI (b)(6) completed a secondary review of the A/D record and re-issued an ROV to correct the omissions within violation number one (1) – 27 CFR 478.125e that was discussed during the closing conference. Mr. Roy Kidd/RP and Mrs. Janet Kidd/RP signed the ATF 5030.5- Report of Violations and copy was provided to the licensee.

(See Report of Violations)

13 - Violations

1. 27 CFR 478.125e.- Repeat Violation (2016, 2014)

Nature of Violation: A complete review of the licensee's Acquisition and Disposition (A/D) record for accurate information determined the following violations:

- In (b)(3) - 112 Public L instances the licensee listed an inaccurate serial number for the firearm.

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

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- In ^{(b)(3) - 112 Public L} instance the licensee recorded that a firearm was disposed/transferred when firearm was found in inventory.
(b)(3) - 112 Public Law 55 125 Stat 552, (b)(6)
- In ^{(b)(3) - 112 Public L} instance the licensee failed to record the acquisition of one firearm.
(b)(3) - 112 Public Law 55 125 Stat 552, (b)(6)
- In ^{(b)(3) - 112 Public L} instances the licensee failed to record the disposition of a firearm.
(b)(3) - 112 Public Law 55 125 Stat 552, (b)(6)

Licensee's Response: Mr. and Mrs. Kidd said that the mistakes were oversights and not intentional. Mrs. Kidd indicated that several Canik firearms were received at the same time and she thought the ^{(b)(3) - 112 Public Law 55 125 Stat 55} was recorded. Mrs. Kidd indicated that they had not completed an inventory since the acquisition of the Canik firearms and therefore, did not realize one of the firearms were not recorded. She indicated that she mistakenly recorded the disposition of the incorrect firearm.

Corrective Action: The firearm acquisition was entered into the A/D record and all acquisition information was corrected. Mr. Roy Kidd has been instructed on how to timely and accurately enter (by the close of next business day) all firearms acquired.

Reference:

Worksheet 1;

Exhibit 2 – Violations of 27 CFR 478.125e

2. **27 CFR 478.21(a) – Repeat Violation (2016, 2014)**

Nature of Violation: A review ^{(b)(3) - 112 Public L} completed ATF Forms 4473 determined the licensee failed on ^{(b)(3) - 112 Public Law} forms to verify that complete and accurate information was completed for one or more of following sections of the ATF Form 4473 – #11a. and #33.

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

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



Licensee's Response: Mr. Roy Kidd/ RP, said that the mistakes were oversights. Mr. Kidd indicated that they have a stamp for Item 33 and just forgot to stamp the information in the box. Mr. Kidd said they do not generally have a secondary review of the forms.



Mr. Kidd indicated that they are initiating a mandatory review and secondary review of all forms before a gun is transferred and that they would pre-stamp the information in Item 33 on all ATF Form 4473's in the future.

Corrective Action: The licensee has been instructed on how to properly complete all sections of an ATF Form 4473 and to ensure that transferee answers "Yes" to being the actual buyer in question 11a. in Section A. If the transferee answers "No" to being the actual buyer, the licensee has been instructed to stop the transaction and to not transfer the firearm. The licensee has corrected Item 33 on a copy of the page and has attached the corrected page to the original ATF Form 4473.

Reference:

Worksheet 2- 4473 (2012 Edition/ 2016 Edition);
Exhibit 3 – Violations of 27 CFR 478.21(a)

3. 27 CFR 478.124(c)(1) – Repeat Violation (2016, 2014)

Nature of Violation: A review  completed ATF Forms 4473 determined the licensee failed  forms to verify that complete and accurate information was completed for one or more of following sections of the ATF Form 4473 – #17 (2012 version), #15 (2016 version).

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



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Licensee's Response: Mr. and Mrs. Kidd indicated that the mistakes were oversights. Mr. Kidd indicated that they do not generally have a secondary review of the forms to minimize mistakes. Mr. Kidd indicated that they are initiating a mandatory review and secondary review of all forms before a gun is transferred.

Corrective Action: The licensee has been instructed on how to properly complete Section A of the ATF Form 4473 and to ensure/verify that the transferee answers item 11b. through 15 including a signature and an accurate date of certification. The licensee has been instructed not to complete a background check or to transfer the firearm if the transferee answers "yes" to any question under 11b.-11l.

Reference:

**Worksheet 2- 4473 (2012 Edition/2016 Edition);
Exhibit 4 – Violations of 27 CFR 478.124(c)(1)**

4. 27 CFR 478.124(c)(3)(iv) – Repeat Violation (2016, 2014)

Nature of Violation: A review ^{(b)(3) - 112 Public Law} completed ATF Forms 4473 determined the licensee failed on ^{(b)(3) - 112 Public Law} forms to verify that complete and accurate information was completed one or more of following sections of the ATF Form 4473 – #19a and #19c.

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



Licensee's Response: Mr. and Mrs. Kidd indicated that the mistakes were oversights. Mr. Kidd indicated that they do not generally have a secondary review of the forms to minimize mistakes. Mr. Kidd indicated that they are initiating a mandatory review and secondary review of all forms before a gun is transferred.

Corrective Action: The licensee was instructed on how to properly complete all sections of Item 19 on the ATF 4473 and has been instructed to verify that all sections have been accurately completed prior to transferring a firearm.

The licensee has been advised to correct the violations (where they can) on a photocopy of the ATF 4473 and to attach the correction to the original ATF 4473.

Reference:

**Worksheet 2- 4473 (2012 Edition/2016 Edition);
Exhibit 5 - Violations of 27 CFR 478.124(c)(3)(iv)**

FIREARMS INSPECTION REPORT

Name: AAR Enterprises LLC
Trade Name: AAR Firearms

UI#: 773075-2018-0026-B1B
FFL#: 4-35-063-01-9K-05440

5. 27 CFR 478.126a.

Nature of Violation: A review of [REDACTED] ATF Forms 4473 completed during the inspection and the licensee's A/D record found that the licensee failed to complete and submit [REDACTED] Forms 3310.4 – Report of Multiple Handguns – Pistols and Revolvers.

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

Licensee's Response: Mr. and Mrs. Kidd indicated that the mistakes were oversights and were surprised that they did not complete and send in a Report of Multiple Handguns. They indicated that they have not had any problems identifying a multiple sale and have submitted the forms properly in the past.

Mr. Kidd indicated that they are initiating a mandatory review of all forms before a gun is transferred.

Corrective Action: The licensee has been instructed on the proper completion of ATF Form 3310.4, Report of Multiple Sale or Other Disposition of Pistols and Revolvers. Licensee was instructed to timely submit all ATF Forms 3310.4 by the close of the business day that the multiple sale occurred and to retain a copy attached to the related ATF 4473. All unreported ATF Form 3310.4 – Report of Multiple Sale have been submitted to the ATF.

Reference:

**Worksheet 2- 4473 (2012 Edition);
Exhibit 6 - Violations of 27 CFR 478.126a**

6. 27 CFR 478.129b.

Nature of Violation: A review of [REDACTED] completed ATF Forms 4473 determined the licensee failed in [REDACTED] instances to retain a completed ATF Form 4473.

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

Licensee's Response: Mr. Kidd indicated that they are sure that they completed the forms but they were most likely misplaced. Mrs. Kidd indicated that they have done a lot of remodeling and moving/ shifting display cases around within the shop. Mrs. Kidd said that they have recently expanded the shop and have taken over more space within

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the building. Mrs. Kidd is confident that the forms will be found, but that they are just could not find the forms at this time.

Corrective Action: The licensee has been instructed to retain all completed ATF Form 4473's.

X

Industry Operations Investigator

Index of Worksheets and Exhibits

ATF Form 5030.5 - Report of Violations

Worksheets

Exhibit 1 - Acknowledgment of Federal Firearms Regulations

Exhibit 2 – Violations of 27 CFR 478.125e

Exhibit 3 – Violations of 27 CFR 478.21(a)

Exhibit 4– Violations of 27 CFR 478.124(c)(1)

Exhibit 5 - Violations of 27 CFR 478.124(c)(3)(iv)

Exhibit 6 - Violations of 27 CFR 478.126a



U.S. Department of Justice

Bureau of Alcohol, Tobacco
Firearms & Explosives
151 N. Delaware Street, Suite 1000
Indianapolis, IN 46204
(317) 287-3500 (317) 287-3502 FAX

www.atf.gov

773075 (b)(6)
5370

March 15, 2018

WARNING LETTER

AAR Enterprises, LLC
7 E. Kentucky Street, Suite 103
Clayton, IN 46118

RE: Federal Firearms License Number: 4-35-063-01-9K-05440

Dear Mr. Roy Kidd & Mrs. Janet Kidd:

As a result of a recent compliance inspection conducted by the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) at your firearms business located at 7 E. Kentucky Street, Suite 103, Clayton, Indiana, on December 14, 2016 through December 14, 2017, you were cited for violations of 27 Code of Federal Regulations, Part 478. The violations were discussed with you during the inspection. A copy of the Report of Violations, ATF Form 5030.5, issued at the time of the inspection is enclosed.

All violations were fully explained to you by ATF Industry Operations Investigator (b)(6) (b)(6). You indicated that you understood the requirements of the firearms laws and regulations as a licensee. 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 efforts 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. 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 conditional upon compliance with Federal laws and regulations. Because the violations cited in this most recent inspection were fully explained to you and you stated you understood your compliance responsibilities as a licensee, 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.

Mr. & Mrs. Kidd

Federal Firearms License Number: 4-35-063-01-9K-05440

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

Sincerely,

(b)(6)

Area Supervisor

cc: Federal Firearms Licensing Center
Indianapolis Field Office

Attachment

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 AAR ENTERPRISES LLC AAR FIREARMS	Street Address 7 E. Kentucky St. STE 103	City Clayton	State IN	Zip Code 46118-	County HENDRICKS	Page 1 of 6 Pages
License/Permit/Registry Number (If any) 435063016K05440	Expiration Date 10/1/2019	Date(s) or Period of Inspection 12/14/2016 through 12/13/2017				

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:

A complete review of the licensee's Acquisition and Disposition (A/D) record for accurate information determined the following violations:

Date Corrections to be Made:
(If not corrected immediately)

Corrective Action to be Taken:
(If not corrected immediately)

The firearm acquisition was entered into the A/D record and all acquisition information was corrected. Mr. Roy Kidd has been instructed on how to timely and accurately enter (by the close of next business day) all firearms acquired.

• ^{(b)(3) - 112 Public Law} instances the licensee listed an inaccurate serial number for the firearm.

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

• I ^{(b)(3) - 112 Public Law} instance the licensee recorded that a firearm was disposed/transferred when firearm was found in inventory.

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

Report of Violations

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Name of Proprietor AAR ENTERPRISES LLC AAR FIREARMS	Street Address 7 E. Kentucky St. STE 103	City Clayton	State IN	Zip Code 46118-	County HENDRICKS	Page 2 of 6 Pages
License/Permit/Registry Number <i>(If any)</i> 435063016K05440	Expiration Date 10/1/2019	Date(s) or Period of Inspection 12/14/2016 through 12/13/2017				

Inspection Results

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

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



Citation: 27 CFR 478.125(e)

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 AAR ENTERPRISES LLC AAR FIREARMS	Street Address 7 E. Kentucky St. STE 103	City Clayton	State IN	Zip Code 46118-	County HENDRICKS	Page 3 of 6 Pages
License/Permit/Registry Number <i>(If any)</i> 435063016K05440	Expiration Date 10/1/2019	Date(s) or Period of Inspection 12/14/2016 through 12/13/2017				

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:

A review ^{(b)(3) - 112 PLS} completed ATF Forms 4473 determined the licensee failed on ^{(b)(3) - 112 PUBLIC} forms to verify that complete and accurate information was completed for one or more of following sections of the ATF Form 4473 - #11a and #33.

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

Citation: 27 CFR 478.21(a)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

The licensee has been instructed on how to properly complete all sections of an ATF Form 4473 and to ensure that transferee answers "Yes" to being the actual buyer in question 11a. in Section A. If the transferee answers "No" to being the actual buyer, the licensee has been instructed to stop the transaction and to not transfer the firearm. The licensee has corrected Item 33 on a copy of the page and has attached the corrected page to the original ATF Form 4473.

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 AAR ENTERPRISES LLC AAR FIREARMS	Street Address 7 E. Kentucky St. STE 103	City Clayton	State IN	Zip Code 46118-	County HENDRICKS	Page 4 of 6 Pages
License/Permit/Registry Number <i>(If any)</i> 435063016K05440	Expiration Date 10/1/2019	Date(s) or Period of Inspection 12/14/2016 through 12/13/2017				

Inspection Results

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

Number: 3

Nature of Violation:

A review of (b)(3) completed ATF Forms 4473 determined the licensee failed (b)(3) - 112 Pub to verify that complete and accurate information was completed for one or more of following sections of the ATF Form 4473 - #17 (2012 version), #15 (2016 version).

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



Citation: 27 CFR 478.124(c)(1)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

The licensee has been instructed on how to properly complete Section A of the ATF Form 4473 and to ensure/verify that the transferee answers item 11b. through 15 including a signature and an accurate date of certification. The licensee has been instructed not to complete a background check or to transfer the firearm if the transferee answers "yes" to any question under 11b.-111.

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 AAR ENTERPRISES LLC AAR FIREARMS	Street Address 7 E. Kentucky St. STE 103	City Clayton	State IN	Zip Code 46118-	County HENDRICKS	Page 5 of 6 Pages
License/Permit/Registry Number <i>(If any)</i> 435063016K05440	Expiration Date 10/1/2019	Date(s) or Period of Inspection 12/14/2016 through 12/13/2017				

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:

A review of (b)(3) - 112 Public Law 55 125 Stat 552, (b)(6) completed ATF Forms 4473 determined the licensee failed on (b)(3) - 112 Public Law 55 125 Stat 552, (b)(6) forms to verify that complete and accurate information was completed one or more of following sections of the ATF Form 4473 - #19a and #19c.

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

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

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

The licensee was instructed on how to properly complete all sections of Item 19 on the ATF 4473 and has been instructed to verify that all sections have been accurately completed prior to transferring a firearm.

The licensee has been advised to correct the violations (where they can) on a photocopy of the ATF 4473 and to attach the correction to the original ATF 4473.

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 AAR ENTERPRISES LLC AAR FIREARMS	Street Address 7 E. Kentucky St. STE 103	City Clayton	State IN	Zip Code 46118-	County HENDRICKS	Page 6 of 6 Pages
License/Permit/Registry Number (If any) 435063016K05440	Expiration Date 10/1/2019	Date(s) or Period of Inspection 12/14/2016 through 12/13/2017				

Inspection Results

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

Number: 5

Nature of Violation:

A review of (b)(3) ATF Forms 4473 completed during the inspection and the licensee's A/D record found that the licensee failed to complete and submit (b)(3) - 112 Public Law 55 125 Stat 552, (b)(6) forms 3310.4 - Report of Multiple Handguns - Pistols and Revolvers to ATF.

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

Citation: 27 CFR 478.126a

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

The licensee has been instructed on the proper completion of ATF Form 3310.4, Report of Multiple Sale or Other Disposition of Pistols and Revolvers. Licensee was instructed to timely submit all ATF Forms 3310.4 by the close of the business day that the multiple sale occurred and to retain a copy attached to the related ATF 4473. All unreported ATF Form 3310.4 - Report of Multiple Sale have been submitted to the ATF.

Number: 6

Nature of Violation:

A review (b)(3) - 112 Public Law 55 125 Stat 552, (b)(6) completed ATF Forms 4473 determined the licensee failed in (b)(3) - 112 Public Law 55 125 Stat 552, (b)(6) instances to retain a completed ATF Form 4473.

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

Citation: 27 CFR 478.129(b)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

The licensee has been instructed to retain all completed ATF Form 4473's.

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

Janet L. Wood RW

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

FOI

Date

2-13/18

Date

2/13/18

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