

Assignment and Report

1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY) MAGFUSSION ENTERPRISES LLC MR SILENCER 11464 E REMBRANDT AVE Mesa, AZ 85212, Maricopa		2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) 785110-2018-0016-B1B		
		3. PERMIT/LICENSE NUMBER 986013079D03905	4a. TARGET DATE 6/30/2018	4b. TARGET HOURS 60
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 SWB DE Recall. Conduct a full scope compliance inspection. 12 months records review of ATF Forms 4473 is required. Address all applicable inspection procedures/guidelines identified by the current FY IO operating plan.				
9. INSPECTION RESULTS <input type="checkbox"/> CHECK IF NO VIOLATIONS, ADJUSTMENTS, ETC				
NO. OF VIOLATIONS	8	NO. OF REFERRALS	5	10. TRAVEL EXPENSES (OPTIONAL)
NO. OF TECS CHECKS	54	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.
				TOTAL \$ FOR INSP.
11. ATF OFFICER'S RECOMMENDATION Submitted by (b)(6) Industry Operations Investigator Submitted on: 04/12/2018 The licensee was cited for repeat violations from the July 6, 2016 inspection; the results of this compliance inspection warrant a recommendation of Report of Violations only. However, due to repeated similar violations a warning letter is warranted. Viols WL ONLY and Recall Inspection				
12. TIME ACCOUNTING DATA				
ATF OFFICER'S NAME (MONTH, YEAR, HOURS) (b)(6)				
FEB 2018		39.00		
MAR 2018		51.50		
APR 2018		14.00		
ATF OFFICER'S SUBTOTAL		104.50	ATF OFFICER'S SIGNATURE	
TOTAL HOURS		104.50		
13. REVIEW AND ROUTING				
REVIEW COMMENTS AND RECOMMENDATION A recommendation of Violations WL Only and Recall Inspection has been made. The WL was issued on 4/10/2018 and recall inspection has been staged. Viols WL ONLY and 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		(b)(6)		REVIEW DATE 04/12/2018

Assignment and Report

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	3. PERMIT/LICENSE NUMBER 986013079D03905	4a. TARGET DATE 6/30/2018	4b. TARGET HOURS 60
	5. REQUESTED BY (SIGNATURE, TITLE AND DATE)		

ROUTING SEQUENCE AND DATE

- ☐ 1. _____
☐ 2. _____
☐ 3. _____
☐ 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 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 MAGFUSSION ENTERPRISES LLC MR SILENCER	Street Address 11464 E REMBRANDT AVE	City Mesa	State AZ	Zip Code 85212-	County Maricopa	Page 1 of 3 Pages
License/Permit/Registry Number <i>(If any)</i> 986013079D03905	Expiration Date 4/1/2019	Date(s) or Period of Inspection 02/22/2017 through 02/22/2018				

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 furnish or obtain all information as required by headings and instructions (b)(3)-(12)(a) ATF Forms 4473.
- Citation:** 27 CFR 478.21(a)
- Date Corrections to be Made:**
(If not corrected immediately)
- Corrective Action to be Taken:** The licensee will ensure that the ATF Form 4473 is properly completed as prescribed by the regulations.
(If not corrected immediately)
- Number:** 2
- Nature of Violation:**
Failure to verify and record proper transferee's identification documents on (b)(3)-(1) ATF Forms 4473.
- Citation:** 27 CFR 478.124(c)(3)(i)
- Date Corrections to be Made:**
(If not corrected immediately)
- Corrective Action to be Taken:** The licensee will ensure that the ATF Form 4473 is properly completed as prescribed by the regulations.
(If not corrected immediately)
- Number:** 3
- Nature of Violation:**
Failure to record all required NICS transaction information on (b)(3)-(1) ATF Forms 4473.
- Citation:** 27 CFR 478.124(c)(3)(iv)
- Date Corrections to be Made:**
(If not corrected immediately)
- Corrective Action to be Taken:** The licensee will ensure that the ATF Form 4473 is properly completed as prescribed by the regulations.
(If not corrected immediately)

Report of Violations

Instructions

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Name of Proprietor MAGFUSSION ENTERPRISES LLC MR SILENCER	Street Address 11464 E REMBRANDT AVE	City Mesa	State AZ	Zip Code 85212-	County Maricopa	Page 2 of 3 Pages
License/Permit/Registry Number <i>(If any)</i> 986013079D03905	Expiration Date 4/1/2019	Date(s) or Period of Inspection 02/22/2017 through 02/22/2018				

Inspection Results

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

Number: 4	Date Corrections to be Made: <i>(If not corrected immediately)</i>
Nature of Violation: Failure to record all required firearm identification information on (b)(3) - 1 ATF Forms 4473.	Corrective Action to be Taken: The licensee will ensure that the ATF Form 4473 is properly completed as prescribed by the regulations. <i>(If not corrected immediately)</i>
Citation: 27 CFR 478.124(c)(4)	
Number: 5	Date Corrections to be Made: <i>(If not corrected immediately)</i>
Nature of Violation: REPEAT VIOLATION CITED JULY 6, 2016 Failure to record the manufacture or other acquisition of three firearms in the Acquisition and Disposition (A&D) Record. Failure to record all required information on the manufacture or other acquisition (b)(3) - 112 P firearms in the A&D Record.	Corrective Action to be Taken: The licensee will ensure that all required acquisition information is correctly entered into the A&D record no later than 7 days from date of transfer. <i>(If not corrected immediately)</i>
Citation: 27 CFR 478.123(a)	
Number: 6	Date Corrections to be Made: <i>(If not corrected immediately)</i>
Nature of Violation: REPEAT VIOLATION CITED JULY 6, 2016 Failure to record the disposition (b)(3) - 112 P firearms to another licensee in the Acquisition and Disposition (A&D) Record. Specifically, (b)(3) - 112 P firearm was recorded as received however it was never acquired (b)(3) - 112 P duplicate entries and (b)(3) - 112 P failed disposition from the Manufacturer book to the NFA book.	Corrective Action to be Taken: The licensee will ensure that all required disposition information is correctly entered into the A&D record no later than 7 days from date of transfer. <i>(If not corrected immediately)</i>

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 MAGFUSSION ENTERPRISES LLC MR SILENCER	Street Address 11464 E REMBRANDT AVE	City Mesa	State AZ	Zip Code 85212-	County Maricopa	Page 3 of 3 Pages
License/Permit/Registry Number <i>(If any)</i> 986013079D03905		Expiration Date 4/1/2019		Date(s) or Period of Inspection 02/22/2017 through 02/22/2018		

Inspection Results

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

Citation: 27 CFR 478.123(b)

Number: 7

Nature of Violation:

REPEAT VIOLATION CITED SEPT 27, 2013 & JULY 6, 2016
Failure to record the disposition (b)(3) - 112 Pub firearms to non-licensees in the Acquisition and
Disposition Record.

Citation: 27 CFR 478.123(d)

Number: 8

Nature of Violation:

Failure to complete and properly execute a transfer of a (b)(3) - 112 Public Law 55 125 Stat 552, (b)(3) - 28 USC 8103

Citation: 27 CFR 479.86

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken: The licensee will ensure that all required disposition
(If not corrected immediately) information is correctly entered into the A&D record no
later than 7 days from date of transfer.

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken: The licensee will ensure to transfer the registered NFA
(If not corrected immediately) firearm identified on the approved ATF Form 4 to the
transferee.

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

Date

Signature and Title of ATF Officer

Date

FIREARMS INSPECTION REPORT

Name: Magfussion Enterprises LLC
Trade Name: Mr. Silencer

UI#: 785110-2018-0016-B1B
FFL#: 9-86-013-07-9D-03905

Address: 11464 E Rembrandt Ave
Mesa, AZ 85212; Maricopa

1 - Introduction

Inspection Profile:

On February 22, 2018 through April 2, 2018, Industry Operations Investigator (IOI) (b)(6) conducted a Federal Firearms SWB/ Disposition Emphasis Compliance Inspection of *Magfussion Enterprises LLC dba Mr. Silencer* located at 11464 E. Rembrandt Ave, Mesa AZ. The period of inspection was February 22, 2017 through February 22, 2018. Present for the inspection was Responsible person/member, Bruce Stevens.

Bruce Stevens: (b)(6)

The inspection was conducted to ensure that the licensee is in compliance with all ATF regulations. Advance notification was not provided.

Business Profile:

Magfussion Enterprises LLC dba Mr. Silencer is licensed as Type 07 Federal Firearms Licensee (FFL), Manufacturer of Firearms Other Than Destructive Devices. The licensee sells Gun Control Act (GCA) firearms and manufactures/sells National Firearms Act (NFA) firearms. The licensee's manufacturing activities focus on turning GCA rifles and shotguns into NFA short barrel rifles (SBR) and short barrel shotguns (SBS). The primary business is the sale of NFA firearms (suppressors, SBRs, and SBSs) to non-licensees and other FFLs. Mr. Silencer maintains a NFA Special Occupational Tax (SOT) Class II license. At the time of inspection, the licensee had 416 firearms in inventory. The licensee acquired (b)(4) firearms and disposed of (b)(4) firearms during the inspection period.

Mr. Silencer is located in a residentially zoned area in the City of Mesa, Arizona. The licensee does not conduct business at guns shows and does not utilize any off-site storage. Mr. Silencer does not sell black powder and does not take firearms on consignment. The licensee operates an internet website, www.mrsilencer.com where they advertise NFA firearms (suppressors) and firearm accessories for sale. The licensee purchases firearms from (b)(4)

The licensee has held the Type 07 Federal Firearms Licensee (FFL) at this location since April 1, 2010. Mr. Stevens also operates an auto glass replacement business (Mr. Auto glass) from the same premises. The Type 07 FFL (9-86-03905) is the only ATF license held by this licensee and is

FIREARMS INSPECTION REPORT

Name: Magfussion Enterprises LLC
Trade Name: Mr. Silencer

UI#: 785110-2018-0016-B1B
FFL#: 9-86-013-07-9D-03905

appropriate for the activities conducted by Mr. Silencer. A query of FLS identified no additional FFLs for the licensee. The licensee has all of the required licenses to operate their business in the City of Mesa, Arizona. IOI (b)(6) contacted the City of Mesa and spoke to (b)(6), City Planning Assistant. IOI (b)(6) wanted ensure the licensee complies with local zoning requirements and notified the City of Mesa regarding the volume of foot traffic and the signage on vehicles. (b)(6) stated that the City of Mesa zoning administrator reviewed the business profile and it complies with the City of Mesa requirements. The licensee provided the following for review:

Arizona Department of Revenue Privilege Tax License (TPT): (b)(3) - 26 USC 6103
City of Mesa, (b)(3) - 26 USC 6103

Ownership and Control:

Magfussion Enterprises LLC dba Mr. Silencer is a corporation registered with the Arizona Corporation Commission (ACC) (**Exhibit 2**) and is currently in good standing. Bruce Stevens is the only member of Magfussion Enterprises LLC. No responsible persons have been added to the license and there is no indication of hidden ownership. All responsible persons are accurately reflected in the Federal Licensing System.

Variance:

Magfussion Enterprises LLC dba Mr. Silencer maintains the following ATF variances:

MV number	Manufacturer	SN sequence	Date
(b)(3) - 112 Public Law 55 125 Stat 552			

2 - Recommendation

Report of Violations, Warning Letter ONLY and Recall Inspection

The licensee was cited for repeat violations from the July 6, 2016 inspection; the results of this compliance inspection warrant a recommendation of Report of Violations only. However, due to repeated similar violations a warning letter is warranted.

3 - Inspection History

FIREARMS INSPECTION REPORT

Name: Magfussion Enterprises LLC
Trade Name: Mr. Silencer

UI#: 785110-2018-0016-B1B
FFL#: 9-86-013-07-9D-03905

Date of Inspection: July 6, 2016
Type of Inspection: Federal Firearms Compliance Inspection
UI#: 785110-2016-0178-B1B
Inspection Results: Violations DIO Held WC ILO Revocation

Cited Violations:

27 CFR 478.123(a): Failure to correctly record the required acquisition information of (b)(3) - 112 firearms into the A&D record. In (b)(3) - 112 instances, the licensee failed to log into the A&D record (b)(3) - 112 NFA firearms. In (b)(3) - 112 instances, the licensee had firearms logged out of the A&D record, which were located in inventory.

27 CFR 478.123(b): Failure to correctly record the disposition (date of transfer, name and FFL # of the licensee) of (b)(3) - 112 firearms into the A&D record. On (b)(3) - 112 occasions, the licensee had failed to log firearms out to other FFLs.

27 CFR 478.123(d): Failure to correctly record the disposition (date of the sale, name, and address of the non-licensee, or 4473 serial number) (b)(3) - 112 firearms into the A&D record. (b)(3) - 112 instances, the licensee failed to log firearms out of the A&D record, and in (b)(3) - 112 instances, the licensee had duplicate acquisition entries

27 CFR 478.128(c): The licensee (licensed manufacturer) knowingly made a false A&D entry/statement on (b)(3) - 112 occasions.

27 CFR 478.124(c)(1): Failure of the licensee to obtain required information in a complete and/or accurate manner on (b)(3) - 1 ATF Forms 4473 prior to transferring the firearm to the non-licensee. (b)(3) - 112 ATF Forms 4473, the licensee failed to obtain and record all required transferee information, to include obtaining electronic signatures as a means for the transferee to certify the ATF Form 4473 in block 16, (b)(3) - 1 forms) and not indicating the correct place of birth in block 3 (11 forms). These electronic signatures were used prior to ATF Ruling 2016-2.

27 CFR 478.124(c)(5): Failure of the licensee to properly sign (b)(3) - 112 ATF Form 4473 prior to transferring the firearm. The licensee began electronically signing ATF Forms 4473 in September 2015. This practice was not authorized according to the regulation and a variance was needed to electronically sign forms. These electronic signatures were used prior to ATF Ruling 2016-2.

27 CFR 478.124(a): Failure to execute an ATF Form 4473 prior to the transfer of a firearm to an unlicensed individual (b)(3) - 112 Public Law instances. (b)(3) - 112 Public Law instances the licensee failed to add/and or complete a separate ATF Form 4473 prior to the transfer of the NFA firearm.

FIREARMS INSPECTION REPORT

Name: Magfussion Enterprises LLC
Trade Name: Mr. Silencer

UI#: 785110-2018-0016-B1B
FFL#: 9-86-013-07-9D-03905

27 CFR 478.102(a): Failure of the licensee to contact the NICS system on five instances prior to the transfer of a firearm to a non-licensee. In five instances, the licensee failed to conduct a NICS check prior to the transfer of a firearm to an unlicensed individual. In each instance, the firearm transferred (b)(3) - 26 USC 6103 [REDACTED]. The licensee failed to complete an ATF Form 4473 in each instance.

27 CFR 479.102(a)(2): Failure to mark (b)(3) - 112 Public Law 54 [REDACTED] firearm by engraving, casting, stamping (impressing), or otherwise conspicuously placing certain additional information.

Date of Inspection: September 27, 2013
Type of Inspection: Federal Firearms Compliance Inspection
UI#: 785110-2013-0249-B1B
Inspection Results: Violations ROV Only No Recall Inspection
Cited Violations:

27 CFR 478.123(d): The licensee failed to record the purchaser's name and address or license number of the firearms purchaser in the disposition on (b)(3) - 112 Public Law 54 [REDACTED] occasion. This firearm was determined to be missing.

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

A 100% physical inventory was conducted and 416 firearms were located at the business premises. The licensee's A&D record revealed (b)(3) - 112 [REDACTED] open entries. A complete comparison of the licensee's inventory to their A&D record identified (b)(3) - 112 Public [REDACTED] discrepancies. No firearms were reported lost or stolen. The licensee was cited for the following violations:

27 CFR 478.123(a): REPEAT CITED JULY 6, 2016

Failure to record the manufacture or other acquisition (b)(3) - 112 Public Law 54 [REDACTED] firearms in the Acquisition and Disposition (A&D) Record. Failure to record all required information on the manufacture or other acquisition (b)(3) - 112 Public [REDACTED] firearms in the A&D Record (**ROV 5, Worksheet 1, Exhibit 3**).

27 CFR 478.123(b): REPEAT CITED JULY 6, 2016

Failure to record the disposition (b)(3) - 112 Public Law 54 [REDACTED] firearms to another licensee in the Acquisition and Disposition (A&D) Record. Specifically, the licensee unintentionally recorded a firearm in inventory when a firearm was not physically acquired (b)(3) - 112 Public [REDACTED] duplicate entry, and (b)(3) - 112 Public [REDACTED] failed disposition from the Manufacturer book to the NFA book (**ROV 6, Worksheet 1, Exhibit 3**).

27 CFR 478.123(d): REPEAT CITED SEPT 27, 2013 & JULY 6, 2016

Failure to record the disposition (b)(3) - 112 Public Law 54 [REDACTED] firearms to non-licensees in the Acquisition and Disposition Record (**ROV 7, Worksheet 1, Exhibit 3**).

FIREARMS INSPECTION REPORT

Name: Magfussion Enterprises LLC
Trade Name: Mr. Silencer

UI#: 785110-2018-0016-B1B
FFL#: 9-86-013-07-9D-03905

The licensee was able to reconcile the failed dispositions by providing IOI (b)(6) with a copy of the manufacturer book and/or ATF Forms 4473s. The licensee utilizes an electronic A&D record 'AIMI' by Colosseum software, which prints bar codes stickers to assist in conducting inventories. IOI (b)(6) compared the electronic inventory sheet to the open transactions in the A&D record for reconciliation. IOI (b)(6) traced 5 ATF Forms 4473 on file through the licensee's required records from acquisition through disposition with no discrepancies.

The licensee's standard operating procedure is to record dispositions into the A&D record immediately upon the disposition. Acquisitions are immediately placed into the A&D record upon receipt of a firearm. No areas of concern were detected.

5 - ATF Forms 4473 – NICS & Other Dispositions

A total (b)(3)-112 Public ATF Forms 4473 were on file for the inspection period (b)(3)-112 Public ATF Forms 4473 were reviewed. ATF Forms 4473 are filed based on date disposed and are serialized. The licensee transferred firearms to other licensees properly and there were no transfers to law enforcement officers for official duty. There were 28 National Instant Criminal Background Check (NICS) numbers compared to completed ATF Forms 4473 and no discrepancies were found. A review of the ATF Forms 4473 revealed deficiencies and the licensee was cited for the following violations:

27 CFR 478.21(a): Failure to furnish or obtain all information as required by headings and instructions on (b)(3)-112 Public ATF Forms 4473 (**ROV 1, Worksheet 2, Exhibit 4**).

27 CFR 478.124(c)(3)(i): Failure to verify and record proper transferee's identification documents on (b)(3)-112 Public ATF Forms 4473 (**ROV 2, Worksheet 2, Exhibit 4**).

27 CFR 478.124(c)(3)(iv): Failure to record all required NICS transaction information on (b)(3)-112 Public ATF Forms 4473 (**ROV 3, Worksheet 2, Exhibit 4**).

27 CFR 478.124(c)(4): Failure to record all required firearm identification information on (b)(3)-112 Public ATF Forms 4473. (**ROV 4, Worksheet 2, Exhibit 4**).

The licensee's standard operating procedure pertaining to forms is to utilize an electronic ATF Form 4473. All violations cited above were for (b)(3)-112 Public manual ATF Forms 4473s conducted at the SAR West gun show (**Ref Section 10- Referral 1**). The licensee stated that he will no longer complete manual ATF Forms 4473 as the eForm prevents such errors from occurring. IOI (b)(6) suggested conducting a secondary review prior to the purchaser receiving the firearm to ensure correctness and completeness of the form. Areas of concern were noted and discussed with the licensee.

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Name: Magfussion Enterprises LLC
Trade Name: Mr. Silencer

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6 - Multiple Sales

Mr. Silencer reported ^{(b)(3) - 112 P-001} multiple sales involving ^{(b)(3) - 1} firearms to the Violent Crime Analysis Branch (VCAB) for the period of inspection. The licensee faxes the multiple sales report into the NTC. IOI Taddei discussed email benefits for submission of the ATF Form 3310.12. A review of the ATF Forms 4473 failed to reveal any discrepancies.

7 - Suspicious/Prohibited Purchasers

No possible straw purchasers, traffickers, or prohibited persons were identified as a result of this inspection. IOI ^{(b)(6)} queried four suspicious purchasers in eTrace and NCIC with zero hits.

8 - Trace Activity

FFL Trace History revealed one unsuccessful trace for the reporting period (T20180035825) coded as S0. IOI ^{(b)(6)} revealed the firearm was transferred to Tactical Coordination LLC (9-86-05178) on July 6, 2016 (**Worknote 2**). IOI ^{(b)(6)} contacted Tactical Coordination to obtain additional trace results. IOI Taddei obtained the ATF Form 4473 and submitted the updated trace information to the NTC. IOI ^{(b)(6)} queried eTrace and confirmed the trace information was updated. *Mr. Silencer* was associated with one firearm trace request for the time period of February 22, 2017 through February 22, 2018. Secondary market analysis was conducted. The licensee acquires ^{(b)(4)} of his firearms from FFLs or due to gunsmith repair. A total of ^{(b)(4)} firearms were acquired from non-licensees during the inspection period. Fifty firearms were queried in eTrace with zero hits including the four secondary market firearms.

9 - NFA/Importer/Collector/Manufacturer

Mr. Silencer does not conduct business as an importer or collector. The licensee conducts business as a Type 07- Manufacturer of Firearms Other Than Destructive Devices. The licensee submitted the Annual Firearms Manufacturing Export Report (AFMER) for FY17 and FY 15. *Mr. Silencer* was missing FY 16 AFMER. The licensee was instructed to immediately submit FY 16, which was completed on February 26, 2018.

Mr. Silencer conducts business as a Class II, SOT holder. The licensee acquired ^{(b)(4)} NFA firearms and disposed ^{(b)(4)} NFA firearms during the inspection period. The National Firearm Registration and Transfer Record (NFRTR) was compared to the licensee's A&D record. The licensee had ^{(b)(3) - 261} NFA firearms in inventory. A review of the licensee's NFRTR showed ^{(b)(3) - 26} USC 6103, ^{(b)(6)}

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Trade Name: Mr. Silencer

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(b)(3) - 26 USC 6103, (b)(6)

(b)(3) - 112 Public Law 55 125 Stat 552, (b)(3) - 26 USC 6103, (b)(6), (b)(7)(C)

suppressor in question is currently in the custody of the Pima County Sheriff's Department and is being held as evidence until trial. The licensee was cited for violating 27 CFR 479.86 (**ROV 8, Exhibit 5**). Failure to complete and properly execute the transfer of a registered NFA firearm identified on the approved ATF Form 4 to persons other than a FFL/SOT. The corrective action would be to void the ATF Form 4 and have a member of the trust resubmit; however with the transferee being prohibited, the new Form 4 would be denied. (b)(3) - 112 Public Law 55 125 Stat 552, (b)(3) - 26 USC 6103, (b)(6), (b)(7)(C)

The NFRTR was compared to the licensee's A&D record (b)(3) - 26 USC 6103 discrepancies were identified. Specifically, (b)(3) - 26 USC 6103, (b)(6)

Below outlines the discrepancies:

(b)(3) - 26 USC 6103, (b)(6)

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(b)(3) - 26 USC 6103, (b)(6)

IOI (b)(6) verified with the NFA Branch, (b)(6), that the practice of submitting an ATF Form 3 prior to receiving a firearm for expediting the approval process is prohibited. IOI (b)(6) notified the NFA branch regarding the activities of the above-mentioned FFLs (Ref Section 10- Referral 5).

10 - Referrals

Five referrals of information were generated as a result of this inspection. Four referrals of information were generated as per guidance from the NFA branch the practice of submitting an ATF Form 3 prior to receiving a firearm is prohibited. A referral of information was completed on an out of state licensee (FFL: 9-87-02987) for conducting business at an Arizona gun show (AZ) (Referral 1).

11 - Other

The licensee has a Youth Handgun Safety Act poster displayed. The licensee is also aware of the requirement to provide secure gun storage or safety devices on all handguns transferred to non-licensees. IOI (b)(6) discussed with the licensee IRS reporting requirements for large cash purchases and provided reference materials IRS Form 8300 and Publication 1544.

Responsible Person, Bruce Stevens was queried in NForce, Open Fox and Accurant. No prohibiting activity was identified for any RP under the license.

12 - Closing Actions

On April 2, 2018, IOI (b)(6) held a closing conference with the licensee. Present for the closing conference was Responsible Person, Bruce Stevens. The Acknowledgement of Federal Firearms Regulations was reviewed with and signed by Mr. Stevens (Exhibit 1) who indicated that he understood the regulations covered. The report of violations was reviewed with the licensee. An amended report of violations was issued on April 10, 2018, which was signed and dated by Mr. Stevens. Copies of both were given to Mr. Stevens.

13 - Violations

FIREARMS INSPECTION REPORT

Name: Magfussion Enterprises LLC
Trade Name: Mr. Silencer

UI#: 785110-2018-0016-B1B
FFL#: 9-86-013-07-9D-03905

1. **27 CFR 478.21(a)**
Nature of Violation: Failure to furnish or obtain all information as required by headings and instructions on ATF Forms 4473.
Licensee Response: The licensee stated he does not conduct manual ATF Forms 4473 with the exception of gun shows. He stated he will not do manual ATF Forms 4473 again and he will utilize his computerized kiosk for firearm transfers.
Corrective Action: The licensee will ensure that the ATF Form 4473 is properly completed as prescribed by the regulations.
Worksheets/Exhibits: Worksheet 2, Exhibit 4
2. **27 CFR 478.124(c)(3)(i)**
Nature of Violation: Failure to verify and record proper transferee's identification documents on ATF Forms 4473.
Licensee Response: The licensee stated he does not conduct manual ATF Forms 4473 with the exception of gun shows. He stated he will not do manual ATF Forms 4473 again and he will utilize his computerized kiosk for firearm transfers.
Corrective Action: The licensee will ensure that the ATF Form 4473 is properly completed as prescribed by the regulations.
Worksheets/Exhibits: Worksheet 2, Exhibit 4
3. **27 CFR 478.124(c)(3)(iv)**
Nature of Violation: Failure to record all required NICS transaction information on ATF Forms 4473.
Licensee Response: The licensee stated he does not conduct manual ATF Forms 4473 with the exception of gun shows. He stated he will not do manual ATF Forms 4473 again and he will utilize his computerized kiosk for firearm transfers.
Corrective Action: The licensee will ensure that the ATF Form 4473 is properly completed as prescribed by the regulations.
Worksheets/Exhibits: Worksheet 2, Exhibit 4
4. **27 CFR 478.124(c)(4)**
Nature of Violation: Failure to record all required firearm identification information on ATF Forms 4473.
Licensee Response: The licensee stated he does not conduct manual ATF Forms 4473 with the exception of gun shows. He stated he will not do manual ATF Forms 4473 again and he will utilize his computerized kiosk for firearm transfers.
Corrective Action: The licensee will ensure that the ATF Form 4473 is properly completed as prescribed by the regulations.
Worksheets/Exhibits: Worksheet 2, Exhibit 4
5. **27 CFR 478.123(a) REPEAT VIOLATION CITED JULY 6, 2016**
Nature of Violation: Failure to record the manufacture or other acquisition of firearms in the Acquisition and Disposition (A&D) Record. Failure to record all

FIREARMS INSPECTION REPORT

Name: Magfussion Enterprises LLC
Trade Name: Mr. Silencer

UI#: 785110-2018-0016-B1B
FFL#: 9-86-013-07-9D-03905

required information on the manufacture or other acquisition of (b)(3) - 112 firearms in the A&D Record.

Licensee Response: The licensee stated that the three failed acquisitions were incorrectly tagged which is the reason why he thought it was put into the A&D record. The four incorrect acquisitions the licensee stated he was rushing and mistyped the serial number or manufacturer.

Corrective Action: The licensee will ensure that all required acquisition information is correctly entered into the A&D record no later than 7 days from date of transfer.

Worksheets/Exhibits: Worksheet 1, Exhibit 3

6. **27 CFR 478.123(b) REPEAT VIOLATION CITED JULY 6, 2016**

Nature of Violation: Failure to record the disposition of (b)(3) - 112 firearms to another licensee in the Acquisition and Disposition (A&D) Record. Specifically, the licensee unintentionally recorded a firearm in inventory when a firearm was not physically acquired, (b)(3) - 112 duplicate entry, and (b)(3) - 112 failed disposition from the Manufacturer book to the NFA book.

Licensee Response: The licensee stated he will conduct inventories to prevent such errors from re-occurring.

Corrective Action: The licensee will ensure that all required disposition information is correctly entered into the A&D record no later than 7 days from date of transfer.

Worksheets/Exhibits: Worksheet 1, Exhibit 3

7. **27 CFR 478.123(d) REPEAT VIOLATION CITED SEPT 27, 2013 & JULY 6, 2016**

Nature of Violation: Failure to record the disposition of (b)(3) - 112 firearms to non-licensees in the Acquisition and Disposition Record.

Licensee Response: The licensee placed the transferred firearm in the incorrect box and recorded the wrong firearm disposition.

Corrective Action: The licensee will ensure that all required disposition information is correctly entered into the A&D record no later than 7 days from date of transfer.

Worksheets/Exhibits: Worksheet 1, Exhibit 3.

8. **27 CFR 479.86**

Nature of Violation: Failure to complete and properly execute the transfer of a (b)(3) - 112 Public Law 55 125 Stat 552, (b)(3) - 26 USC 6103 persons other than a FFLs/SOT.

Licensee Response: The licensee stated the wrong firearm was in the box and was unaware of the error and will complete double checks of firearms transferred to ensure the proper firearm identified on the Form 4 is transferred to the transferee.

Corrective Action: The licensee will ensure to transfer the registered NFA firearm identified on the approved ATF Form 4 to the transferee.

Worksheets/Exhibits: NFA Worknote, Exhibit 5.

FIREARMS INSPECTION REPORT

Name: Magfussion Enterprises LLC
Trade Name: Mr. Silencer

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X

Industry Operations Investigator

Index of Worksheets and Exhibits

Worksheet 1: Inventory A&D Worksheet

Worksheet 2: ATF Form 4473 Review Worksheet

Exhibit 1: Acknowledgement of Federal Firearms Regulations

Exhibit 2: Arizona Corporation Commission

Exhibit 3: A&D

Exhibit 4: ATF Form 4473

Exhibit 5: Lapan ATF Form 4, Trace request for Lapan suppressor

Referral 1: 2018-0019

Referral 2: 2018-0018

Referral 3: 2018-0017

Referral 4: 2018-0020

Referral 5: 2018-0016

Worknote 1: NFA

Worknote 2: Trace Perfected



U.S. Department of Justice

Bureau of Alcohol, Tobacco,
Firearms and Explosives

www.atf.gov

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5370

April 11, 2018

WARNING LETTER

Magfussion Enterprises, LLC
D/b/a Mr. Silencer
Attn: Bruce Stevens
11464 E. Rembrandt
Mesa, AZ 85212

Re: FFL#: 9-86-013-07-03905

Mr. Bruce Stevens:

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 11464 E. Rembrandt, Mesa, AZ on February 22, 2018 through April 2, 2018, 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.

Mr. Bruce Stevens
FFL# 9-86-013-07-03905

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.

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

(b)(6)

Area Supervisor

cc: Federal Firearms Licensing Center
Phoenix, VI Area Office

Attachment

Mr. Bruce Stevens
FFL# 9-86-013-07-003905