

## Assignment and Report

<b>1. OPERATING NAME AND ADDRESS</b> (INCLUDE ZIP CODE AND COUNTY)  Cash America Pawn L.P. Cash America Pawn of Brownsville #2 1634 Central Blvd Brownsville, TX 78520, Cameron	<b>2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.)</b> <p style="text-align: center;">782110-2018-0259-B1B</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;"><b>3. PERMIT/LICENSE NUMBER</b> 574061029A35383</td> <td style="width: 33%;"><b>4a. TARGET DATE</b></td> <td style="width: 33%;"><b>4b. TARGET HOURS</b></td> </tr> </table> <b>5. REQUESTED BY (SIGNATURE, TITLE AND DATE)</b>	<b>3. PERMIT/LICENSE NUMBER</b> 574061029A35383	<b>4a. TARGET DATE</b>	<b>4b. TARGET HOURS</b>
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**6. ATF OFFICER(S) ASSIGNED**  
 (b)(6) - Lead Investigator

**7. ASSIGNED BY (SIGNATURE, TITLE AND DATE)**  
 (b)(6) Area Supervisor, 03/14/2018

**8. PURPOSE/SPECIAL INSTRUCTIONS**

<b>9. INSPECTION RESULTS</b>			<input type="checkbox"/> CHECK IF NO VIOLATIONS, ADJUSTMENTS, ETC	<b>10. TRAVEL EXPENSES (OPTIONAL)</b>	
NO. OF VIOLATIONS	1	NO. OF REFERRALS		2111 - PER DIEM	
NO. OF TECS CHECKS	107	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: 04/11/2018  
  
 Viols WL ONLY and No Recall Inspection

**12. TIME ACCOUNTING DATA**

ATF OFFICER'S NAME (MONTH, YEAR, HOURS)	(b)(6)
MAR 2018	24.00
APR 2018	24.00
ATF OFFICER'S SUBTOTAL	48.00
TOTAL HOURS	48.00
ATF OFFICER'S SIGNATURE	

**13. REVIEW AND ROUTING**

**REVIEW COMMENTS AND RECOMMENDATION**  
 Viols WL ONLY and No Recall Inspection

<input checked="" type="checkbox"/> REVIEWED	<input checked="" type="checkbox"/> COMMENTS	<input checked="" type="checkbox"/> FINAL DISPOSITION
SIGNATURE AND TITLE (b)(6) - Area Supervisor		REVIEW DATE 04/13/2018

**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 Cash America Pawn L.P. Cash America Pawn of Brownsville #2	Street Address 1634 Central Blvd	City Brownsville	State TX	Zip Code 78520-	County Cameron	Page 1 of 1 Pages
License/Permit/Registry Number (If any) 574061029A35383	Expiration Date 1/1/2019	Date(s) or Period of Inspection 03/26/2018 through 04/04/2018				

### 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 correctly record the disposition of a firearm. The computerized A&D Record improperly disposes of a firearm when a customer pays down a loan, even though the firearm never leaves the store and no transfer takes place. This happened in <sup>one</sup> instance.

**(b)(3) 112 Pub Law 552 125 STAT 552**

**Date Corrections to be Made:**

*(If not corrected immediately)*

**Corrective Action to be Taken:**

*(If not corrected immediately)*

The compliance officer, **(b)(6)**, was contacted and was advised to:

1. Correct the computerized A&D record so that it does not automatically dispose of a firearm when no transfer takes place and/or
2. Apply for a variance from ATF.

Citation: 27 CFR 478.125(e)

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

Date

4-4-18

Date

4-4-18

**(b)(6)**

# FIREARMS INSPECTION REPORT

Name: Cash America Pawn LP UI#: 782110-2018-0259-B1B  
Trade Name: Cash America Pawn of Brownsville #2 FFL#: 5-74-061-02-9A-35383

Address: 1634 Central Blvd.  
Brownsville, TX 78520

## 1 - Introduction

### Inspection Profile:

On March 26, 2018, Industry Operations Investigator (b)(6) conducted a firearms compliance inspection (Southwest Border DE) at the business premises of Cash America Pawn L.P. d/b/a Cash America Pawn of Brownsville #2, (hereafter referred to as Cash America), a Type 02 Federal Firearms Licensee (FFL). No other federal, state, or local agencies were present during the inspection. Store Manager Manuel M. Garcia was interviewed and identified with his Texas driver's license, DL (b)(6) showing DOB (b)(6) (Exhibit 1). The period of inspection was from March 26, 2017 to March 26, 2018. The on-site inspection commenced on March 26, 2018 and was completed on April 4, 2018 when the Report of Violations was issued and the Acknowledgement of Federal Firearms Regulations was reviewed with the licensee. Advanced notification of the inspection was not provided.

### Business Profile:

Cash America operates as a licensed pawnshop that provides secured cash loans and buys and sells an assortment of used consumer goods, including jewelry, electronics, appliances, musical instruments, sporting goods, tools, and firearms. The business is licensed with the state of Texas under pawn license number 984-7311 (Exhibit 2). Cash America possesses a Type 02 Federal Firearms License as a dealer and pawnbroker of firearms other than destructive devices. The license was originally issued on January 28, 1992 and is the only ATF license possessed by the licensee at this location. The licensee conducts retail sales of new and used firearms, provides cash loans for firearms brought in as collateral, and returns firearms redeemed from pawn. The licensee buys and sells handguns, hunting rifles, and shotguns. During the period of inspection, the licensee acquired (b)(4) firearms and disposed of (b)(4) firearms. New firearms are acquired from (b)(4). The licensee does not sell NFA firearms, provide gunsmith services, or conduct business online or at gun shows. There is no off-site storage of firearms.

The business is conducted from a commercial storefront in Brownsville, Texas (urban). The premises are owned by Cash America International Inc. as verified with the Cameron County Appraisal District (Exhibit 3). There are no other businesses located on the premises. The licensee is compliant with all state and local laws, including zoning. Cash America Pawn of Brownsville #2 possesses





# FIREARMS INSPECTION REPORT

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UI#: 782110-2018-0259-B1B  
FFL#: 5-74-061-02-9A-35383

## Violation 1: 27 CFR 478.125(e) – [REDACTED] Instances

A sample of [REDACTED] ATF Forms 4473 on file for the period of inspection was compared to the A&D record to verify that the entries were made timely and no discrepancies were found. There were no firearms with obliterated serial numbers or other illegal firearms found in the licensee's inventory. There were no thefts or losses reported by the licensee during the period of inspection or discovered during the inspection.

The licensee's procedures for recording firearm acquisitions and dispositions and maintaining inventory were reviewed during the inspection. All employees are authorized to conduct firearm transactions and must complete yearly training. Acquisition and disposition information is recorded in the computer system at the time the transaction occurs and the licensee generates invoices and pawn tickets for all transactions. The licensee reports the acquisition of all firearms to law enforcement using the LeadsOnline database in order for police departments to identify firearms that have been reported stolen or missing. The V2 system is backed-up daily and the licensee prints an updated copy of the A&D record every two weeks. The licensee conducts a full inventory of firearms every two to three months.

## 5 - ATF Forms 4473 – NICS & Other Dispositions

There were 115 ATF Forms 4473 on file for the period of inspection. Each form was reviewed and no discrepancies were found. The licensee maintains the forms in chronological order. NICS transaction numbers (21) were compared to the FFL Audit Report and no discrepancies were found. The FFL Audit Report revealed 17 proceed responses and 4 denied transactions, for a total of 21 transactions within the last 60 days from the date the report was requested.

A sample of [REDACTED] disposition entries to non-licensees was selected from the A&D record to verify that an ATF Form 4473 was completed for each transaction and no discrepancies were found.

The licensee's procedures for conducting firearm transactions and completing ATF Forms 4473 were evaluated during the inspection. New employees are required to complete on-the-job training prior to conducting transactions and must complete regular online training pertaining to firearm sales and the completion of the ATF Form 4473. The licensee utilizes an electronic version of the ATF Form 4473 which is used for the majority of transactions. Employees are responsible for verifying the identity of customers by requesting a valid identification document and NICS background checks are completed online using the NICS E-Check system. Completed ATF Forms 4473 are required to be reviewed and signed on the front page by a manager. The licensee also requests that customers initial the form acknowledging receipt of the Youth Handgun Safety Act Notice. Cash America conducts internal audits two to three times a year in



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pawn and layaway are stored in a safe room located next to the manager's office. Key access to the safe room is restricted to management.

### 12 - Closing Actions

On April 4, 2018, Investigator (b)(6) conducted a closing conference with Mr. Manuel Garcia, Store Manager. Investigator (b)(6) discussed the inspection results and the Report of Violations with Mr. Garcia and he was given the opportunity to ask any questions. Mr. Garcia signed and dated the Report of Violations and was provided with a copy for his records. The Acknowledgement of Federal Firearms Regulations was also reviewed and Mr. Garcia was given the opportunity to ask questions and address any concerns. Mr. Garcia signed and dated the Acknowledgement of Federal Firearms Regulations and was provided a copy for his records (**Exhibit 8**). The licensee was informed that the 2014 version of the Federal Firearms Regulations Reference Guide is available online and was provided with the following reference materials:

- Important Notice: Selling Firearms after Revocation, Expiration, or Surrender of an FFL
- ATF P 5380.1, Loss Prevention for Firearms Retailers
- ATF Ruling 2016-1, Electronic Acquisition and Disposition Recordkeeping
- ATF Contact Information

### 13 - Violations

1. 27 CFR 478.125(e)

**REPEAT VIOLATION cited on 03/27/17, 02/10/16 and 12/09/14.**

#### **Nature of Violation:**

Failure to correctly record the disposition of a firearm. The computerized A&D Record improperly disposes of a firearm when a customer pays down a loan, even though the firearm never leaves the store and no transfer takes place. This happened in (b)(3) instances:

**(b)(3) 112 Pub Law 552 125 STAT 552**



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**(b)(3) 112 Pub Law 552 125 STAT 552**

### Licensee Response:

Store Manager, Manuel Garcia states, "when First Cash took over Cash America, we were advised to use this form because the A&D book would dispose of a firearm and then re-acquire it even though the customer was just paying down a loan and the firearm never left the store."

### Corrective Action:

The compliance officer, (b)(6), was contacted and was advised to:

1. Correct the computerized A&D record so that it does not automatically dispose of a firearm when no transfer takes place and/or
2. Apply for a variance from ATF.

8/23/2018

X

(b)(6)

Industry Operations Investigator

(b)(6)

## Index of Worksheets and Exhibits

### Worksheets

#### Informational Page

Worksheet 1- Inventory A&D Review Worksheet

Worksheet 2- ATF F 4473 Review Worksheet (2012 edition)

Worksheet 2- ATF F 4473 Review Worksheet (2016 edition)

Statistical Page

### Exhibits

Exhibit 1: TXDL Images – GARCIA, Manuel





**U.S. Department of Justice**

Bureau of Alcohol, Tobacco,  
Firearms and Explosives

*McAllen II Area Office*

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McAllen, TX 78501

[www.atf.gov](http://www.atf.gov)

April 13, 2018

782110: (b)(6)  
5370

**WARNING LETTER**

Cash America Pawn LP  
d/b/a Cash America Pawn of Brownsville #2  
1634 Central Blvd.  
Brownsville, TX 78520

Re: Federal Firearms License Number: 5-74-061-02-9A-35383

Dear Mr. Garcia:

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 1634 Central Blvd., Brownsville, TX 78520 on March 26, 2018 through April 04, 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 IOI (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

Cash America Pawn LP  
Federal Firearms License Number: 5-74-061-02-9A-35383

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 IOI (b)(6) at (b)(6).

Sincerely,

(b)(6)

(b)(6)

Area Supervisor

cc: Federal Firearms Licensing Center  
McAllen II Area Office

Attachment