

Assignment and Report

1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY) DSG, INC. DANCE'S SPORTING GOODS 570 Southpark Blvd. Colonial Heights, VA 23834, Colonial Heights City		2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) 768035-2018-0077-B1B		
		3. PERMIT/LICENSE NUMBER 154570017L09538	4a. TARGET DATE	4b. TARGET HOURS
		5. REQUESTED BY (SIGNATURE, TITLE AND DATE)		

6. ATF OFFICER(S) ASSIGNED	
(b)(6)	- Assigned Investigator
(b)(6)	- Assigned Investigator
(b)(6)	- Lead Investigator
(b)(6)	- Assigned Investigator
(b)(6)	- Assigned Investigator
(b)(6)	- Assigned Investigator

7. ASSIGNED BY (SIGNATURE, TITLE AND DATE)	
(b)(6)	Area Supervisor, 10/05/2017

8. PURPOSE/SPECIAL INSTRUCTIONS	
**Please conduct a DE inspection on this new 01 FFL. The 01 license was issued on 10/31/2011. Please conduct a DE inspection to determine if FFL is compliant with ATF law and regulations.	

9. INSPECTION RESULTS		<input type="checkbox"/> CHECK IF NO VIOLATIONS, ADJUSTMENTS, ETC		10. TRAVEL EXPENSES (OPTIONAL)	
NO. OF VIOLATIONS	7	NO. OF REFERRALS	3	2111 - PER DIEM	
NO. OF TECS CHECKS	10	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	
Sub on: 02/12/2018	
IOI (b)(6) recommends a Warning Letter based on a failure by the licensee, in separate instances, to stop the sale of a receiver to an out-of-state resident. These were isolated incidents and the sales associates were immediately retrained. IOI (b)(6) also briefed this subject at the closing conference. Statistically, Fs 4473, A&D Record, inventory, NFA, etc. errors computed to no more than .01%.	
Viols WL ONLY and No Recall Inspection	

12. TIME ACCOUNTING DATA	
ATF OFFICER'S NAME (MONTH, YEAR, HOURS) (b)(6)	
JAN 2018	25.00
ATF OFFICER'S SUBTOTAL	25.00
ATF OFFICER'S SIGNATURE	
ATF OFFICER'S NAME (MONTH, YEAR, HOURS) (b)(6)	
JAN 2018	25.00
ATF OFFICER'S SUBTOTAL	25.00
ATF OFFICER'S SIGNATURE	
ATF OFFICER'S NAME (MONTH, YEAR, HOURS) (b)(6)	
JAN 2018	86.30
FEB 2018	8.00
ATF OFFICER'S SUBTOTAL	94.30
ATF OFFICER'S SIGNATURE	

Assignment and Report

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	3. PERMIT/LICENSE NUMBER 154570017L09538	4a. TARGET DATE	4b. TARGET HOURS
	5. REQUESTED BY (SIGNATURE, TITLE AND DATE)		

12. TIME ACCOUNTING DATA

ATF OFFICER'S NAME (MONTH, YEAR, HOURS)	(b)(6)
JAN 2018	16.00
ATF OFFICER'S SUBTOTAL	16.00
ATF OFFICER'S SIGNATURE	
ATF OFFICER'S NAME (MONTH, YEAR, HOURS)	(b)(6)
JAN 2018	24.00
ATF OFFICER'S SUBTOTAL	24.00
ATF OFFICER'S SIGNATURE	
ATF OFFICER'S NAME (MONTH, YEAR, HOURS)	(b)(6)
JAN 2018	20.00
ATF OFFICER'S SUBTOTAL	20.00
ATF OFFICER'S SIGNATURE	
TOTAL HOURS	204.30

13. REVIEW AND ROUTING

REVIEW COMMENTS AND RECOMMENDATION

Acting A/S recommends a Warning Letter be issued to the FFL in lieu of a Warning Conference. Please see PII below for justification.

Viols WL ONLY and Recall Inspection

☒ REVIEWED

☐ CONCUR

☒ SEE COMMENTS

☐ FINAL DISPOSITION

SIGNATURE AND TITLE

(b)(6) - Industry Operations Investigator

REVIEW DATE

02/13/2018

REVIEW COMMENTS AND RECOMMENDATION

DIO concurs with Acting Area Supervisor and Lead IOI's recommendation of a Warning Letter and Recall Inspection, in lieu of a Warning Conference. The results of the inspection merited a warning conference, due to the fact that the licensee sold a receiver to an out-of-State resident on separate instances (27 CFR 478.99(a)). Additional violations disclosed during the inspection warranted an ROV only. There were late disposition entries in the A&D Record out of 6670. There were no missing firearms. All trace requests were completed. The FFL stated they were not aware of the regulation 27 CFR 478.99(a); however, they now understand since the violation was thoroughly discussed by the IOI. The sales associates were immediately retrained by the FFL. Future compliance is expected.

Viols WL ONLY and Recall Inspection

☒ REVIEWED

☒ CONCUR

☒ SEE COMMENTS

☒ FINAL DISPOSITION

SIGNATURE AND TITLE

(b)(6) - Director of Industry Operations

REVIEW DATE

02/14/2018

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 DSG, INC. DANCE'S SPORTING GOODS	Street Address 570 Southpark Blvd.	City Colonial Heights	State VA	Zip Code 23834-	County Colonial Heights City	Page 1 of 6 Pages
License/Permit/Registry Number <i>(If any)</i> 154570017L09538	Expiration Date 11/1/2020	Date(s) or Period of Inspection 01/08/2017 through 01/08/2018				

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:

The licensee, by and through its agents and employees, failed to obtain/execute Form 4473 as indicated by the headings on the form and the instructions on or pertaining to the form. (b)(3) forms with (b)(3) instances cited.

Version 2012:

Question 30a (Number of firearms) was blank (b)(3) times

Version 2016:

Question 29 (Number of firearms sold) was answered blank (b)(3) time

Question 33 (Corporate/Trade name) was in error (b)(3) times

Citation: 27 CFR 478.21(a)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

Licensee shall provide the correct and complete information for all errors identified. Make corrections to Forms 4473 on a copy of the affected Form 4473; corrections shall not be made to the original Form 4473.

Report of Violations

Instructions

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Name of Proprietor DSG, INC. DANCE'S SPORTING GOODS	Street Address 570 Southpark Blvd.	City Colonial Heights	State VA	Zip Code 23834-	County Colonial Heights City	Page 2 of 6 Pages
License/Permit/Registry Number <i>(If any)</i> 154570017L09538		Expiration Date 11/1/2020	Date(s) or Period of Inspection 01/08/2017 through 01/08/2018			

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:

The licensee, by and through its agents and employees, sold or delivered a firearm other than a rifle or a shotgun to a resident of a State other than the one in which the licensee's place of business is located, (b)(3) forms with (b)(3) instances cited.

(b)(3) 112 P, the licensee transferred receivers to out-of-state residents.

Citation: 27 CFR 478.99(a)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

Licensee shall ensure all employees are educated in that a receiver cannot be sold to an out-of-state resident over-the-counter or a person under the age of 21.

Report of Violations

Instructions

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Name of Proprietor DSG, INC. DANCE'S SPORTING GOODS	Street Address 570 Southpark Blvd.	City Colonial Heights	State VA	Zip Code 23834-	County Colonial Heights City	Page 3 of 6 Pages
License/Permit/Registry Number <i>(If any)</i> 154570017L09538	Expiration Date 11/1/2020	Date(s) or Period of Inspection 01/08/2017 through 01/08/2018				

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:

The licensee, by and through its agents and employees, prior to making an over-the-counter transfer of a firearm to a non-licensee, failed to obtain the required information in Section A of the ATF Form 4473, questions 1 – 17, (b)(3) forms with (b)(3) instances cited.

Version 2012:

Question 10b (Race) was answered blank (b)(3) time

Version 2016:

Question 2 (Current address) was answered in error (b)(3) times

Question 3 (Place of Birth) was answered in error (b)(3) time

Question 11g (...discharged under dishonorable conditions) was answered blank (b)(3) time

Question 11h (Are you subject to a court order...) was answered blank (b)(3) time

Question 11i (Have you been convicted of a MCDV) was answered blank (b)(3) times

Question 12a (Country of Citizenship) was answered blank (b)(3) time

Question 15 (Certification date) was answered in error (b)(3) times

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)

Licensee shall provide the correct and complete information for all errors identified. Make corrections to Forms 4473 on a copy of the affected Form 4473; corrections shall not be made to the original 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 DSG, INC. DANCE'S SPORTING GOODS	Street Address 570 Southpark Blvd.	City Colonial Heights	State VA	Zip Code 23834-	County Colonial Heights City	Page 4 of 6 Pages
License/Permit/Registry Number <i>(If any)</i> 154570017L09538		Expiration Date 11/1/2020	Date(s) or Period of Inspection 01/08/2017 through 01/08/2018			

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:

The licensee, by and through its agents and employees, transferred a firearm to a non-licensee without verifying the identification document presented and noting on the Form 4473 the type of identification used. ☒ forms with ☒ instances cited.

Version 2012:

Question 18a (Type of firearm transferred) was answered in error ☒ time

Version 2016:

Question 18a (Type of firearm transferred) was answered in error ☒ times

Question 18b (Supplemental documentation) was answered in error ☒ time

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

Licensee shall verify the identity of the buyer by examining the identification document and shall note on the ATF Form 4473 the type of identification used.

Citation: 27 CFR 478.124(c)(3)(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 DSG, INC. DANCE'S SPORTING GOODS	Street Address 570 Southpark Blvd.	City Colonial Heights	State VA	Zip Code 23834-	County Colonial Heights City	Page 5 of 6 Pages
License/Permit/Registry Number <i>(If any)</i> 154570017L09538	Expiration Date 11/1/2020	Date(s) or Period of Inspection 01/08/2017 through 01/08/2018				

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:

The licensee, by and through its agents and employees, transferred a firearm to a non-licensee without recording required NICS information on the Form 4473; (b)(3) forms with (b)(3) instances cited.

Question 19a (Date of NICS query) was answered in error (b)(3) times

Question 19c (NICS initial response) was answered blank (b)(3) times

Question 19d (Later NICS response) was answered in error (b)(3) times and blank (b)(3) times

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

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

Licensee shall obtain and enter the missing NICS information; obtain missing Form 4473 NICS information by referring to the NICS information on the corresponding SP-65. Make Forms 4473 corrections on a copy of the affected Form 4473; make no corrections to the original Form 4473.

Number: 6

Nature of Violation:

The licensee, by and through its agents and employees, failed to sign and date the Form 4473 certifying that the licensee does not know or have reason to believe the transferee is disqualified by law from receiving the firearm described on the Form 4473; (b)(3) forms with (b)(3) instances cited.

Question 37 (Transfer date) was answered in error (b)(3) times

Citation: 27 CFR 478.124(c)(5)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

Licensee shall enter the missing information into the proper spaces on the Form 4473. Make corrections to Forms 4473 on a copy of the affected Form 4473; corrections shall not be made to the original 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.

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License/Permit/Registry Number <i>(If any)</i> 154570017L09538	Expiration Date 11/1/2020	Date(s) or Period of Inspection 01/08/2017 through 01/08/2018				

Inspection Results

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

Number: 7

Nature of Violation:

The licensee, by and through its agents and employees, failed to record the sale or other disposition of a firearm not later than 7 days following date of such transaction. Violation cited on ~~one~~ instances of no disposition entry.

(b)(3) 112 PL 55 125 STAT 552

Citation: 27 CFR 478.125(e)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken: Licensee shall immediately enter the disposition data into the A&D record.

(If not corrected immediately)

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

Date

Signature and Title of ATF Officer

(b) (6)

Date

FIREARMS INSPECTION REPORT

Name: DSG, Inc.
Trade Name: Dance's Sporting Goods

UI#: 768035.2018.0077.B1B
FFL#: 1.54.570.01.0L.09538

Address: 570 Southpark Boulevard
Colonial Heights, Virginia 23834 Colonial Heights City)

1 - Introduction

Inspection Profile:

On 1.8.2018, ATF Industry Operations Investigator (IOI) (b) (6) initiated an on-site compliance inspection on Type 01, Federal Firearms Licensee (FFL) DSG, Inc. d/b/a Dance's Sporting Goods. DSG is a Demand Letter 2 FFL. DSG is a NFA dealer. The inspection inclusive dates were 1.8.2017- 1.8.2018. Assisting IOIs were (b) (6). DSG's 2014 inspection resulted in Viols ROV ONLY and No Recall Inspection. IOI (b)(6) primary contacts during this inspection were Co-owner and Responsible Person, Mr. Walter "Forrest" Dance; Store Manager, (b) (6); and Assistant Store Manager, (b) (6). IOI (b)(6) gave the licensee no advanced notification of this inspection and no other governments participated in this inspection.

The scope of the inspection was to conduct a DE inspection to determine if the FFL was compliant with ATF laws and regulations.

Closing Conference conducted 2.1.2018.

Business Profile:

Dance's Sporting Goods owners, Forrest and Marlon Dance, along with their father, opened Dance's Sporting Goods in 1976, in a small location in Petersburg, VA. Over the past 33 years DSG's premises has grown to over 20,000 sq. feet of retail space, located in Colonial Heights, VA. DSG boasts "We offer the finest quality hunting and fishing supplies available."

IOI (b)(6) determined DSG is a hunting, and fishing mecca that retails new and used handguns, long guns, ammunition, hunting gear, fishing bait and tackle, archery and crossbow gear, an archery shooting range, hunting apparel, footwear, air guns, paintball accessories, and NRA firearms classes. DSG offers a limited service firearms repair shop. DSG also sells firearms on the internet using Guns America, Gun Broker.com, and Guns International. Occasionally, DSG sponsors a firearms auction inside the store. DSG does not sell receivers, but will transfer receivers.

During the operational period, DSG acquired (b)(4) firearms; (b)(4) handguns, (b)(4) long guns, and (b)(4) NFA weapons; DSG disposed (b)(4) firearms; (b)(4) handguns, (b)(4) long guns, and (b)(4) NFA weapons. On 1.8.2018, DSG possessed

FIREARMS INSPECTION REPORT

Name: DSG, Inc.
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(b)(4) firearms in inventory (that included (b)(4) NFA weapons); of which, approximately (b)(4) were previously owned firearms.

IOI (b)(6) verified that DSG holds a Type 01, Dealer in Firearms Other Than Destructive Devices FFL that is appropriate for the type of business conducted. DSG's FFL originated 10.31.2011 and expires 11.1.2020.

The licensee's main suppliers of new firearms are (b)(4) to name a few, and numerous firearms manufacturers. The licensee has the required State and local licenses and permits and does not maintain off-site storage. DSG's EIN is (b)(3) 26 USC 6103, DIN is 1181. DSG's web site is www.dancesportinggoods.net. DSG has a Facebook page.

Ownership and Control:

IOI (b)(6) determined President, Mr. Jon Marlon Dance and Secretary/Treasurer, Mr. Walter Forrest Dance equally possess 50% of the corporate shares. Mr. Marlon Dance and Mr. Forrest Dance equally share corporate control, policy and decision making (NCIC/NLETS/NForce negative). There are no other directors or stock holders of the corporation. IOI (b)(6) does not suspect hidden ownership.

DSG employs approximately 54 personnel; of which, 82% are part-time employees. DSG employs 17 personnel who possess a State Seller ID.

The Virginia State Corporation Commission reports DSG, Inc. "Active" and in good standing; SCC ID (b)(3) - 26 USC 6103

The FLS Registration Report is correct.

Variance:

DSG, Inc. has no variance(s) and DSG, Inc. did not request a variance(s) during this inspection.

2 - Recommendation

Viols WL ONLY and No Recall Inspection

IOI (b)(6) recommends a Warning Letter based on a failure by the licensee, in (b)(3) 112 separate instances, to stop the sale of a receiver to an out-of-state resident. These were isolated incidents and the sales associates were immediately retrained. IOI (b)(6) also briefed this subject at the closing conference. Statistically, Fs 4473, A&D Record, inventory, NFA, etc. errors computed to no more than .01%.

FIREARMS INSPECTION REPORT

Name: DSG, Inc.
Trade Name: Dance's Sporting Goods

UI#: 768035.2018.0077.B1B
FFL#: 1.54.570.01.0L.09538

3 - Inspection History

IOI (b)(6) conducted these inspections.

Date of Inspection: 3.27.2014

Type of Inspection: Compliance

UI#: 768035.2014.0061.B1B

Inspection Results: *Viols ROV ONLY and No Recall Inspection*

Cited Violations:

- a. 27 CFR 478.21(a)-(b)(6) Forms with (b)(3) instances
- b. 27 CFR 478.99(c)-(b)(6) Forms with (b)(3) instances
- c. 27 CFR 478.124(c)(1)-(b)(6) Forms with (b)(3) instances
- d. 27 CFR 478.124(c)(3)(i)-(b)(6) Forms with (b)(3) instances
- e. 27 CFR 427 CFR 78.124(c)(5)-(b)(6) Forms with (b)(3) instances
- f. 27 CFR 478.125(e)-(b)(6) late acquisitions, (b)(3) late dispositions and (b)(6) missing firearm
- g. 27 CFR 478.126a-(b)(6) Forms, involving (b)(6) firearms

Date of Inspection: 8.22.2011

Type of Inspection: Compliance

UI#: 768035.2011.0187.B1B

Inspection Results: *Viols WC with WL and Recall*

Cited Violations:

- a. 27 CFR 478.21(a) with (b)(3) instances
- b. 27 CFR 478.124(c)(1) with (b)(3) instances
- c. 27 CFR 478.(c)(3)(i) with (b)(3) instances
- d. 27 CFR 478. 124(c)(3)(iv) with (b)(3) instances
- e. 27 CFR 478. 124(c)(4) with (b)(3) instances
- f. 27 CFR 478. 124(c)(5) with (b)(3) instances
- g. 27 CFR 478. 126(a) delinquent multiple sale forms (b)(3) CFR 478. 99(a) sales to (b)(3) out of state residents
- h. 27 CFR 478. 125(3) (b)(3) late entries, (b)(6) missing firearms and (b)(3) instances of incorrect data logged into the A&D book

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

On 1.8.2018, DSG's ARS (point-of-sale) automated A&D Record system query revealed (b)(3) 112 PLS open entries. DSG's inventory consisted of 3,689 firearms.

At DSG, ARS compartmentalizes sales, repair, and NFA A&D Records. IOI's (b)(6) and (b)(6) used DSG's mobile scanners to take a 100% inventory. Post inventory, IOI (b)(6) reconciled all ARS's "variance query" or "not counted" anomalies. DSG's variance query revealed (b)(6) late dispositions in the repair area of DSG that were not entered into the A&D Record, they are as follows:

FIREARMS INSPECTION REPORT

Name: DSG, Inc.
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(b)(3) 112 PL 55 125 STAT 552

As part of the inspection process, IOI (b)(6) directed DSG to immediately enter the dispositions into the A&D Record. The disposition dates are documented on Worksheet 1, "Inventory A&D." IOI (b)(6) cited the licensee for the late entries (Violation 7, Worksheet 1 and ROV).

DSG's gunsmithing operation amounts to minor repairs such as bore sighting, scope mounting, minor adjustments, etc. and returning firearms to manufacturers. Firearms that are not recovered by their owner, within a specified time, will be transferred within ARS as a retail sale item.

IOI (b)(6) determined the licensee incorporates segregation of functions within the organization and provides widespread authority to execute a transaction, record a transaction, and responsibility for custody of the assets. Two people normally acquire all the new firearms from the receiving area of the store. These two individuals use bar codes and a scanner device for automated serial number acquisition and then manually enters the remaining firearm nomenclature into ARS. Traded firearms required manual input into ARS. Any employee may place new or used firearms on the sales floor.

By scanning the buyer's license, ARS will automatically populate the address window. The licensee has no written sound system of practices or policies demonstrating a consistent application of formal or informal procedures to ensure the accuracy of the record keeping system. A cross-check of firearm nomenclature is not accomplished with DSG's semi-annual inventory. DSG reported their last inventory as October 2017 that reconciled.

Sales personnel verify the buyers ID at the gun counter. DSG completes State POC/NICS transactions using V-Check. Once the sale transaction is complete (paperwork/money) the buyer carries the firearm unescorted out of the store.

IOI (b)(6) verified that a situation still occurs, caused by the processing of a sold firearm, when ARS automatically makes the disposition entry. Occasionally, a buyer will not physically take the firearm with him/her after the sale transaction is completed. The conundrum is, ARS makes a disposition entry when the firearm is sold and the bar code is scanned, and if the firearm remains in the store for a period, and should a disaster happen and the firearm is lost, this situation would make it potentially difficult to track the firearm. The licensee agreed during the last inspection that at the end of the day, they will purge the system of transfer dates on firearms that remain overnight.

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The licensee did not file a theft/loss report during the past year or as a result of this inspection.

5 - ATF Forms 4473 – NICS & Other Dispositions

During the reporting period, DSG Inc. executed (b)(3) - 26 USC 6 ATF Forms (b)(3) - 26 denied). IOI's reviewed 100% of the Fs 4473 for errors. IOI's determined (b)(3) forms were in error ((b)(3) %, 2014- (b)(3) %, 2011- (b)(3) %). (**Violations 1, 2, 3, 4, 5, and 6, Worksheet 2 and ROV**).

In Section A, Items 11a-l, the licensee transferred firearms with (b)(3) "blank" answers (**Violation 3, Worksheet 2 and ROV**), NCIC/NLETS negative.

DSG transferred (b)(3) receivers to out-of-state residents (**Exhibit 1, Violation 2, Worksheet 2 and ROV**). DSG stated that it was not aware that it could not transfer a handgun to an out-of-state resident. DSG stated it will immediately inform and train the individuals who generated this violation.

Numerous Fs 4473 appeared corrected in Section A by someone other than the buyer. This was evident by mixed "Xs" and "√s", different colored ink, different penmanship, etc. IOI (b)(6) discussed this item at the closing conference with the attendees. Mr. Dance explained that sometime with older people the spouse will help fill out the form.

IOI (b)(6) consulted with ATF Counsel (b)(6) about DSG using wide, general terms for "issuing authority" on Item 18a "Identification" e.g. DOD ID, DMV ID, MIL ID. (b)(6)'s response was to encourage DSG to use as specific terms as possible, but not issue a violation. IOI (b)(6) discussed this item at the closing conference with the attendees.

IOI (b)(6) traced 31 disposition entries in the A&D Record and verified that the licensee obtained and completed an ATF Form 4473 for each entry. IOI (b)(6) chose the month of December 2017 to compare within the A&D Record. IOI (b)(6) determined DSG executed all required Fs4473 without error for that time period; however, (b)(3) suspicious purchases were made. IOI (b)(6) discovered these by using the denied Fs 4473; they appear to be straw purchases. These purchases are documented in Section 10 "Referrals."

All employees with Virginia State Seller ID's may process Fs 4473 and make sales. DSG completes monetary transactions before initiating a NICS check. Employees scan firearm tag bar codes when processing a purchased firearm; this makes an automated disposition entry into ARS.

Forms 4473 receive three reviews prior to the buyer receiving the firearm. Both reviewers initial the F4473 on the reverse side of the form. A fourth person, whose only job is to review Fs 4473, reviews the Form 4473 prior to filing the form.

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The licensee files ATF Forms 4473 in numerical order via an assigned ARS number. IOI (b)(6) determined that the licensee properly records transfers with other FFLs, maintains a file of FFL's licenses and utilized FFL EZCheck.

IOI (b)(6) contacted the Virginia State Police, Firearms Transaction Program, for the FFL Audit Log for the months of January and February 2017. A comparison of 149 inquiries against (b)(3)-(11) forms yielded no discrepancies.

6 - Multiple Sales

The Violent Crimes Analysis Branch FFL Master Query listed (b)(3)-(11) multiple handgun sales, involving (b)(3)-(11) firearms, during the inspection period.

IOIs discovered numerous multiple sale purchases that were neither listed in ATF's two month query nor did DSG have a hard copy of ATF Form 3310.4, Report of Multiple Sale or Other Disposition of Pistols and Revolvers available as directed in CFR 478.126(a). However, at some point in 2017, DSG started electronically sending the multiple sale eform to ATF. Therefore, DSG was able to show a completed copy of each form that IOIs could not otherwise locate. During the next inspection, the lack of a hard copy multiple sale form should become a violation; previously this was not an issue as DSG was not electronically forwarding multiple sale forms to ATF; therefore, filed hard copies. IOI (b)(6) showed Mr. Forrest Dance 478.126(a) where it clearly directs the above action.

7 - Suspicious/Prohibited Purchasers

IOI (b)(6) requested an analysis of firearms traces, theft or loss reports, and multiple sale information from the Violent Crimes Analysis Branch. IOI (b)(6) analyzed the trace history of the licensee for the past year.

IOI (b)(6) examined the licensee's records to determine if trafficking or straw purchase indicators were present. After analyzing the data, IOI (b)(6) comprised a list of individuals and checked some individual's criminal history record in NCIC and eTrace to determine any prohibiting factors which may prevent them from possessing a firearm.

IOI (b)(6) investigated many individuals, but (b)(3) individuals for possible involvement with trafficking or straw purchases.

On 3.25.2017, (b)(6) purchased a (b)(6) (b)(3) 112 PL 55 125 STAT 552

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On 6.1.2017, (b) (6) purchase (b)(6) (b)(3) 112 PL 55 125 STAT 552

On 2.14.2017, (b)(3) 112 PL 55 125 STAT 552 purchased (b)(6) (b)(3) 112 PL 55 125 STAT 552

8 - Trace Activity

The Violent Crimes Analysis Branch (VCAB) FFL Master Query reported (b)(3) 112 PL 55 125 STAT 552 traces in from 1.8. 2017 - 1.8.2018 (b)(3) - 112 Public Law 55 125 Stat 552. There were (b)(3) traces with a time-to-crime (TTC) (b)(3) - 112 Public Law 55 125 Stat 552.

Dances Sporting Goods acquired approximately (b)(4) used firearms and disposed of approximately (b)(4) firearms during the reporting period.

9 - NFA/Importer/Collector/Manufacturer

DSG, Inc. does not Import, Collect or Manufacture firearms.

DSG is a dealer in NFA weapons. DSG's (b)(3) - 26 USC 6103

On 1.8.2018, DSG's NFA A&D Record system query revealed (b)(3) open entries. IOI (b)(6) completed a 100% inventory by firearm nomenclature and compared it against the A&D Record. The inventory consisted of 45 weapons.

IOI (b)(6) downloaded the National Firearm Registration and Transfer Record (NFRTR) that listed (b)(3) - 26 USC 6103, (b)(6)

Embedded within ARS, and separate from the Title I sales and Repair A&D Record, is the NFA A&D Record. DSG has no manual A&D Record(s). (b)(3) - 26 USC 6103 Forms 4473 were individually filed by transferee and available. IOI (b)(6) showed the store manager §479.131 where each dealer shall maintain NFA records in chronological order. The store manager files NFA forms in a separate folder by buyer's name.

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10 - Referrals

IOI (b)(6) determined the following are presumed a straw purchase from Dance's Sporting Goods.

b)(6) (b)(3) 112 PL 55 125 STAT 552



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b)(6) (b)(3) 112 PL 55 125 STAT 552

11 - Other

The Violent Crime Analysis Branch has processed IOI (b)(6) request to provide FFL history query for DSG, Inc. (FFL #1-54-09538). The activity for DSG, Inc. (FFL #1-54-09538) for the time period of January 1, 2017 to January 2, 2018. The results are as follows: DSG, Inc. (FFL #1-54-09538) was associated with (b)(3) 112 firearm trace requests, including (b)(3) duplicates. This FFL was also associated with (b)(3) - 112 multiple sale transactions involving (b)(3) - 112 firearms.

The Violent Crime Analysis Branch has also processed IOI (b)(6) request to provide Individual/Address history queries for Jon Marlon DANCE (DOB: (b)(6) address listed as (b)(6) and Walter Forrest DANCE (DOB: (b)(6)) address listed as (b)(6)

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

There were no results to report for Walter Forrest DANCE (b)(3) - 112 Public Law 55 125 Stat 552

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

The address history query for (b)(6) did not reveal any results.

There was no Intel shared from Richmond CE.

12 - Closing Actions

On 2.1.2018, IOI (b)(6) held a Closing Conference with DSG, Inc. owners Mr. 's Forrest and Marlon Dance with FFL Guard Representative, (b)(6) on speaker phone.

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IOI (b)(6) summarized each item on the Acknowledgement of Federal Firearms Regulations to the licensee's satisfaction and answered all questions. Mr. Forrest Dance signed the Acknowledgement verifying the information was explained and received a signed copy for DSG's files (**Exhibit 10**).

IOI (b)(6) issued a Report of Violations (ROV) to DSG on 2.1.2018. IOI (b)(6) discussed the violations and explained all violations found during this inspection. IOI (b)(6) explained why they were violations, how to correct the violations and how to keep proper records in the future to avoid the violations from reoccurring. Mr. Dance signed the ROV verifying that IOI (b)(6) explained the violations to him. Mr. Dance stated that he understood the ROV. IOI (b)(6) provided Mr. Dance an original copy of the ROV for DSG's records.

IOI (b)(6) shared the following data with the FFL:

- a. ATF and Office phone number lists
- b. FFL Quick Reference and Best Practices Guide, ATF P 5300.15
- c. Safety and Security Information for FFLs, ATF P 3317.2
- d. Loss Prevention for Firearms Retailers, ATF P 5380.1

13 - Violations

1. **27 C.F.R. § 478.21(a)**

REPEAT OF VIOLATION CITED ON 3.27.2014 and 8.22.2011

Nature of Violation:

The licensee, by and through its agents and employees, failed to obtain/execute Form 4473 as indicated by the headings on the form and the instructions on or pertaining to the form, (b)(3) forms with (b)(3) instances cited.

Version 2012:

Question 30a (Number of firearms) was blank (b)(3) times

Version 2016:

Question 29 (Number of firearms sold) was answered blank (b)(3) time

Question 33 (Corporate/Trade name) was in error (b)(3) times

Licensees Response:

Mr. Forrest Dance stated, "We need more employee education."

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Corrective Action:

Licensee shall provide the correct and complete information for all errors identified. Make corrections to Forms 4473 on a copy of the affected Form 4473; corrections shall not be made to the original Form 4473.

Worksheets 2 and ROV

2. 27 C.F.R. § 478.99(a)

Nature of Violation:

The licensee, by and through its agents and employees, sold or delivered a firearm other than a rifle or a shotgun to a resident of a State other than the one in which the licensee's place of business is located, (b)(3) forms with (b)(3) instances cited.

Twice, the licensee transferred receivers to out-of-state residents.

Licensees Response:

Mr. Dance stated, "We will stop selling to out-of-state residents and train employees."

Corrective Action:

Licensee shall ensure all employees are educated in that a receiver cannot be sold to an out-of-state resident over-the-counter or a person under the age of 21.

Worksheet 2 and ROV

3. 27 C.F.R. § 478.124(c)(1)

REPEAT OF VIOLATION CITED ON 3.27.2014 and 8.22.2011

Nature of Violation:

The licensee, by and through its agents and employees, prior to making an over-the-counter transfer of a firearm to a non-licensee, failed to obtain the required information in Section A of the ATF Form 4473, questions 1 – 17, (b)(3) forms with (b)(3) instances cited.

Version 2012:

Question 10b (Race) was answered blank (b)(3) time

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Name: DSG, Inc.
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Version 2016:

Question 2 (Current address) was answered in error (b)(7)(D) times
Question 3 (Place of Birth) was answered in error (b)(7)(D) time
Question 11g (...discharged under dishonorable conditions) was answered blank (b)(7)(D) time
Question 11h (Are you subject to a court order...) was answered blank (b)(7)(D) time
Question 11i (Have you been convicted of a MCDV) was answered blank (b)(7)(D) times
Question 12a (Country of Citizenship) was answered blank (b)(7)(D) time
Question 15 (Certification date) was answered in error (b)(7)(D) times

Licensees Response:

Mr. Dance stated that, "We will review the forms more carefully."

Corrective Action:

Licensee shall provide the correct and complete information for all errors identified. Make corrections to Forms 4473 on a copy of the affected Form 4473; corrections shall not be made to the original Form 4473.

Worksheets 1 and 2 and ROV

4. 27 C.F.R. § 478.124(c)(3)(i)

REPEAT OF VIOLATION CITED ON 3.27.2014 and 8.22.2011

Nature of Violation:

The licensee, by and through its agents and employees, transferred a firearm to a non-licensee without verifying the identification document presented and noting on the Form 4473 the type of identification used, (b)(7)(D) forms with (b)(7)(D) instances cited.

Version 2012:

Question 18a (Type of firearm transferred) was answered in error (b)(7)(D) time

Version 2016:

Question 18a (Type of firearm transferred) was answered in error (b)(7)(D) times
Question 18b (Supplemental documentation) was answered in error (b)(7)(D) time

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Name: DSG, Inc.
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Licensees Response:

The Dances explained to IOI (b)(6) that by the next inspection a new POC software called Axis will be in place and DSG will have eForms 4473 that should eliminate most errors.

Corrective Action:

Licensee shall verify the identity of the buyer by examining the identification document and shall note on the ATF Form 4473 the type of identification used.

Worksheets 1 and 2 and ROV

5. **27 C.F.R. § 478.124(c)(3)(iv)**

Nature of Violation:

The licensee, by and through its agents and employees, transferred a firearm to a non-licensee without recording required NICS information on the Form 4473; (b)(3) forms with (b)(3) instances cited.

Question 19a (Date of NICS query) was answered in error (b)(3) time
Question 19c (NICS initial response) was answered blank (b)(3) times
Question 19d (Later NICS response) was answered in error (b)(3) times and blank (b)(3) times

Licensees Response:

Again, we need more employee training and Axis should eliminate these errors.

Corrective Action:

Licensee shall obtain and enter the missing NICS information; obtain missing Form 4473 NICS information by referring to the NICS information on the corresponding SP-65. Make Forms 4473 corrections on a copy of the affected Form 4473; make no corrections to the original Form 4473.

Worksheet 2 and ROV

6. **27 C.F.R. § 478.124(c)(5)**

REPEAT OF VIOLATION CITED ON 3.27.2014 and 8.22.2011

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Nature of Violation:

The licensee, by and through its agents and employees, failed to sign and date the Form 4473 certifying that the licensee does not know or have reason to believe the transferee is disqualified by law from receiving the firearm described on the Form 4473; [REDACTED] forms with [REDACTED] instances cited.

Question 37 (Transfer date) was answered in error [REDACTED] times

Licensee's Response:

Again, we need more employee training and Axis should eliminate these errors.

Corrective Action:

Licensee shall enter the missing information into the proper spaces on the Form 4473. Make corrections to Forms 4473 on a copy of the affected Form 4473; corrections shall not be made to the original Form 4473.

Worksheet 2 and ROV

7. 27 CFR 478.125(e)

REPEAT OF VIOLATION CITED ON 3.27.2014 and 8.22.2011

Nature of Violation:

The licensee, by and through its agents and employees, failed to record the sale or other disposition of a firearm not later than 7 days following date of such transaction. Violation cited on [REDACTED] instances of "no disposition" entry.

(b)(3) 112 PL 55 125 STAT 552

Licensee's Response:

Again, we need more employee training and Axis should eliminate these errors.

Corrective Action:

Licensee shall immediately enter the disposition data into the A&D record.

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Name: DSG, Inc.
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Worksheet 1 and ROV

X

Industry Operations Investigator

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II. Narrative

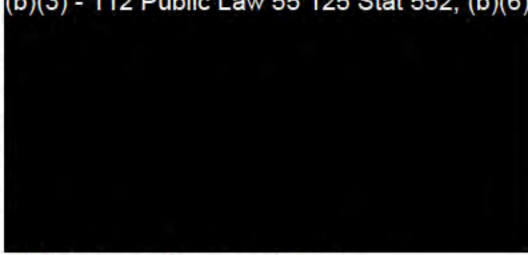
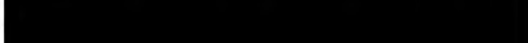
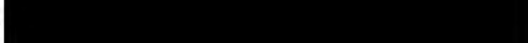
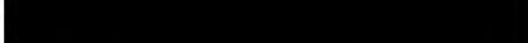
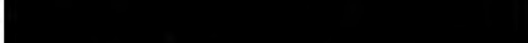
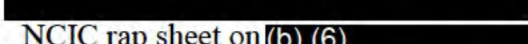

III. Report of Violations (ROV)

IV. Worksheet Workbook

- 1.) Information Page
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V. Referrals

VI. Exhibits

1. Out-of-State receiver sales
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9. NCIC rap sheet on (b) (6) 
10. Acknowledge of Federal Firearms Regulations



U.S. Department of Justice

Bureau of Alcohol, Tobacco,
Firearms and Explosives
1011 Boulder Springs Drive
Suite 300, Richmond, VA 23225

February 14, 2018

www.atf.gov

DSG, Inc.
T/A Dance's Sporting Goods
570 Southpark Blvd.
Colonial Heights, VA 23834

FFL No. 1-54-570-01-0L-09538

Dear Mr. Jon Marlon and Walter Forrest Dance:

During a recent compliance inspection at your firearms business covering the audit review period 1/8/17 through 1/8/18 you were cited for violations of 27 Code of Federal Regulations, Part 478. A copy of the Report of Violations, Form 5030.5, issued at the time of the inspection is enclosed.

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

The records you are required to maintain and the business operations you conduct are important to law enforcement in our continuing effort to reduce violent crime and protect the public. It is essential that you comply with all Federal laws and regulations that govern your firearms business. This is critical to carrying out our mission to protect the public and ensure that criminals do not gain access to firearms. ATF appreciates the efforts you and other industry members make in this area, and we look forward to continuing to work with you in that regard.

You are reminded that retention of your Federal firearms license is conditioned upon your compliance with Federal laws and regulations. Any future violations, either repeat or otherwise, could be viewed as willful and may result in the revocation of your license. Please ensure that that DSG, Inc. (Dance's Sporting Goods) achieves future compliance.

If you have any questions regarding this matter, please contact Area Supervisor (b)(6).

Sincerely yours,

(b)(6)

(b)(6) Acting Area Supervisor

Enclosure

cc: Federal Firearms Licensing Center
Richmond Area Office