

## Assignment and Report

1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY) C-A-L Stores Companies Inc. C-A-L Ranch Stores 2530 N. 4th St. Flagstaff, AZ 86004, Coconino County		2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) 785110-2017-0272-B1B		
		3. PERMIT/LICENSE NUMBER 986005018A05257	4a. TARGET DATE 12/31/2017	4b. TARGET HOURS 60
5. REQUESTED BY (SIGNATURE, TITLE AND DATE)				
6. ATF OFFICER(S) ASSIGNED				
(b)(6) - Assigned Investigator				
(b)(6) - Lead Investigator				
7. ASSIGNED BY (SIGNATURE, TITLE AND DATE)				
(b)(6) Area Supervisor, 07/17/2017				
8. PURPOSE/SPECIAL INSTRUCTIONS				
SWB DE: Conduct a SWB DE compliance inspection. 12 months records review of ATF Forms 4473 is required and 100% inventory reconciliation. 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	7	NO. OF REFERRALS		10. TRAVEL EXPENSES (OPTIONAL)
NO. OF TECS CHECKS	11	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: 01/11/2018				
Violts WC with WL and Recall				
12. TIME ACCOUNTING DATA				
ATF OFFICER'S NAME (MONTH, YEAR, HOURS) (b)(6)				
OCT 2017 3.00				
ATF OFFICER'S SUBTOTAL		3.00		
		ATF OFFICER'S SIGNATURE		
ATF OFFICER'S NAME (MONTH, YEAR, HOURS) (b)(6)				
OCT 2017 71.50				
NOV 2017 21.50				
JAN 2018 3.00				
FEB 2018 4.00				
ATF OFFICER'S SUBTOTAL		100.00		
		ATF OFFICER'S SIGNATURE		
TOTAL HOURS		103.00		

## Assignment and Report

1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY)  C-A-L Stores Companies Inc. C-A-L Ranch Stores 2530 N. 4th St. Flagstaff, AZ 86004, Coconino County	2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) 785110-2017-0272-B1B		
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	5. REQUESTED BY (SIGNATURE, TITLE AND DATE)		

### 13. REVIEW AND ROUTING

#### REVIEW COMMENTS AND RECOMMENDATION

Warning conference held February 7, 2018. Warning Conference follow-up letter issued on February 8, 2018. Recall inspection has been scheduled.

Viols WC with WL and Recall

☒ REVIEWED

☒ CONCUR

☒ SEE COMMENTS

☒ FINAL DISPOSITION

#### SIGNATURE AND TITLE

(b)(6) - Area Supervisor

(b)(6)

#### REVIEW DATE

01/11/2018

#### REVIEW COMMENTS AND RECOMMENDATION

DIO has reviewed the assignment and concurs with AS recommendation to conduct Warning Conference, issue Warning Letter, and schedule Recall inspection.

Viols WC with WL and Recall

☒ REVIEWED

☒ CONCUR

☒ SEE COMMENTS

☐ FINAL DISPOSITION

#### SIGNATURE AND TITLE

TRDOGAN - Director, Industry Operations

#### REVIEW DATE

01/17/2018

#### 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 C-A-L Stores Companies Inc. C-A-L Ranch Stores	Street Address 2530 N. 4th St.	City Flagstaff	State AZ	Zip Code 86004-	County Coconino County	Page 1 of 3 Pages
License/Permit/Registry Number <i>(If any)</i> 986005018A05257	Expiration Date 1/1/2018	Date(s) or Period of Inspection 10/02/2017 through 11/27/2017				

### Inspection Results

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

Number: 1

#### Nature of Violation:

Failure to record all required NICS transaction information on (b)(3) - 112 Public 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:

*(If not corrected immediately)*

The licensee will record on the ATF Form 4473 the date in which the licensee contacted the NICS, as well as any response provided by the system on all future transactions.

Number: 2

#### Nature of Violation:

Failure to conduct a NICS background check prior to the transfer of a firearm to a non-licensee in (b)(3) - 112 Public instances.

Citation: 27 CFR 478.102(a)

#### Date Corrections to be Made:

*(If not corrected immediately)*

#### Corrective Action to be Taken:

*(If not corrected immediately)*

The licensee will conduct NICS background checks as required prior to the transfer of firearms on for all future transactions.

Number: 3

#### Nature of Violation:

Failure to initiate a new NICS check prior to the transfer of a firearm to an unlicensed individual when the initial NICS check has exceed 30 calendar days on one instance.

Citation: 27 CFR 478.102(c)

#### Date Corrections to be Made:

*(If not corrected immediately)*

#### Corrective Action to be Taken:

*(If not corrected immediately)*

The licensee will conduct NICS background checks as required prior to the transfer of firearms on for all future transactions.

## 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 (If any) 986005018A05257	Expiration Date 1/1/2018	Date(s) or Period of Inspection 10/02/2017 through 11/27/2017				

### Inspection Results

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

Number: 4

#### Nature of Violation:

Failure to timely or correctly report the sale of two or more pistols, or revolvers, or a combination thereof, on the same day or within five consecutive business days in <sup>(b)(3) - 112 F</sup> instances.

Citation: 27 CFR 478.126a

#### Date Corrections to be Made:

(If not corrected immediately)

#### Corrective Action to be Taken:

(If not corrected immediately)

The licensee will submit all missing ATF Forms 3310.4 immediately and ensure that any future ATF Forms 3310.4 are completed and submitted at the time of the firearms transfer.

Number: 5

#### Nature of Violation:

Failure to timely or correctly report the sale two or more semi-automatic rifles, larger than .22 caliber with ability to accept detachable magazines, on the same day or within five consecutive business days in <sup>(b)(3) - 112 F</sup> instance.

Citation: 18 U.S.C. 923(g)(5)(A)

#### Date Corrections to be Made:

(If not corrected immediately)

#### Corrective Action to be Taken:

(If not corrected immediately)

The licensee will submit all missing ATF Forms 3310.12 immediately and ensure that any future ATF Forms 3310.12 are completed and submitted at the time of the firearms transfer.

## 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 (If any) 986005018A05257		Expiration Date 1/1/2018	Date(s) or Period of Inspection 10/02/2017 through 11/27/2017			

### Inspection Results

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

Number: 6

#### Nature of Violation:

The licensee knowingly recorded false entries on (b)(3) - 112 ATF Forms 4473. Specifically, an employee for the licensee entered false NICS contact dates on (b)(3) - 112 ATF Forms 4473 for transactions which were completed without NICS background checks.

Citation: 27 CFR 478.128(c)

#### Date Corrections to be Made:

(If not corrected immediately)

#### Corrective Action to be Taken:

(If not corrected immediately)

The licensee will not knowingly make any false entry in, fail to make appropriate entry in, or fail to properly maintain, any record which he is required to keep for all future transactions.

Number: 7

#### Nature of Violation:

Failure to record required acquisition and disposition information in an Acquisition and Disposition (A&D) Record on (b)(3) - 112 instances. Specifically, failure to record the acquisition of (b)(3) - 112 firearms in the A&D Record. Failure to record (b)(3) - 112 dispositions of firearms in the A&D Record. Failure to accurately or correctly record (b)(3) - 112 dispositions in the A&D Record. Failure to record both the acquisition and disposition of (b)(3) - 112 firearms.

Citation: 27 CFR 478.125(e)

#### Date Corrections to be Made:

(If not corrected immediately)

#### Corrective Action to be Taken:

(If not corrected immediately)

The licensee will accurately and completely record the acquisition and disposition of firearms in the A&D Record in a timely manner for all future transactions.

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

Signature and Title of

(b)(6)

IOI

Date

11/27/2017

Date

11/27/2017

# FIREARMS INSPECTION REPORT

**Name:** C-A-L Stores Companies Inc  
**Trade Name:** C-A-L Ranch Stores

**UI#:** 785110-2017-0272-B1B  
**FFL#:** 986006018A05257

**Address:** 2530 N. 4<sup>th</sup> St.  
Flagstaff, AZ 86004 COCONINO

## 1 - Introduction

### Inspection Profile:

October 2, 2017 through November 27, 2017, Industry Operations Investigator (IOI) (b)(6) conducted a Federal Firearms Disposition Emphasis (DE) inspection of C-A-L Stores Companies Inc d/b/a C-A-L Ranch Stores located at the above address. The period of inspection was from October 2, 2016 to October 2, 2017. The compliance inspection was conducted to ensure that the licensee is in compliance with all ATF regulations. Advance notification was not provided. The following individuals were present during the inspection:

(b)(6)

### Business Profile:

C-A-L Stores Companies Inc d/b/a C-A-L Ranch Stores is licensed as a Type 01- Dealer. The business operates within the city limits of Flagstaff, AZ in a storefront located within a commercially zoned area. The licensee conducts retail sales of new GCA firearms. The licensee has acquired (b)(4) firearms and disposed of (b)(4) firearms over the past twelve months. The licensee does not acquire secondary market firearms. The licensee had 562 firearms in inventory. The licensee does not conduct internet transactions. The licensee's primary suppliers are C-A-L Stores Companies Inc Distribution Center, Ruger, and Davidson's.

The licensee has several other locations and holds several other ATF licenses throughout the Western and Southwestern United States. The licensee does not participate in gun shows. The licensee does not maintain off-site storage. The licensee has held this license since December 28, 2011.

The following licenses were posted and available for inspection:

Current Federal Firearm License: 9-86-05257

# FIREARMS INSPECTION REPORT

**Name:** C-A-L Stores Companies Inc  
**Trade Name:** C-A-L Ranch Stores

**UI#:** 785110-2017-0272-B1B  
**FFL#:** 986006018A05257

City of Flagstaff Privilege Tax License: (b)(3) - 28 USC 6103  
AZ Transaction Privilege Tax License: (b)(3) - 28 USC 6103

## **Ownership and Control:**

C-A-L Stores Companies Inc. is a foreign corporation domiciled in Idaho. C-A-L Stores Companies Inc is registered and in good standing with the Arizona Corporation Commission (**Exhibit 2**). C-A-L Stores Companies Inc. has two officers. There have been no unreported changes in control or ownership and there is no indication of hidden ownership. All other Responsible Persons are correctly identified in FLS.

## **Variance:**

The licensee does not maintain any active variances and none were requested as a result of this inspection.

## **2 - Recommendation**

*Violations Warning Conference with Warning Letter and Recall*

*For failure to conduct a NICS check or obtain alternative permit and the purchaser is not prohibited on four occasions.*

## **3 - Inspection History**

**Date of Inspection:** June 9, 2014  
**Type of Inspection:** Compliance Inspection  
**UI#:** 785110-2014-0204-B1B  
**Inspection Results:** No Violations No Further Action No Referrals.  
**Cited Violations:** None.

*An Acknowledgement of Federal Regulations was completed and remains on file.*

**Date of Inspection:** December 12, 2011  
**Type of Inspection:** Qualification Inspection  
**UI#:** 785110-2012-0160-B1B  
**Inspection Results:** Application Approved  
**Cited Violations:** None.

*An Acknowledgement of Federal Regulations was completed and remains on file.*

# FIREARMS INSPECTION REPORT

**Name:** C-A-L Stores Companies Inc  
**Trade Name:** C-A-L Ranch Stores

**UI#:** 785110-2017-0272-B1B  
**FFL#:** 986006018A05257

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

IOI (b)(6) conducted a 100% physical inventory of all firearms found at the business premises. There were 562 firearms located at the business premises. The licensee's A&D record had (b)(3)-(4) open entries. A comparison of the licensee's inventory to the A&D record revealed (b)(3)-(4) inventory discrepancies. Specifically, there were (b)(3)-(4) open dispositions that did not correspond to a firearm in inventory, (b)(3)-(4) firearms in inventory that did not have a corresponding open entry in the A&D record, (b)(3)-(4) incorrect disposition dates were recorded in the A&D records and (b)(3)-(4) firearms were transferred without recording the acquisitions and the dispositions. The licensee was cited for the following violation:

**27 CFR 478.125(e):** Failure to record required acquisition and disposition information in an Acquisition and Disposition (A&D) Record on (b)(3)-(4) instances. (**Violation 7, Worksheet 1, Exhibit 3**)

**\*\*Note:** As a result of a compliance inspection at one of their other stores (UI 785050-2017-0205), C-A-L Stores Companies Inc. was found to have several issues regarding acquisition dates and model and serial numbers. During this inspection, the licensee had several of the same type of issues as described above. These issues are being attributed to the licensee switching from a manual record to an electronic record as well as employees scanning incorrect bar codes. C-A-L Stores Companies Inc is in the process of correcting these errors at all of their locations. Since C-A-L Stores Companies Inc. was in the process of addressing these issues, none of the discrepancies noted at this location were cited.

The licensee maintains electronic records. The A&D record is in the proper format, however not all of the required information was found to be accurate as noted above and some entries were not timely made. All A&D discrepancies were corrected prior to the end of this inspection. Internal controls were addressed with the licensee. The licensee has one primary employee who maintains the records, however, adequate provisions were not made to ensure that the records were being maintained during the employee's absence. Mr. Hendricks stated that they were in the process of training additional employees. There were no additional areas of concern noted.

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

A total of (b)(3)-(4) ATF Forms 4473 were on file for the inspection period and (b)(3)-(4) forms were reviewed. IOI (b)(6) traced (b)(3)-(4) ATF Forms 4473 through the licensee's required records from acquisition through disposition with zero discrepancies. ATF Forms 4473 are filed chronologically based on date disposed. The licensee transferred firearms to other licensees properly and there were no transfers to law enforcement officers for official duty. The FFL audit log verification was conducted. There were 126 National

# FIREARMS INSPECTION REPORT

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**UI#:** 785110-2017-0272-B1B  
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Instant Criminal Background Check (NICS) numbers verified. A review of the ATF Forms 4473 revealed [REDACTED] discrepancies. The licensee was cited for the following violations:

**27 CFR 478.124(c)(3)(iv):** Failure to record all required NICS transaction information on [REDACTED] ATF Forms 4473. (**Violation 1, Worksheet 2, Exhibit 4**).

**27 CFR 478.102(a):** Failure to conduct a NICS background check prior to the transfer of a firearm to a non-licensee in [REDACTED] instances. (**Violation 2, Worksheet 2, Exhibit 5**).

**27 CFR 478.102(c):** Failure to initiate a new NICS check prior to the transfer of a firearm to an unlicensed individual when the initial NICS check had exceeded 30 calendar days on [REDACTED] instance. (**Violation 3, Worksheet 2, Exhibit 5**).

**27 CFR 478.128(c):** The licensee knowingly recorded false entries on [REDACTED] ATF Forms 4473. Specifically, an employee for the licensee entered false NICS contact dates on [REDACTED] ATF Forms 4473 for transactions which were completed without NICS background checks. (**Violation 6, Worksheet 2, Exhibit 6**).

Internal controls were discussed with the licensee. Mr. Hendricks stated that the managers have been directed to conduct a secondary review of the forms prior to the transfer of the firearms. There were no additional areas of concern noted. There are no indications of trafficking.

## 6 - Multiple Sales

C-A-L Stores Companies Inc d/b/a C-A-L Ranch Stores reported [REDACTED] multiple sales involving [REDACTED] firearms to the Violent Crime Analysis Branch (VCAB) for the inspection period. IOI (b)(6) review of the ATF Forms 4473 disclosed three unreported multiple sales involving five handguns and two rifles. The licensee was cited for the following:

**27 CFR 478.126a:** Failure to timely or correctly report the sale of two or more pistols, or revolvers, or a combination thereof, on the same day or within five consecutive business days in [REDACTED] instances. (**Violation 4, Worksheet 2, Exhibit 7**).

**18 USC 923(g)(5)(A):** Failure to timely or correctly report the sale two or more semi-automatic rifles, larger than .22 caliber with ability to accept detachable magazines, on the same day or within five consecutive business days on [REDACTED] instance. (**Violation 5, Worksheet 2, Exhibit 8**)

The licensee completed and submitted the required ATF Form 3310.4 and ATF Form 3310.12.

## FIREARMS INSPECTION REPORT

**Name:** C-A-L Stores Companies Inc  
**Trade Name:** C-A-L Ranch Stores

**UI#:** 785110-2017-0272-B1B  
**FFL#:** 986006018A05257

### 7 - Suspicious/Prohibited Purchasers

No possible straw purchasers or prohibited persons were identified as a result of this inspection. No trafficker/suspicious purchasers were identified.

NCIC checks were conducted on 11 people including, (b)(6) resulting in zero hits.

### 8 - Trace Activity

FFL Trace History no unsuccessful traces for the inspection period. The licensee was associated with six firearm trace requests during the past 12 months.

No secondary market analysis was conducted because the licensee does not conduct retail sales of used firearms.

### 9 - NFA/Importer/Collector/Manufacturer

The licensee does not conduct NFA, Importer, Collector, or Manufacturer activities.

### 10 - Referrals

No referral were generated as a result of this inspection.

### 11 - Other

The licensee has a Youth Handgun Safety Act poster displayed and is providing written notification to handgun transferees. The licensee has safety devices available and ensures that all handgun transferees are provided with secure gun storage or safety devices.

(b)(6) were queried through NForce, Open Fox, Accurant, and FLS. No prohibiting or suspicious information was identified.

### 12 - Closing Actions

IOI (b)(6) conducted a closing conference with the licensee on November 27, 2017. ATF regulatory requirements were discussed with the licensee including applicable laws and regulations regarding conduct of business and record keeping requirements. IOI (b)(6) reviewed the ATF F 5030.5 Report of Violations (ROV) with Mr. Stern, Mr. Sabino, and Mr. Hendricks. Mr. Hendricks was provided a copy of the ROV. The

## FIREARMS INSPECTION REPORT

**Name:** C-A-L Stores Companies Inc  
**Trade Name:** C-A-L Ranch Stores

**UI#:** 785110-2017-0272-B1B  
**FFL#:** 986006018A05257

Acknowledgement of Federal Firearms Regulations was reviewed with the licensee (**Exhibit 1**). Mr. Hendricks signed the acknowledgement stating that he understood the regulations covered and discussed any questions that he had. The licensee was also provided with a copy of IRS Pub 1544 and IRS Form 8300.

### **13 - Violations**

1. **27 CFR 478.124(c)(3)(iv):** Failure to record all required NICS transaction information on (b)(3)-12 ATF Forms 4473.

**Licensee Response:** The licensee stated that this will not happen again.

**Corrective Action:** The licensee will record on the ATF Form 4473 the date in which the licensee contacted the NICS, as well as any response provided by the system on all future transactions.

**Worksheets and Exhibits:** Worksheet 2, Exhibit 4

2. **27 CFR 478.102(a):** Failure to conduct a NICS background check prior to the transfer of a firearm to a non-licensee in (b)(3)-12 instances.

**Licensee Response:** The licensee stated that this never should have happened.

**Corrective Action:** The licensee will conduct NICS background checks as required prior to the transfer of firearms on for all future transactions.

**Worksheets and Exhibits:** Worksheet 2, Exhibit 5

3. **27 CFR 478.102(c):** Failure to initiate a new NICS check prior to the transfer of a firearm to an unlicensed individual when the initial NICS check had exceeded 30 calendar days on (b)(3)-31 instance.

**Licensee Response:** The licensee stated that they will be more careful.

**Corrective Action:** The licensee will conduct NICS background checks as required prior to the transfer of firearms on for all future transactions.

**Worksheets and Exhibits:** Worksheet 2, Exhibit 5

4. **27 CFR 478.126a:** Failure to timely or correctly report the sale of two or more pistols, or revolvers, or a combination thereof, on the same day or within five consecutive business days in (b)(3)-11 instances.

## FIREARMS INSPECTION REPORT

**Name:** C-A-L Stores Companies Inc  
**Trade Name:** C-A-L Ranch Stores

**UI#:** 785110-2017-0272-B1B  
**FFL#:** 986006018A05257

**Licensee Response:** The licensee had no comment.

**Corrective Action:** The licensee will submit all missing ATF Forms 3310.4 immediately and ensure that any future ATF Forms 3310.4 are completed and submitted at the time of the firearms transfer.

**Worksheets and Exhibits:** Worksheet 2, Exhibits 7

5. **18 USC 923(g)(5)(A):** Failure to timely or correctly report the sale two or more semi-automatic rifles, larger than .22 caliber with ability to accept detachable magazines, on the same day or within five consecutive business days on (b)(3)-(4) instance.

**Licensee Response:** The licensee had no comment.

**Corrective Action:** The licensee will submit all missing ATF Forms 3310.12 immediately and ensure that any future ATF Forms 3310.12 are completed and submitted at the time of the firearms transfer.

**Worksheets and Exhibits:** Worksheet 2, Exhibit 8

6. **27 CFR 478.128(c):** The licensee knowingly recorded false entries on two ATF Forms 4473. Specifically, an employee for the licensee entered false NICS contact dates on (b)(3)-(4) ATF Forms 4473 for transactions which were completed without NICS background checks.

**Licensee Response:** The licensee stated that the employee has been dealt with.

**Corrective Action:** The licensee will not knowingly make any false entry in, fail to make appropriate entry in, or fail to properly maintain, any record which he is required to keep for all future transactions.

**Worksheets and Exhibits:** Worksheet 1, Exhibit 6

7. **27 CFR 478.125(e):** Failure to record required acquisition and disposition information in an Acquisition and Disposition (A&D) Record on (b)(3)-(4) instances. Specifically, failure to record the acquisition of (b)(3) firearms in the A&D Record. Failure to record (b)(3) dispositions of firearms in the A&D Record. Failure to accurately or correctly record (b)(3)-(4) dispositions in the A&D Record. Failure to record both the acquisition and disposition of (b)(3)-(4) firearms.

**Licensee Response:** The licensee stated that they didn't have enough coverage when the primary gun employee was out but they are working to fix the issue.

## FIREARMS INSPECTION REPORT

**Name:** C-A-L Stores Companies Inc  
**Trade Name:** C-A-L Ranch Stores

**UI#:** 785110-2017-0272-B1B  
**FFL#:** 986006018A05257

**Corrective Action:** The licensee will accurately and completely record the acquisition and disposition of firearms in the A&D Record in a timely manner for all future transactions.

**Worksheets and Exhibits:** Worksheet 1, Exhibit 3

X

(b)(6)

ons Investigator

### Index of Worksheets and Exhibits

ROV

Worksheet 1: Inventory and A&D Review Worksheet

Worksheet 2: ATF Form 4473 Review Worksheet

Exhibit 1: Acknowledgement of Federal Firearms Regulations

Exhibit 2: AZCC Printout

Exhibit 3: A&D Records

Exhibit 4: ATF Forms 4473 – 19d Violations

Exhibit 5: ATF Forms 4473 – 102(a) & 102(c) Violations

Exhibit 6: ATF Forms 4473 – NICS Falsification

Exhibit 7: ATF Forms 4473 – Multiple Handguns

Exhibit 8: ATF Forms 4473 – Multiple Rifles



**U.S. Department of Justice**

Bureau of Alcohol, Tobacco,  
Firearms and Explosives

*Phoenix Field Division*

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*January 19, 2018*

www.atf.gov

785110: (b)(6)  
5300

C-A-L Stores Companies Inc.  
D/b/a C-A-L Ranch Stores  
Attn: Store Manager Joshua Sabino  
2530 N. 4<sup>th</sup> St.  
Flagstaff, AZ 86004

Re: FFL# 9-86-005-01-05257

During a recent inspection of your firearms business covering the period from October 2, 2016 through October 2, 2017, you were cited for violations of Title 27, Code of Federal Regulations, Part 478. The violations were discussed with you or your designated responsible person during the inspection. A copy of the Report of Violations, ATF F 5030.5, issued at the time of the inspection is enclosed.

You should be aware that any willful violations of the Gun Control Act may result in revocation of your Federal firearms license. As a result of the recently cited violations, it is important that we have a meeting with you to discuss the violations found. **The conference will be held on February 7, 2018 at the ATF Phoenix Division office located at 201 E Washington St, Suite 940, Phoenix AZ 85004 at 10:30am.** *Upon arriving for your conference, please take a seat in the lobby and contact IOI (b)(6).* *Please remain in the lobby and IOI (b)(6) will escort you to the ATF office.* The agenda for the meeting will include a discussion of the reasons for the violation(s), a review of the legal requirements, and a discussion of steps to be taken by you to ensure future compliance. Although we do not believe it necessary, legal counsel may assist you at your own expense if you so choose. Please have documentation verifying the corrective action(s) you have taken.

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

Mr. Joshua Sabino  
C-A-L Stores Companies Inc.

essential that you comply with all Federal laws and regulations that govern your firearms business to aid in this effort to combat violent crime. We will conduct a follow-up inspection in the future. Any violations, either repeat or otherwise, could be viewed as willful and may result in the revocation of your license.

Please contact Area Supervisor (b)(6) to confirm this appointment and to ask any questions you may have regarding this conference. We look forward to meeting with you to resolve these issues. Also please note: **You are hereby notified that, pursuant to 18 U.S.C. § 930(a), no person may bring a firearm or other dangerous weapon into an ATF office. Possession of a firearm or other dangerous weapon in an ATF office may result in a fine of \$100,000 or imprisonment for not more than one year or both.**

(b)(6)

Area Supervisor Industry Operations

cc: Federal Firearms Licensing Center  
Phoenix VI Field Office

## 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 C-A-L Stores Companies Inc. C-A-L Ranch Stores	Street Address 2530 N. 4th St.	City Flagstaff	State AZ	Zip Code 86004-	County Coconino County	Page 1 of 3 Pages
License/Permit/Registry Number <i>(If any)</i> 986005018A05257	Expiration Date 1/1/2018	Date(s) or Period of Inspection 10/02/2017 through 11/27/2017				

### Inspection Results

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

Number: 1

#### Nature of Violation:

Failure to record all required NICS transaction information on (b)(3) - 112 Public Forms 4473.

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)*

The licensee will record on the ATF Form 4473 the date in which the licensee contacted the NICS, as well as any response provided by the system on all future transactions.

Number: 2

#### Nature of Violation:

Failure to conduct a NICS background check prior to the transfer of a firearm to a non-licensee in (b)(3) - 112 Public instances.

Citation: 27 CFR 478.102(a)

#### Date Corrections to be Made:

*(If not corrected immediately)*

#### Corrective Action to be Taken:

*(If not corrected immediately)*

The licensee will conduct NICS background checks as required prior to the transfer of firearms on for all future transactions.

Number: 3

#### Nature of Violation:

Failure to initiate a new NICS check prior to the transfer of a firearm to an unlicensed individual when the initial NICS check has exceed 30 calendar days of (b)(3) - 112 Public instance.

Citation: 27 CFR 478.102(c)

#### Date Corrections to be Made:

*(If not corrected immediately)*

#### Corrective Action to be Taken:

*(If not corrected immediately)*

The licensee will conduct NICS background checks as required prior to the transfer of firearms on for all future transactions.

## 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 C-A-L Stores Companies Inc. C-A-L Ranch Stores	Street Address 2530 N. 4th St.	City Flagstaff	State AZ	Zip Code 86004-	County Coconino County	Page 2 of 3 Pages
License/Permit/Registry Number <i>(If any)</i> 986005018A05257		Expiration Date 1/1/2018	Date(s) or Period of Inspection 10/02/2017 through 11/27/2017			

### Inspection Results

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

Number: 4

#### Nature of Violation:

Failure to timely or correctly report the sale of two or more pistols, or revolvers, or a combination thereof, on the same day or within five consecutive business days in <sup>(b)(3) - 112</sup> instances.

Citation: 27 CFR 478.126a

#### Date Corrections to be Made:

*(If not corrected immediately)*

#### Corrective Action to be Taken:

*(If not corrected immediately)*

The licensee will submit all missing ATF Forms 3310.4 immediately and ensure that any future ATF Forms 3310.4 are completed and submitted at the time of the firearms transfer.

Number: 5

#### Nature of Violation:

Failure to timely or correctly report the sale two or more semi-automatic rifles, larger than .22 caliber with ability to accept detachable magazines, on the same day or within five consecutive business days on <sup>(b)(3) - 112</sup> instance.

Citation: 18 U.S.C. 923(g)(5)(A)

#### Date Corrections to be Made:

*(If not corrected immediately)*

#### Corrective Action to be Taken:

*(If not corrected immediately)*

The licensee will submit all missing ATF Forms 3310.12 immediately and ensure that any future ATF Forms 3310.12 are completed and submitted at the time of the firearms transfer.

## 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 C-A-L Stores Companies Inc. C-A-L Ranch Stores	Street Address 2530 N. 4th St.	City Flagstaff	State AZ	Zip Code 86004-	County Coconino County	Page 3 of 3 Pages
License/Permit/Registry Number (If any) 986005018A05257	Expiration Date 1/1/2018	Date(s) or Period of Inspection 10/02/2017 through 11/27/2017				

### Inspection Results

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

Number: 6

#### Nature of Violation:

The licensee knowingly recorded false entries on two ATF Forms 4473. Specifically, an employee for the licensee entered false NICS contact dates on (b)(3) - 112 P F Forms 4473 for transactions which were completed without NICS background checks.

Citation: 27 CFR 478.128(c)

#### Date Corrections to be Made:

(If not corrected immediately)

#### Corrective Action to be Taken:

(If not corrected immediately)

The licensee will not knowingly make any false entry in, fail to make appropriate entry in, or fail to properly maintain, any record which he is required to keep for all future transactions.

Number: 7

#### Nature of Violation:

Failure to record required acquisition and disposition information in an Acquisition and Disposition (A&D) Record on (b)(3) - 112 P instances. Specifically, failure to record the acquisition of (b)(3) - 112 P arms in the A&D Record. Failure to record (b)(3) - 112 P dispositions of firearms in the A&D Record. Failure to accurately or correctly record (b)(3) - 112 P dispositions in the A&D Record. Failure to record both the acquisition and disposition of (b)(3) - 112 P firearms.

Citation: 27 CFR 478.125(e)

#### Date Corrections to be Made:

(If not corrected immediately)

#### Corrective Action to be Taken:

(If not corrected immediately)

The licensee will accurately and completely record the acquisition and disposition of firearms in the A&D Record in a timely manner for all future transactions.

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

Signature and Title

Date

11/27/2017

Date

11/27/2017

For Official Use Only



U.S. Department of Justice

Bureau of Alcohol, Tobacco,  
Firearms and Explosives

Phoenix Field Division

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February 8, 2018

www.atf.gov

785110: (b)(6)  
5300

C-A-L Stores Companies Inc.  
D/b/a C-A-L Ranch Stores  
Attn: Store Manager Joshua Sabino  
2530 N. 4<sup>th</sup> St.  
Flagstaff, AZ 86004

C-A-L Stores Companies Inc.  
D/b/a C-A-L Ranch Stores  
Attn: Store Manager Andy Spencer  
2075 N. Pebble Creek Parkway  
Goodyear, AZ 85395

Re: FFL# 9-86-005-01-05257

FFL# 9-86-013-01-07585

This letter is a follow-up to the warning conference held with you and your representatives, Ryan Hendricks, Mike Stern, Aaron Davis, and Morgan Dietrich on February 7, 2018. During this conference, the violation(s) cited during the inspections covering the periods from May 3, 2016 through May 3, 2017 (Goodyear) and October 2, 2016 through October 2, 2017 (Flagstaff) and the necessary corrective action to prevent the violation(s) from recurring were discussed.

You were given the opportunity to comment on the violation(s) and what specific action you have taken to ensure that the violation(s) will not recur. With respect to the violation(s) cited below, we are providing a summary of your response to each violation.

For the violations of failing to maintain properly executed ATF Forms 4473, specifically, **27 CFR 478.21(a)**, **27 CFR 478.124(c)(1)**, **27 CFR 478.124(c)(3)(i)**, **27 CFR 478.124(c)(3)(iv)**, **27 CFR 478.124(c)(5)**, **27 CFR 478.129(b)** you attributed the errors to human oversight. You stated that you would continue to train all employees who work the gun counter on properly completing ATF Forms 4473. A template is also utilized to reduce errors when completing the form. You further stated that employees are now required to review Section A, which is completed by the customer, to ensure all of the questions are answered prior to completing sections B and D of the form. You also now perform a "Manager Review" which requires a store manager to look over the completed form to check for errors, missing information and documents review, prior to transferring a firearm. Once the form has been completed, you stated that a third review is conducted prior to filing the forms. As a further check, Managers will be reviewing a selection of forms weekly and the Regional LP Manager will be reviewing a selection of forms on a monthly basis. During the inspection, you were informed that if errors are discovered on an ATF Form 4473 **after** the firearm has been transferred, corrections may only be made to a **photocopy** of the form.

Store Manager Joshua Sabino  
Store Manager Andy Spencer  
C-A-L Stores Companies

For the violation of **27 CFR 478.102(a)** **27 CFR 478.102(a)(2)(ii)** and **27 CFR 478.102(c)** for failing to conduct a NICS background check prior to the transfer of a firearm to a non-licensee, for failing to wait the required three days for delayed responses, and for failing to conduct a NICS re-check prior to the transfer of a firearm to a non-licensee when the initial NICS check had exceeded 30 calendar days, you attributed the errors to human oversight. As a corrective measure, a "Manager Review" which requires a store manager to look over the completed form to check for errors, any missing information and documents review, will be conducted on all forms prior to transferring a firearm. You further stated that secondary reviews of all forms will be conducted by a gun counter employee prior to filing the forms and that store managers will be reviewing a selection of forms on a weekly basis and the Regional LP Manager will be reviewing a selection of forms on a monthly basis to check for accuracy and completeness of the forms.

For the violations of **27 CFR 478.126a** and **U.S.C. 923(g)(5)(A)** for failing to timely or correctly report the sale of two or more pistols, or revolvers, or a combination thereof, on the same day or within five consecutive business days and for failing to timely or correctly report the sale of two or more semi-automatic rifles, larger than .22 caliber with the ability to accept detachable magazines, on the same day or within five consecutive business days, you attributed the error to human oversight. Prior to filing your ATF Forms 4473, you stated that a gun counter employee would review all forms as a way of ensuring accuracy and completeness of the forms in addition to looking for multiple sales. You further stated that a manager will be reviewing the forms to double check for accuracy of the forms and to identify any unreported multiple sales.

For the violations of **27 CFR 478.125(e)** for failing to maintain your Acquisition and Disposition (A&D) Record as per the regulation which included; incomplete or incorrect acquisition / disposition information, and missing acquisitions or dispositions, and missing acquisitions and dispositions you attributed the errors to human oversight and an issue with your computerized A&D record. As a corrective measure, you stated that your computerized system has been updated/corrected which should eliminate the incorrect acquisition information. You have also updated your system to allow individual stores the ability to make real time corrections to the A&D. Additional store employees either have been trained or are in the process of being trained to make entries into the A&D record, which should eliminate the issue with failing to enter A&D information in a timely manner. As a final check, assistant managers will be required to complete a review of the record on a weekly basis, store managers will perform a review of the record on a monthly basis and the LP manager will complete a review whenever his is in the store. You further stated that spot inventories will be conducted on a weekly basis and a gun to book/book to gun inventory will be conducted on a monthly basis.

For the violation of **27 CFR 478.128(c)** for knowingly recording false entries on (b)(7)(D) ATF Forms 4473, you stated that as a corrective measure you have placed the employee responsible for the entries on final notice. You further stated that you are currently in the process of training additional employees and managers on the process of completing ATF Forms 4473 and making entries into the A&D record. Additionally, managers to include the store manager, assistant managers and the Regional LP Manager will now be responsible for reviewing forms on a regular basis, which may identify issues with employees making false entries.

Store Manager Joshua Sabino  
Store Manager Andy Spencer  
C-A-L Stores Companies

For the violation of **27 CFR 478.129(b)** for failing to retain the ATF Form 4473 for a period of not less than 20 years after the date of sale or disposition of a firearm you attributed the error to human oversight. As a corrective measure, you stated that managers to include the store manager, assistant managers and the Regional LP Manager would now be responsible for reviewing forms on a regular basis, which should identify any issues dealing with missing ATF Forms 4473.

The violation(s) for which you were cited could adversely impact law enforcement's ability to reduce violent crime and protect the public. You are reminded that future violations, repeat or otherwise, could be viewed as willful and may result in the revocation of your license. You may anticipate further inspections to ensure your compliance.

Please contact us if you have any questions concerning your responsibilities as a licensee or if you require further clarification about particular requirements of Federal firearms laws.

**(b)(6)**

Area Supervisor Industry Operations

cc: Federal Firearms Licensing Center  
Phoenix VI Field Office