

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 LC ACTION POLICE SUPPLY LTD	Street Address 1088 N 1ST ST	City SAN JOSE	State CA	Zip Code 95112-	County SANTA CLARA	Page 1 of 4 Pages
License/Permit/Registry Number (If any) 977085018C37865		Expiration Date 3/1/2021	Date(s) or Period of Inspection 04/01/2017 through 04/09/2018			

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, in ^{b3 Public Law 112-55 (125 Stat. 552)} instances, to furnish all of the information called for in each form as indicated by the headings on ATF Form 4473 and the instructions on or pertaining to the form. On ^{b3 Public Law 112-55 (125 Stat. 552)} forms the transferee's recertification signatures were dated for a different day than the actual transfer date, ^{b3 Public Law 112-55 (125 Stat. 552)} form the licensee failed to record the total number of firearms transferred, ^{b3 Public Law 112-55 (125 Stat. 552)} arms the licensee failed to mark that the transaction included a private party transfer, and ^{b3 Public Law 112-55 (125 Stat. 552)} form the licensee failed to enter their FFL name, address and license number.

Citation: 27 CFR 478.21(a)

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

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

The licensee was reminded of their obligation to ensure that a Firearms Transaction Record, ATF Form 4473, is fully completed in accordance with the federal firearms regulations and the instruction on the form, prior to completing the transfer of one or more firearms to an unlicensed individual.

Number: 2

Nature of Violation:

Failure, in ^{b3 Public Law 112-55 (125 Stat. 552)} instances, to obtain an ATF Form 4473 from the transferee showing all required information in Section A of the form, and certification by the transferee that the transferee is not prohibited by the Act from receiving, transporting or shipping a firearm in or affecting interstate or foreign commerce, prior to making an over-the-counter transfer of a firearm to a nonlicensee ^{b3 Public Law 112-55 (125 Stat. 552)} form, the initial certification date was incorrect, being later than the DROS date, or ^{b3 Public Law 112-55 (125 Stat. 552)} form the transferee failed to enter a country of citizenship, and ^{b3 Public Law 112-55 (125 Stat. 552)} form the transferee failed to answer whether he was a nonimmigrant alien.

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

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

The licensee was reminded of their obligation to ensure that each prospective transferee completes Section A of the Firearms Transaction Record, ATF Form 4473, fully, correctly, and with no prohibiting information, prior to completing the transfer of one or more firearms to an unlicensed individual.

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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:

Failure to maintain a complete, accurate and timely record of receipt and disposition of firearms in the Acquisition and Disposition (A&D) log. Three specific errors were identified: 1) a firearm was erroneously logged out while the firearm was still in inventory; 2) a firearm was entered with an error in the serial number; 3) firearms erroneously logged in but never received. Firearms which were erroneously entered into both the new firearms log and the used firearms log, and firearms which had been transferred but were not logged out timely.

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

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

The licensee must complete all missing or incorrect information in the A&D record. IOI (b) (6) reminded the licensee that all acquisition firearm information must be recorded by the close of the next business day and disposition information within 7 days following the sale/disposition as required by the Gun Control Act (GCA) and regulations promulgated thereunder. The licensee was advised that repeat violations of Federal Firearms Regulations could be considered willful disregard or indifference to their legal obligation and responsibility under the Act, and could result in adverse actions, to include but not limited to revocation or denial of application (renewal). IOI (b) (6) reminded the licensee that the licensee's A&D logbook should show a true and accurate record of what is in the licensee's physical firearm inventory.

Citation: 27 CFR 478.125(c)

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

Date

5-15-18

Signature

(b) (6)

Date

5/15/2018

FIREARMS INSPECTION REPORT

Name: LC Action Police Supply Ltd.
Trade Name: --

UI#: 786060-2018-0128-B1B
FFL#: 9-77-085-01-8C-37865

Address: 1088 N. 1st Street
San Jose, CA 95112

Santa Clara County

1 - Introduction

Inspection Profile:

This Disposition Emphasis Firearms Compliance Inspection was started on April 9, 2018, covering April 2017 through April 2018. IOI (b) (6) was the lead investigator, assisted by IOIs (b) (6) Area Supervisor (b) (6) and Investigative Analysts (b) (6) (b) (6) Principal participants for the licensee were Responsible Person Darsi Miller, and (b) (6) an employee. No other agencies were involved in the inspection. Advance notification was not given.

Business Profile:

The licensee is a high volume dealer of firearms, accessories, and law enforcement personal protective gear. Their clientele is exclusively law enforcement officer and agencies, state certified private security officers, and other Federal Firearms Licensees. The business is in a commercial area part of urban San Jose, with no other locations or offsite storage. The licensee acquired and transferred approximately (b) (4) firearms during the twelve (12) months preceding the inspection. (b) (4) of the transfer were wholesale, to law enforcement agencies or other FFLs. Transfers were (b) (4) new guns, and (b) (4) used, with handguns making up (b) (4) of the transactions. The licensee is the primary Glock distributor law enforcement in the western US. The licensee does not conduct business at gun shows. The licensee has a commercial website, lcaction.com, but does not make internet sales of firearms. The licensee does not hold any other ATF licenses. The licensee has all state and local licenses and permits required for their operations, and has held this Federal Firearms license since 1997. There are no zoning regulations conflicts.

Reference Exhibit 1.

Ownership and Control:

LC Action Police Supply Ltd, is an active California Corporation. There have been no changes in structure or ownership. No hidden ownership or control concerns were identified.

Please add the following email address to the FLS database:
customercare@lcaction.com.

Criminal history checks on the responsible persons did not disclose any

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derogatory information.

Variance:

No variances are on file, and none were requested by the licensee.

2 - Recommendation

Violations, Warning Conference with Warning Letter, and Recall Inspection.

3 - Inspection History

Date and Type of Inspection: Disposition Emphasis Compliance, 8/24/2015
UI#: 786060-2015-0287-B1B
Inspection Results: Violations, Warning Letter, Recall Inspection
Cited Violations: 27 CFR 478.21(a) – Repeat violation
27 CFR 478.124(c)(1) – Repeat violation
27 CFR 478.124(c)(3)(iv) – Repeat violation
27 CFR 478.124(c)(5) – Repeat violation
27 CFR 478.125(e) – Repeat violation
27 CFR 478.126a
18 USC 923(g)(5)(A)

Date and Type of Inspection: Firearms Compliance, 9/22/2011
UI#: 786060-2011-0308-B1B
Inspection Results: No violations, no further action
Cited Violations: None

Date and Type of Inspection: Recall Firearms Compliance, 2/21/2010
UI#: 786090-2010-0045-B1B
Inspection Results: DIO Warning Conference
Cited Violations: 27 CFR 478.21(a) – Repeat violation
27 CFR 478.124(c)(1) – Repeat violation
27 CFR 478.124(c)(3)(i) – Repeat violation
27 CFR 478.124(c)(3)(iii)
27 CFR 478.124(c)(3)(iv) – Repeat violation
27 CFR 478.124(c)(4) – Repeat violation
27 CFR 478.124(c)(5)
27 CFR 478.125(e) – Repeat violation

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

A full inventory verification was conducted, finding [REDACTED] firearms physically present, and [REDACTED] open entries in the A&D Logs. LC Action Police Supply uses a manual record system and had ten A&D Logs with open entries. The discrepancies were [REDACTED] entry erroneously logged out while the firearm was still in inventory [REDACTED] entry with an error in the serial number [REDACTED] firearms erroneously logged in but never received [REDACTED] firearms which were erroneously entered into both the new firearms log and the used firearms log, and [REDACTED] firearms which had been transferred but were not logged out timely. The licensee was cited for violation of 27 CFR 478.125(e). All discrepancies were resolved, with no firearms missing or unaccounted for.

The licensee did not experience any thefts or losses of firearms during the inspection period. The A&D record is in the proper format, and with the exception of the errors listed above, the required information is accurate. The entries are generally timely made, however, the licensee had no method for detecting when they had failed to log a firearms out, resulting in the [REDACTED] unrecorded dispositions. IOI (b) (6) [REDACTED] firearms through the licensee's required records from acquisition through disposition finding their processes generally sound. No trafficking issues were identified, relating to acquisition and disposition of firearms. No obliterated serial numbers or illegal firearms were found.

The licensee's standard operating procedures relevant to the A&D record and inventory are inadequate to ensure compliance, given the large inventory (nearly [REDACTED] firearms) and the high volume of transactions [REDACTED] per year). IOI (b) (6) [REDACTED] discussed possible improvements with Responsible Person Darsi Miller, and strongly recommended closing out older A&D logs, and transitioning to a computerized recordkeeping system.

Reference Violation 7, Worksheet 1 and Exhibit 2.

5 - ATF Forms 4473 – NICS & Other Dispositions

The licensee completed [REDACTED] ATF Forms 4473 during the 12 month inspection period, relating [REDACTED] firearms transferred to unlicensed individuals. With DIO approval, the Investigators reviewed the [REDACTED] ATF Forms 4473 completed from October 2017 through March 2018, a six month period, finding discrepancies [REDACTED] forms (approximately [REDACTED]). Errors included incorrect signature dates, failure by the transferee to answer all citizenship questions, failure to fully document the identification documents examined, and failure to enter all required DROS/NICS information. The licensee was cited for violation of 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), and 27 CFR 478.124(c)(5).

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The licensee transferred firearms to other licensees properly, maintaining commercial invoices to document the transactions. The licensee properly documented sales to law enforcement officers, using Forms 4473 for the transfer, and state compliant letters to support exemptions from state waiting periods and weapons limitations. For transfers of California Assault Weapons to Law Enforcement Officers, the licensee does not utilize ATF Forms 4473, but instead transfer by a letter format which meets both state and federal requirements.

The inspection did not reveal any trafficking issues relating to purchasers of firearms. IOI (b) (6) compared (b) (6) entries on the FFL Audit Log to ATF Forms 4473, verifying that the licensee is properly conducting and documenting the DROS/NICS checks.

The licensee's standard operating procedure is to have each ATF Form 4473 reviewed during the waiting period and again upon completion. Their procedures are adequate to ensure the forms are properly prepared and that firearms are not released to ineligible transferees.

Reference Violations 1, 2, 3, 4 and 5, Worksheet 2, and Exhibit 3.

6 – Multiple Sales

IOI (b) (6) requested an FFL history query from the Violent Crime Analysis Branch, and confirmed that the licensee conducted (b) (6) multiple handgun transfers during the inspection period. During the inspection, IOIs discovered (b) (6) transaction, involving (b) (6) firearms, for which ATF Form 3310.4 had not been submitted. The licensee immediately submitted the form.

The licensee was cited for violation of 27 CFR 478.126a, in one instance.

Reference Violation 6, Worksheet 2, and Exhibit 4.

7 – Suspicious/Prohibited Purchasers

The inspection did not identify any traffickers, straw purchasers or other suspicious purchasers.

8 – Trace Activity

The licensee received (b) (6) firearms trace requests during the twelve months preceding the inspection. (b) (6) of these was listed as unsuccessful traces (Code "D5") on the Violent Crime Analysis Branch Report, however, the licensee had documentation to confirm that they had made a timely response to the ATF Tracing Branch, indicating

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they never received the firearm in question. No exception taken.

IOI (b) (6) conducted a computerized criminal history check on the firearm which was the subject of the trace, finding no information.

9 - NFA/Importer/Collector/Manufacturer

(b)(3) (26 USC 6103)

10 - Referrals

This inspection was not initiated in response to a referral, and did not result in issuance of any referrals.

11 - Other

The licensee has the Youth Handgun Safety Act poster displayed, and has the associated pamphlet available for customers. They comply with state and federal secure gun storage/safety device requirements.

Shortly after the inspection, Responsible Person Darsi Miller and employee (b) (6) attended an ATF Firearms Licensee Seminar in San Jose.

12 - Closing Actions

IOI (b) (6) held a preliminary exit conference with Responsible Person Darsi Miller on April 18, 2018, at the conclusion of the field inspection. They discussed relevant portions of the Federal Firearms Regulations, and Ms. Miller signed the Acknowledgment form. Ms. Miller asked for advice on how to improve compliance with regard to the inventory. IOI (b) (6) advised her to close out older A&D record books, moving open entries forward to the current year's new and used book, and strongly recommended that the licensee consider migrating to an electronic A&D record system, due to the large inventory and high transaction rate.

IOI (b) (6) met with Darsi Miller and (b) (6) at the business premises, on May 15, 2018, for a Closing Conference. IOI (b) (6) explained the violation disclosed by

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the inspection, and Ms. Miller signed the Report of Violations. IOI (b) (6) explained that due to the significant number of unrecorded dispositions in the A&D Record, she would be recommending that a Warning Conference be scheduled. IOI (b) (6) reiterated her recommendation that the business move to an electronic A&D record system, and Ms. Miller stated that she had started looking into acquiring one.

Reference Exhibit 5.

13 - Violations

1. 27 CFR 478.21(a) – Repeat Violation, Cited in 2010 & 2015

Nature of violation:

Failure, in instances, to furnish all of the information called for in each form as indicated by the headings on ATF Form 4473 and the instructions on or pertaining to the form. On forms the transferees' recertification signatures were dated for a different day than the actual transfer date, on forms the licensee failed to record the total number of firearms transferred, on forms the licensee failed to mark that the transaction included a private party transfer, and on forms the licensee failed to enter their FFL name, address and license number.

Licensee's response:

The licensee expressed surprise that these errors were not caught by their review process.

Corrective Action:

The licensee was reminded of their obligation to ensure that a Firearms Transaction Record, ATF Form 4473, is fully completed in accordance with the federal firearms regulations and the instruction on the form, prior to completing the transfer of one or more firearms to an unlicensed individual.

2. 27 CFR 478.124(c)(1) – Repeat Violation, Cited in 2010 and 2015

Nature of violation:

Failure, in instances, to obtain an ATF Form 4473 from the transferee showing all required information in Section A of the form, and certification by the transferee that the transferee is not prohibited by the Act from receiving, transporting or shipping a firearm in or affecting interstate or foreign commerce, prior to making an over-the-counter transfer of a firearm to a nonlicensee. On forms, the initial certification date was incorrect, being later than the DROS date, on forms the transferee failed to enter a country of citizenship, and on forms the transferee failed to answer whether he was a nonimmigrant alien.

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Licensee's response:

The licensee expressed surprise that these errors were not caught by their review process.

Corrective Action:

The licensee was reminded of their obligation to ensure that each prospective transferee completes Section A of the Firearms Transaction Record, ATF Form 4473, fully, correctly, and with no prohibiting information, prior to completing the transfer of one or more firearms to an unlicensed individual.

3. 27 CFR 478.124(c)(3)(i) – Repeat Violation, Cited in 2010

Nature of violation:

Failure, in [b3 Public Law 112-55 (125 Stat. 552)] instances to verify the identity of the transferee by examining the identification document(s) presented, and to note on the Form 4473 the type(s) of identification used. In each of these instances supplemental government issued documents were required, and were obtained but not recorded on Forms 4473.

Licensee's response:

The licensee said she would remind all employees that the supplemental government documents must be recorded on Form 4473, even if copies of the documents are attached.

Corrective Action:

The licensee was reminded of their obligation to verify the identity of each transferee and record the documents examined.

4. 27 CFR 478.124(c)(3)(iv) – Repeat Violation, Cited in 2010 and 2015

Nature of violation:

Failure in [b3 Public Law 112-55 (125 Stat. 552)] instances, to record on the Form 4473 the date on which the licensee contacted the DROS/NICS unit, as well as any response provided by the system, including any identification number provided by the system. On [b3 Public Law 112-55 (125 Stat. 552)] forms, the date entered was the transfer date, not the date on which the DROS transaction was initiated, or [b3 Public Law 112-55 (125 Stat. 552)] form "proceed" was not marked, or [b3 Public Law 112-55 (125 Stat. 552)] form the wrong DROS number was recorded, and on [b3 Public Law 112-55 (125 Stat. 552)] form where [b3 Public Law 112-55 (125 Stat. 552)] firearms were transferred, only [b3 Public Law 112-55 (125 Stat. 552)] DROS number was recorded.

Licensee's response:

The licensee expressed surprise that these errors were not caught by their review process.

Corrective Action:

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The licensee was reminded of their obligation to conduct a background check through the DROS/NICS system, prior to transferring one or more firearms to an unlicensed individual, and to record the results of the check of ATF Form 4473.

5. **27 CFR 478.124(c)(5) – Repeat Violation, Cited in 2010 and 2015**

Nature of violation:

Failure, on 03 Public Law 112-55 (125 Stat. 552), ATF Form 4473, to sign and date the form certifying that licensee does not know or have reasonable cause to believe that the transferee is disqualified by law from receiving the firearm, prior to completing the transfer of the firearm(s).

Licensee's response:

The licensee expressed surprise that these errors were not caught by their review process.

Corrective Action:

The transferor (employee completing the transfer) must sign and date each Form 4473 at the time when the firearm is released to the transferee.

6. **27 CFR 478.126a – Repeat Violation, Cited in 2015**

Nature of violation:

Failure, in 03 Public Law 112-55 (125 Stat. 552), instance, to prepare and submit a report of multiple sales or other disposition (ATF Form 3310.4) whenever the licensee sells or otherwise disposes of two or more handguns, 03 Public Law 112-55 (125 Stat. 552), time or during any five consecutive business days, to an unlicensed person.

Licensee's response:

The licensee stated that their review process includes verifying that Form 3310.4 are submitted when required, and she was not sure how this 03 Public Law 112-55 (125 Stat. 552) transaction was overlooked.

Corrective Action:

The licensee has now submitted the form, and was reminded of their obligation to submit such forms timely.

7. **27 CFR 478.125(e) – Repeat Violation, Cited in 2010 and 2015**

Nature of violation:

Failure, in 03 Public Law 112-55 (125 Stat. 552), instances, to maintain a complete, accurate and timely record of receipt and disposition of firearms in the Acquisition and Disposition (A&D) log. The specific errors were 03 Public Law 112-55 (125 Stat. 552), entry erroneously logged out while the firearm was still in inventory, 03 Public Law 112-55 (125 Stat. 552), entry with an error in the serial number, 03 Public Law 112-55 (125 Stat. 552), firearms erroneously logged in but

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never received [REDACTED] firearms which were erroneously entered into both the new firearms log and the used firearms log, and [REDACTED] firearms which had been transferred but were not logged out timely.

Licensee's response:

The licensee conceded that having [REDACTED] open A&D record books made inventory verification difficult, and contributed to the [REDACTED] of erroneous open entries. She stated that she is looking into acquiring a computerized A&D record system, which she hopes to implement during the summer of 2018.

Corrective Action:

The licensee must complete all missing or incorrect information in the A&D record. IOI (b) (6) reminded the licensee that all acquisition firearm information must be recorded by the close of the next business day and disposition information within 7 days following the sale/disposition as required by the Gun Control Act (GCA) and regulations promulgated thereunder. The licensee was advised that repeat violations of Federal Firearms Regulations could be considered willful disregard or indifference to their legal obligation and responsibility under the Act, and could result in adverse actions, to include but not limited to revocation or denial of application (renewal). IOI (b) (6) reminded the licensee that the licensee's A&D logbook should show a true and accurate record of what is in the licensee's physical firearm inventory.

(b) (6)

Signature

Industry Operations Investigator

Title

May 23, 2018

Date of Report

Index of Worksheets and Exhibits

Report of Violations

Worksheet Workbook

Exhibit 1 – State and Local Permits/Licenses

Exhibit 2 – A&D Log Discrepancies

Exhibit 3 – Form 4473 Discrepancies

Exhibit 4 – Form 4473 Supporting Multiple Sale Violation

Exhibit 5 – Acknowledgment of Federal Firearms Regulations