

Assignment and Report

1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY) Ray O'Herron Company Inc 3549 N Vermilion St Danville, IL 61834-1070, Vermilion	2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) <p style="text-align: center;">772060-2016-0481-B1B</p> 3. PERMIT/LICENSE NUMBER 4a. TARGET DATE 4b. TARGET HOURS <p style="text-align: center;">337183018J04268</p> 5. REQUESTED BY (SIGNATURE, TITLE AND DATE)
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6. ATF OFFICER(S) ASSIGNED

(b)(6)/(b)(7)(C) - Lead Investigator

(b)(6)/(b)(7)(C) - Assigned Investigator

7. ASSIGNED BY (SIGNATURE, TITLE AND DATE)

(b)(6)/(b)(7)(C) Area Supervisor, 05/19/2016

8. PURPOSE/SPECIAL INSTRUCTIONS

Please conduct a full scope firearms compliance inspection of this Type 01 FFL. During initial review of this assignment please ensure the shared drive is reviewed for any additional variance approvals, correspondences, etc. that are not located in the file.

FFL has NFA inventory

Zoning - Please utilize the Shared Zoning Folder for all zoning information. If a location needs added, deleted or amended/updated, please do so to ensure we maintain an accurate and up to date database.

9. INSPECTION RESULTS		<input type="checkbox"/> CHECK IF NO VIOLATIONS, ADJUSTMENTS, ETC	10. TRAVEL EXPENSES (OPTIONAL)	
NO. OF VIOLATIONS	8	NO. OF REFERRALS		2111 - PER DIEM
NO. OF TECS CHECKS	94	NO. OF TECS HITS		2112 - P.O.A.
NO. OF TAX ADJUSTMENTS		\$ VALUE OF TAX INCREASES		2113 - COMM. AIR
		\$ VALUE OF TAX DECREASES		2114 - RENTAL CAR
NO. OF ASSESSMENTS		\$ VALUE OF ASSESSMENTS		2115 - GPV EXPENSES
NO. OF CLAIMS		\$ VALUE OF CLAIMS		2116 - MISC.
NO. OF TAX PERIODS		\$ VALUE OF TAXES VERIFIED		TOTAL \$ FOR INSP.

11. ATF OFFICER'S RECOMMENDATION

Submitted by (b)(6) - Industry Operations Investigator

Submitted on: 01/19/2017

A full field compliance inspection was initiated on October 17, 2016, by IO Investigators (b)(6)/(b)(7)(C) on the Type 01 license of Ray O'Herron Company, Inc. The inspection covered the period of October 16, 2015 through October 16, 2016. The inspection was concluded on 11/29/2016. As a result of the inspection, numerous violations were disclosed. A Warning Conference and Recall inspection are recommended.

See narrative report, worksheets and exhibits for further information.

Viols WC with WL and Recall

12. TIME ACCOUNTING DATA		
ATF OFFICER'S NAME (MONTH, YEAR, HOURS) (b)(6)/(b)(7)(C)		
OCT 2016	31.00	
NOV 2016	21.00	
JAN 2017	18.00	
FEB 2017	8.00	

ATF OFFICER'S SUBTOTAL	78.00	ATF OFFICER'S SIGNATURE
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ATF OFFICER'S NAME (MONTH, YEAR, HOURS) (b)(6)/(b)(7)(C)		
OCT 2016	56.00	

Assignment and Report

1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY) Ray O'Herron Company Inc 3549 N Vermillion St Danville, IL 61834-1070, Vermillion	2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) <p style="text-align: center;">772060-2016-0481-B1B</p> 3. PERMIT/LICENSE NUMBER 4a. TARGET DATE 4b. TARGET HOURS <p style="text-align: center;">337183018J04268</p> 5. REQUESTED BY (SIGNATURE, TITLE AND DATE)
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12. TIME ACCOUNTING DATA

ATF OFFICER'S NAME (MONTH, YEAR, HOURS)	NOV 2016	5.00	(b)(6)(b)(7)(C)
ATF OFFICER'S SUBTOTAL	61.00	ATF OFFICER'S SIGNATURE	
TOTAL HOURS	139.00		

13. REVIEW AND ROUTING

REVIEW COMMENTS AND RECOMMENDATION

Concur with recommendation of Warning Conference and Recall Inspection. Inspection report forwarded to DIO on 1/20/17 for review.

With DIO concurrence WC scheduled for 2/8/17.

WC held on 2/8/17. WC Follow-up Letter signed and mailed by A/S (b)(6)(b)(7)(C) on 2/9/17.

Viols WC with WL and Recall

REVIEWED
 CONCUR
 SEE COMMENTS
 FINAL DISPOSITION

SIGNATURE AND TITLE (b)(6)(b)(7)(C) - Area Supervisor	REVIEW DATE 01/20/2017
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REVIEW COMMENTS AND RECOMMENDATION

DIO Concur with Warning Conference.

Viols WC with WL and Recall

REVIEWED
 CONCUR
 SEE COMMENTS
 FINAL DISPOSITION

SIGNATURE AND TITLE TEARNOLD - Director, Industry Operations	REVIEW DATE 01/25/2017
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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 Ray O'Herron Company Inc	Street Address 3549 N Vermilion St	City Danville	State IL	Zip Code 61834-1070	County Vermilion	Page 1 of 5 Pages
License/Permit/Registry Number <i>(If any)</i> 337183018J04268	Expiration Date 9/1/2018	Date(s) or Period of Inspection 10/16/2015 through 10/16/2016				

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:

On instances, the licensee failed to maintain an accurate acquisition and disposition record as follows:

- On instances, the disposition was not recorded (Disposition Reconciled)
- On instances, the firearm was missing from inventory and the disposition could not be reconciled.

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 was instructed to immediately complete the disposition information for the noted firearms. The licensee also completed ATF Form 3310.11, Federal Firearms Licensee Firearms Inventory Theft/Loss Report for the 18 noted firearms. In addition, the licensee was instructed to conduct self-initiated inventory audits to minimize the amount of oversights with regards to bound book errors.

Number: 2

Nature of Violation:

On instance, the ATF F 4473 disclosed the licensee transferred a firearm when the FTIP background check had exceeded the 30 day period and did not initiate a new FTIP background check prior to completion of the transfer.

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 violation was reviewed with the licensee. The licensee was instructed that a new background check must be initiated if the previous background check exceeds a 30 day calendar period prior to transferring a firearm.

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Name of Proprietor Ray O'Herron Company Inc	Street Address 3549 N Vermilion St	City Danville	State IL	Zip Code 61834-1070	County Vermilion	Page 2 of 5 Pages
License/Permit/Registry Number <i>(If any)</i> 337183018J04268		Expiration Date 9/1/2018	Date(s) or Period of Inspection 10/16/2015 through 10/16/2016			

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:

On instances, the licensee failed to ensure the ATF Form 4473 was properly completed prior to transferring a firearm(s). Specifically:

- Of instances, Question 21c was Blank. (NICS/State Agency Response)
- Of instances, Question 21c was marked Delayed & Proceed. (NICS/State Agency Response)
- Of instances, Question 21d was Blank after documenting a delayed response. (After initial response was delayed, the following response was received)

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 proper method for obtaining a properly completed ATF Form 4473 was reviewed with the licensee. In addition, the noted firearm purchasers were run in the Illinois LEADS database and no disabling information was disclosed.

Report of Violations

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Name of Proprietor Ray O'Herron Company Inc	Street Address 3549 N Vermilion St	City Danville	State IL	Zip Code 61834-1070	County Vermilion	Page 3 of 5 Pages
License/Permit/Registry Number (If any) 337183018J04268	Expiration Date 9/1/2018	Date(s) or Period of Inspection 10/16/2015 through 10/16/2016				

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:

On instances, the licensee failed to ensure the ATF Form 4473 was properly completed prior to transferring a firearm(s). Specifically:

- On instances, Question I 1a was answered "No" (Actual Buyer)

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 violation was reviewed and the licensee was reminded to review each form when completed and prior to the transfer. The licensee was instructed that the actual buyer must complete the ATF F 4473, and each form must be recertified if the transfer is completed on a different day that when Section A was completed. Otherwise, the firearm cannot be transferred.

Number: 5

Nature of Violation:

On instances, the licensee failed to ensure the ATF Form 4473 was properly completed prior to transferring a firearm(s). Specifically:

- On instances, Question I 11 was left Blank. (nonimmigrant visa)

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)

The proper method for obtaining a properly completed ATF Form 4473 was reviewed with the licensee. In addition, the noted firearm purchasers were run in the Illinois LEADS database and no disabling information was disclosed.

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 Ray O'Herron Company Inc	Street Address 3549 N Vermilion St	City Danville	State IL	Zip Code 61834-1070	County Vermilion	Page 4 of 5 Pages
License/Permit/Registry Number (If any) 337183018J04268	Expiration Date 9/1/2018	Date(s) or Period of Inspection 10/16/2015 through 10/16/2016				

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:

On instances, the licensee failed to submit ATF F 3310.4, Report of Multiple Sale or Other Disposition of Pistols or Revolvers, after 2 or more handguns were purchased and transferred to a non-licensee.

Citation: 27 CFR 478.126(a)

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

Corrective Action to be Taken: The licensee completed and submitted an ATF F 3310.4 for each of the transactions.
(If not corrected immediately)

Number: 7

Nature of Violation:

The licensee failed to retain ATF Forms 4473 in accordance to Federal regulation. Specifically, the licensee retained ATF F 4473 by the purchaser's city of residence, state of residence or combination thereof. The forms were then filed in chronological order once separated by city/state.

Citation: 27 CFR 478.124(b)

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

Corrective Action to be Taken: The licensee was instructed that ATF Forms 4473 must be retained in alphabetical (by name of purchaser), chronological (by date of disposition), or numerical (by transaction serial number) as defined by 27 CFR 478.124(b).
(If not corrected immediately)

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 Ray O'Herron Company Inc	Street Address 3549 N Vermilion St	City Danville	State IL	Zip Code 61834-1070	County Vermilion	Page 5 of 5 Pages
License/Permit/Registry Number (If any) 337183018J04268	Expiration Date 9/1/2018	Date(s) or Period of Inspection 10/16/2015 through 10/16/2016				

Inspection Results

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

Number: 8

Nature of Violation:
On instance, the licensee failed to complete and submit ATF Form 3310.11, Federal Firearms Licensee Firearms Inventory Theft/Loss Report for one firearm. Note: The stolen firearm was reported to the local Police Department.

Citation: 27 CFR 478.39(a)

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

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

The proper method for properly reporting and submitting the Theft/Loss form when required was reviewed with the licensee. The firearm was also documented on the submitted Theft/Loss form for the current inspection.

(b)(6)/(b)(7)(C)

29 Nov 2016

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

Date

29

Signature and Title

(b)(6)/(b)(7)(C)

IO Investigator

Date

11/25/16

FIREARMS INSPECTION REPORT

Name: Ray O'Herron Company, Inc.
Trade Name:

UI#: 772060-2016-0481-B1B
FFL#: 3-37-183-01-8J-04268

Address: 3549 N. Vermilion St.
Danville, IL 61834 (Vermilion County)

1 - Introduction

Inspection Profile:

A full field compliance inspection was initiated on October 17, 2016, by IO Investigators [REDACTED] and [REDACTED] on the Type 01 license of Ray O'Herron Company, Inc. The inspection covered the period of October 16, 2015 through October 16, 2016. NOTE: Inspection submitted after 30 day deadline due to the numerous discrepancies/violations.

The following persons were interviewed and/or assisted with the inspection:

- Joshua Christensen – Responsible Person
- Justin Fredericks – Responsible Person
- Michael O'Herron - Responsible Person / Vice-President
- Raymond O'Herron – Responsible Person / President
- [REDACTED]

The inspection was conducted onsite as follows:

- October 17, 2016 – IOI [REDACTED] & IOI [REDACTED] conducted the inventory.
- October 18, 2016 – IOI [REDACTED] reconciled and reviewed the A&D records. IOI [REDACTED] reviewed ATF F 4473's.
- October 19, 2016 – IOI [REDACTED] continued reconciliation of records and IOI [REDACTED] finished review of the ATF F 4473s.
- October 20, 2016 – IOI [REDACTED] finalized reconciliation of inventory.
- October 21, 2016 – IOI [REDACTED] sent email to licensee with reconciliation discrepancies.
- November 15, 2016 – IOI verified disposition information for the numerous discrepancies.
- November 29, 2016 – IOI [REDACTED] again verified final disposition information, verified corrections and the closing conference was held.

Business Profile:

The licensee has held the Type 01, Dealer of Firearms license since 1964, which expires September 1, 2018.

The firearms business is operated from commercial location in Danville, IL. Ray O'Herron Company, Inc. owns the premise. There are no zoning

FIREARMS INSPECTION REPORT

Name: Ray O'Herron Company, Inc.
Trade Name:

UI#: 772060-2016-0481-B1B
FFL#: 3-37-183-01-8J-04268

restrictions that would prohibit the firearm business from operating at the location.

The Federal Licensing System (FLS) properly shows the licensed premise within Vermilion County. GPS readings were taken, confirmed by Google Earth, and entered into NSpect.

The licensee is a high volume firearms dealer and is a large retailer geared towards the law enforcement community. In addition to firearms sales, they also offer various law enforcement products such as clothing, holsters, ammunition, etc. Ray O'Herron Company, Inc. also maintains a separate licensed location in Downers Grove, IL (3-37-04346). The store is open to the general public but focuses on law enforcement personnel. The main door is locked at all times and customers must be "buzzed" in by store personnel. Some gunsmithing is conducted as well. The licensee does maintain an internet site for firearms sales also. Regarding the firearms in inventory, approximately (b)(4) of the licensee's inventory was used firearms and of the used firearms approximately (b)(4) were handguns and (b)(4) were long guns. During the 12 month inspection period, the licensee has acquired (b)(4) firearms and disposed of (b)(4) firearms. The licensee does not attend gun shows as a licensed dealer. The licensee has an IL Sales Tax Number and is properly enrolled in the IL FTIP.

Ownership and Control:

Ray O'Herron Company, Inc. is an active corporation and is in good standing with the State of Illinois [Exhibit 10]. The Federal Licensing System (FLS) database does correctly list Joshua Aaron Christensen, Justin Taylor Fredericks, Richard Paul Oakley, Michael A. O'Herron, and Raymond O. O'Herron as responsible persons for FFL #3-37-04268. All noted responsible persons do possess a valid IL FOID card. No hidden ownership was disclosed. In addition, all listed responsible persons were queried in TECS/NICS with no disabling information disclosed.

Variance:

Licensee maintains no variances, and none were requested during the inspection.

FIREARMS INSPECTION REPORT

Name: Ray O'Herron Company, Inc.
Trade Name:

UI#: 772060-2016-0481-B1B
FFL#: 3-37-183-01-8J-04268

2 - Recommendation

Warning Conference and Recall is recommended as a result of the inspection.

3 - Inspection History

Date and Type of Inspection: January 21, 2009 –Special Request
UI#: UI# 772060-2009-0110-B1B
Inspection Results: Special Request Completed. No further action.
Cited Violations: No Violations.

Date and type of Inspection: July 1, 2005 – Compliance Inspection (Sample Only)
UI#: UI# 772060-2005-0139-B1B
Inspection Results: No Further Action
Cited Violations: No Violations

Date and Type of Inspection: June 21, 2000 – Compliance Inspection
UI#: UI# 772060-2000-0207
Inspection Results: ROV Only
Cited Violations: 27 CFR 479.101(e): Failure to show proof of a registered (b)(3)(26 USC § 6103)
27 CFR 479.131: unrecorded acquisitions (machine guns)
27 CFR 478.125(e): unrecorded dispositions
27 CFR 478.125(e): unrecorded acquisition
27 CFR 478.124(c): incorrect ATF F 4473

FIREARMS INSPECTION REPORT

Name: Ray O'Herron Company, Inc.
Trade Name:

UI#: 772060-2016-0481-B1B
FFL#: 3-37-183-01-8J-04268

Date and Type of Inspection: March 1994 – Compliance Inspection
UI#: UI# 35110 941823 FS
Inspection Results: Warning Conference
Cited Violations: 27 CFR 478.125(e): unrecorded dispositions
27 CFR 478.50: Off premise sales
27 CFR 478.126a: unreported multiple sales
27 CFR 478.125(e): A & D book failed to show all required information
27 CFR 478.124(c): ATF Forms 4473 inaccurately/incompletely executed
27 CFR 478.125(e): unrecorded acquisitions

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

The physical inventory consisted of 1452 firearms. The inventory was compared to the A&D records which contained open dispositions. The inspection disclosed the licensee failed to maintain accurate A&D records on instances which resulted in a violation of 27 CFR 478.125(e) as follows: On instances, the disposition was not recorded and on instances, the firearm was missing from inventory **[Exhibit 6]**. The inspection resulted in the completion and submission of ATF Form 3310.11, Federal Firearms Licensee Firearms Inventory Theft/Loss Report for the missing firearms in which the disposition could not be reconciled **[Exhibit 7]**. The licensee maintains manual records but also maintains the firearms inventory on a computerized inventory list. The computerized inventory list does not meet the requirements of ATF Ruling 2016-1 (Computerized Records). It also includes all other inventory items associated with the business.

The inspection also disclosed that on one instance, the licensee was in violation of 27 CFR 478.39a. Specifically, the licensee reported a missing/stolen firearm to the Danville, IL Police Department but failed to report the missing firearm to ATF. Documentation in regards to this violation was obtained from the licensee. **[Exhibit 9]**

The licensee's A&D records are in proper format and all other required information is accurate. No other incidents of theft/loss has occurred within the inspection period. The

FIREARMS INSPECTION REPORT

Name: Ray O'Herron Company, Inc.
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FFL#: 3-37-183-01-8J-04268

licensee's standard operating procedures were discussed during the inspection and the closing conference. Approximately [] firearm transactions were traced through the FFL records using the licensee's ATF Forms 4473.

Reference:

Worksheet 1 – Inventory, A&D / Attachment Worksheet 1A

Violation #1 and #8

Exhibit 6 – Samples (5) of Dispositions Not Recorded

Exhibit 7 – Theft / Loss Report

Exhibit 9 - Documentation regarding missing/stolen firearm in 2011

5 - ATF Forms 4473 – NICS & Other Dispositions

For the 12 month inspection period, the licensee maintained [] ATF Forms 4473. The review of the forms disclosed violations. An Inspection Worksheet was completed and a Report of Violations was issued. The licensee was cited for 27 CFR 478.102(c); 27 CFR 478.124(c)(3)(iv); 27 CFR 478.21(a); and 27 CFR 478.124(c)(1). In addition, the licensee was not properly filing ATF Forms 4473 in accordance to Federal regulations and was also cited for 27 CFR 478.124(b). Due to the filing process that the licensee maintained, it could not be verified that a full 12 month review of ATF Forms 4473 was conducted.

The firearm purchasers in the noted instances were run in the Illinois LEADS database and no disabling information was disclosed.

Reference:

Section 7 – Suspicious/Prohibited Persons

Section 13 – Violations 2, 3, 4, 5, and 7

Inspection Worksheet 2-4473 (2012 edition)

Exhibit 1 – ATF Forms 4473 for Violation of 27 CFR 478.102(c)

Exhibit 2 – ATF Forms 4473 for Violation of 27 CFR 478.124(c)(3)(iv) [] Samples]

Exhibit 3 – ATF Forms 4473 Violation of 27 CFR 478.21(a)

Exhibit 4 – ATF Forms 4473 for Violation of 27 CFR 478.124(c)(1)

Law Enforcement sales were reviewed and disclosed no discrepancies. When transfers are made to other FFL's, the licensee obtains a copy of the license. The licensee maintained no denied or cancelled transactions for the review period. The proper

FIREARMS INSPECTION REPORT

Name: Ray O'Herron Company, Inc.
Trade Name:

UI#: 772060-2016-0481-B1B
FFL#: 3-37-183-01-8J-04268

method of denied/cancelled transactions were reviewed with the licensee. An Illinois State Police FTIP History was provided for the review period. ATF Forms 4473 were compared to [redacted] of the listed transactions. The comparison disclosed compliance with the required background check and waiting period.

6 - Multiple Sales

A firearms multiple sales history was obtained from the Violent Crime Analysis Branch (VCAB). The licensee was associated with [redacted] multiple sale transactions. On [redacted] instances, the inspection disclosed the licensee failed to report [redacted] multiple sales involving 4 firearms. A Report of Violations was issued and the licensee was cited for 27 CFR 478.126a. IOI [redacted] confirmed the corrective action in eTrace. The licensee was reminded to properly report multiple sales when warranted. No additional unreported multiple sales were disclosed during the inspection.

Reference:

Section 13 – Violation 6

Exhibit 5 – ATF Forms 4473 for Violations of 27 CFR 478.126a

7 - Suspicious/Prohibited Purchasers

As a result of the inspection, [redacted] individuals were queried in TECS/NICS and/or eTrace which resulted in no disabling information. Specifically;

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

NOTE: The individuals associated with the 4473 violations, involving Questions 21c and 21d (background check info), were verified as “approved” in regards to the background check.

8 - Trace Activity

A trace activity report was obtained from the Violent Crime Analysis Branch (VCAB) for the review period. The licensee was associated with [redacted] firearm trace requests, including [redacted] duplicate and [redacted] not completed to an individual purchaser. The [redacted] trace identified as “not completed” and also coded with a “D” disposition was researched

FIREARMS INSPECTION REPORT

Name: Ray O'Herron Company, Inc.
Trade Name:

UI#: 772060-2016-0481-B1B
FFL#: 3-37-183-01-8J-04268

utilizing the licensee's records. The trace information was obtained and forwarded to the National Tracing Center on 11/17/2016 [Exhibit 8]. There were no other discrepancies to report.

The following firearms were queried in eTrace for Secondary Market Analysis:

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

Reference:
Exhibit 8 – Email to NTC Documenting Trace Information

9 - NFA/Importer/Collector/Manufacturer

The licensee does hold a valid SOT. There were firearms listed on the National Firearm Registration and Transfer Record (NFRTR). A comparison of firearms documented on the NFRTR to the firearms in the physical inventory resulted in no discrepancies. The licensee does not import or manufacture firearms. In addition, the licensee does not possess a collector's license.

10 - Referrals

No referrals were generated.

11 - Other

The licensee displays the Youth Handgun Safety Act poster and pamphlets were available. The licensee was reminded to provide such pamphlets with all handgun transfers to non-licensees. In addition, trigger locks are maintained at the licensed premise, and the licensee was reminded that a trigger lock must be provided with all handgun transfers to non-licensees in accordance with the Child Safety Lock Act of 2005.

FIREARMS INSPECTION REPORT

Name: Ray O'Herron Company, Inc.
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12 - Closing Actions

IOI (b)(6)/(b)(7)(C) conducted a closing conference on November 29, 2016. The following persons attended the closing conference:

- Michael O'Herron
- Joshua Christensen
- Justin Fredericks
- (b)(6)/(b)(7)(C)

The Report of Violations was issued and each of the violations and associated exhibits were thoroughly reviewed. The Acknowledgement of Federal Firearms Regulations was also thoroughly reviewed and all questions were answered. The Report of Violations were signed by the above listed persons. The Acknowledgement of Federal Firearms Regulation was signed by the Joshua Christensen, Justin Fredericks and (b)(6)/(b)(7)(C) (b)(6)/(b)(7)(C) [Exhibit 11].

NOTE: Prior to the closing conference, IOI (b)(6)/(b)(7)(C) confirmed in eTrace that all corrective actions had been submitted and preventative action was discussed.

Reference:

Report of Violations

Exhibit 11 – Acknowledgement of Federal Firearms Regulations

IOI (b)(6)/(b)(7)(C) explained that although the inspection included an in-depth review of the Federal regulations, the acknowledgement is a general overview of the regulations and that it is the responsibility of each licensee to familiarize themselves with all the laws and regulations that govern the firearms business. The licensee was instructed how to obtain an electronic version of the regulations reference guides. The licensee was also instructed to contact IOI (b)(6)/(b)(7)(C) or the ATF Springfield Area Office should any questions or concerns arise in the future.

FIREARMS INSPECTION REPORT

Name: Ray O'Herron Company, Inc.
Trade Name:

UI#: 772060-2016-0481-B1B
FFL#: 3-37-183-01-8J-04268

13 - Violations

1. **27 CFR 478.125(e) (REPEAT OF VIOLATION CITED ON MAY 10, 1994 and JUNE 21,2000)**

Nature of Violation:

On instances, the licensee failed to maintain an accurate acquisition and disposition record as follows:

- On instances, the disposition was not recorded (Disposition Reconciled)
- On instances, the firearm was missing from inventory and the disposition could not be reconciled.

Licensee Response:

The licensee stated he understood and acknowledged the errors. He also stated they previously employed an individual full time whose sole job was to enter the acquisition and disposition information into the manual A&D books. The individual became ill and was not properly completing the records. They eventually terminated the employee. The licensee stated they will now purchase A&D software for their acquisition and disposition recordkeeping process.

Corrective Action:

The licensee was instructed to immediately complete the disposition information for the noted firearms. The licensee also completed ATF Form 3310.11, Federal Firearms Licensee Firearms Inventory Theft/Loss Report for the noted firearms. In addition, the licensee was instructed to conduct self-initiated inventory audits to minimize the amount of oversights with regards to bound book errors.

Reference:

Worksheet 1 – Inventory, A&D, Worksheet Attachment
Exhibits – 6, 7

FIREARMS INSPECTION REPORT

Name: Ray O'Herron Company, Inc.
Trade Name:

UI#: 772060-2016-0481-B1B
FFL#: 3-37-183-01-8J-04268

2. **27 CFR 478.102(c)**

Nature of Violation:

On instance, the ATF F 4473 disclosed the licensee transferred a firearm when the FTIP background check had exceeded the 30 day period and did not initiate a new FTIP background check prior to completion of the transfer.

Licensee Response:

The licensee was aware of the 30 day period but this instance must have been an oversight.

Corrective Action:

The violation was reviewed with the licensee. The licensee was instructed that a new background check must be initiated if the previous background check exceeds a 30 day calendar period prior to transferring a firearm.

Reference:

Worksheet 2-4473 (2012 edition)
Exhibit 1

3. **27 CFR 478.124(c)(3)(iv)**

Nature of Violation:

On instances, the licensee failed to ensure the ATF Form 4473 was properly completed prior to transferring a firearm(s). Specifically;

- On instances, Question 21c was Blank. (NICS/State Agency Response)
- On instances, Question 21c was marked Delayed & Proceed. (NICS/State Agency Response)
- On instances, Question 21d was Blank after documenting a delayed response. (After initial response was delayed, the following response was received)

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Licensee Response:

The licensee stated they normally try to review all completed forms but sometimes are not able to do so. He stated the errors must be another oversight. They will now implement a review process for all completed forms.

Corrective Action:

The proper method for obtaining a properly completed ATF Form 4473 was reviewed with the licensee. In addition, the noted firearm purchasers were run in the Illinois LEADS database and no disabling information was disclosed.

Reference:

Worksheet 2-4473 (2012 edition)

Exhibit 2 [6 Documents of #21c and 5 Samples of #21d]

4. **27 CFR 478.21(a)**

Nature of Violation:

On [] instances, the licensee failed to ensure the ATF Form 4473 was properly completed prior to transferring a firearm(s). Specifically;

- On [] instances, Question 11a was answered "No" (Actual Buyer)

Licensee Response:

The licensee explained that the violations were an oversight. The licensee further explained that all ATF Forms 4473 are normally reviewed when completed. Responsible Persons confirmed the forms with violations will be reviewed with each employee.

Corrective Action:

The violation was reviewed and the licensee was reminded to review each form when completed and prior to the transfer. The licensee was instructed that the actual buyer must complete the ATF F 4473, and each form must be recertified if the transfer is

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completed on a different day than when Section A was completed. Otherwise, the firearm cannot be transferred.

Reference:
Worksheet 2-4473 (2012 edition)
Exhibit 3

5. **27 CFR 478.124(c)(1)**

Nature of Violation:

On [] instances, the licensee failed to ensure the ATF Form 4473 was properly completed prior to transferring a firearm(s). Specifically;

- On [] instances, Question 111 was left Blank. (nonimmigrant visa)

Licensee Response:

The licensee explained that the violation was an oversight. The licensee further explained that all ATF Forms 4473 are normally reviewed when completed. Responsible Persons confirmed the forms with violations will be reviewed with each employee.

Corrective Action:

The proper method for obtaining a properly completed ATF Form 4473 was reviewed with the licensee. In addition, the noted firearm purchasers were run in the Illinois LEADS database and no disabling information was disclosed.

Reference:
Worksheet 2-4473 (2012 edition)
Exhibit 4

FIREARMS INSPECTION REPORT

Name: Ray O'Herron Company, Inc.
Trade Name:

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6. **27 CFR 478.126a (REPEAT OF VIOLATION CITED ON MAY 10 1994)**

Nature of Violation:

On [] instances, the licensee failed to submit an ATF F 3310.4, Report of Multiple Sale or Other Disposition of Pistols or Revolvers, after 2 or more handguns were purchased and transferred to a non-licensee.

Licensee's Response:

The licensee stated the violation was an oversight and would be reviewed with all firearm employees.

Corrective Action:

The licensee completed and submitted an ATF F 3310.4 for each of the transactions.

Reference:

Worksheet 2-4473

Exhibit 5

NOTE: The corrective action was confirmed in eTrace.

7. **27 CFR 478.124(b)**

Nature of Violation:

Licensee was in violation of 27 CFR 478.124(b). The licensee failed to retain ATF Forms 4473 in accordance to Federal regulation. Specifically, the licensee retained ATF F 4473 by the purchaser's city of residence, state of residence or combination thereof. The forms were then filed in chronological order once separated by city/state.

Licensee Response:

The licensee stated they did not realize you could not file the forms in that manner.

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Name: Ray O'Herron Company, Inc.
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Corrective Action:

The licensee was instructed that ATF Forms 4473 must be retained in alphabetical (by name of purchaser), chronological (by date of disposition), or numerical (by transaction serial number).

8. **27 CFR 478.39a**

Nature of Violation:

On [] instance, the licensee failed to complete and submit ATF Form 3310.11, Federal Firearms Licensee Firearms Inventory Theft/Loss Report for one firearm. Note: The stolen firearm was reported to the local Police Department.

Licensee Response:

The licensee stated that it was their understanding that the local Police Department would report the firearm to ATF.

Corrective Action:

The proper method for properly reporting and submitting the Theft/Loss form when required was reviewed with the licensee. The noted firearm was also documented on the submitted Theft/Loss form for the current inspection.

Reference:

Exhibit 7, 9

FIREARMS INSPECTION REPORT

Name: Ray O'Herron Company, Inc.
Trade Name:

UI#: 772060-2016-0481-B1B
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1/10/2017

X (b)(6)/(b)(7)(C)

Industry Operations Investigator
Signed (b)(6)/(b)(7)(C)

Index of Worksheets and Exhibits

Report of Violations

Inspection Worksheets

Exhibit 1 – ATF Forms 4473 for Violations of 27 CFR 478.102(c)

Exhibit 2 – ATF Forms 4473 for Violations of 27 CFR 478.124(c)(3)(iv) [6 Documents of #21c and 5 Samples of #21d]

Exhibit 3 – ATF Forms 4473 for Violation of 27 CFR 478.21(a)

Exhibit 4 – ATF Forms 4473 for Violations of 27 CFR 478.124(c)(1)

Exhibit 5 – ATF Forms 4473 for Violation of 27 CFR 478.126a

Exhibit 6 – A&D Violations (Dispositions Not Recorded) [5 samples]

Exhibit 7 – Theft/Loss Form

Exhibit 8 – Trace Information for NTC

Exhibit 9 – Documentation regarding missing/stolen firearm in 2011

Exhibit 10 – Corporate Information

Exhibit 11 – Acknowledgement of Federal Firearms Regulations



U.S. Department of Justice

Bureau of Alcohol, Tobacco,
Firearms and Explosives

Springfield II Field Office

3161 W. White Oaks Dr. Suite 200
Springfield, IL 62704
www.atf.gov

1/26/2017

772060 (b)(6)(b)(7)(C)
5300

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Ray O'Herron Company, Inc.
3549 N. Vermilion St.
Danville, IL 61834-1070

FFL #3-37-183-01-8J--04268

Dear Mr. O'Herron:

During a compliance inspection at your firearms business covering the period of October 16, 2015, through October 16, 2016, you were cited for violations of 27 Code of Federal Regulations, Part 478. The violations were discussed with you. A copy of the Report of Violations, Form 5030.5, issued at the time of the inspection is enclosed.

You should be aware that any willful violations of the Gun Control Act might result in the revocation of your Federal firearms license. As a result of the violations, it is important that we have a meeting with you to discuss the violations found. The conference will be held on February 8, 2017 at 11:00 a.m. at the ATF office, 3161 W. White Oaks Drive, Suite 200, Springfield, Illinois 62704. The agenda for the meeting will include a discussion of the reasons for the violations, 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 bring with you documentation verifying the corrective action you have taken.

The records you are required to maintain and the business operations you conduct are important to law enforcement in our continuing efforts to reduce violent crime and protect the public. It is essential that you comply with all Federal laws and regulations that govern your firearms business to aid in this effort to combat violent crime.

Please contact Investigator I [redacted] to confirm this appointment and to ask any questions you may have regarding this conference. I look forward to meeting with you to resolve these issues.

Sincerely yours,

[redacted]
(b)(6)/(b)(7)(C)

Area Supervisor
Springfield II
Downers Grove SO

Enclosure

c: Federal Firearms Licensing Center



U.S. Department of Justice

Bureau of Alcohol, Tobacco,
Firearms and Explosives

Springfield II Field Office

3161 W. White Oaks Dr. Suite 200
Springfield, IL 62704
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02/09/2017

772060 (b)(6)/(b)(7)(C)
5300

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Ray O'Herron Company, Inc.
3549 N. Vermilion St.
Danville, IL 61834-1070

FFL #3-37-183-01-8J--04268

Dear Mr. O'Herron:

This letter is a follow-up to the warning conference held with you on February 8, 2017 at the ATF office in Springfield, Illinois. During this conference, the violations cited during the inspection covering the period of October 7, 2015 through December 10, 2016, and the necessary corrective action to prevent the violations from reoccurring were discussed.

You were given the opportunity to comment on the violations and what specific action you have taken to ensure that the violations will not reoccur.

Regarding violation 27 CFR 478.125(e), pertaining to the failure to maintain accurate and correct A&D records, you stated that internal controls were reviewed and explained that procedures are now in place to conduct a quarterly audit of all records. In addition, computerized acquisition and disposition software; specifically, EZ Arms Keeper software, has been acquired and is now being used.

Regarding violation 27 CFR 478.102(c), pertaining to the failure to obtain a new FTIP background check after the initial check had exceeded the 30 day period and did not initiate a new FTIP background check prior to completion of the transfer, you stated that procedures are now in place to ensure all background checks are completed and verified and that a new background check will be requested if the initial check exceeds a 30 day time frame.

Regarding violations 27 CFR 478.124(c)(3)(iv), 27 CFR 478.21(a), and 27 CFR 124(c)(1) pertaining to failure to obtain an accurate/complete ATF F 4473, you stated that internal controls were reviewed and explained that procedures are now in place to ensure each form is reviewed prior to transferring a firearm, and again before entering the information into the A&D records. In addition, you further stated that you have now implemented the electronic ATF F 4473 to assist in the recognition of form errors and omissions as well.

Regarding violation 27 CFR 478.126a, pertaining to the failure to report a multiple sale or other disposition of pistols and revolvers, you stated that procedures are now in place to ensure each form is reviewed for the multiple sale of handguns. You further stated the electronic A&D software you now employ, also identifies when the completion and submission of ATF Form 3310.4, Report of Multiple Sale or Other Disposition of Pistols and Revolvers, is required.

Regarding violation 27 CFR 478.124(b), pertaining to the failure to properly file ATF Forms 4473 according to Federal regulations, you indicated that all forms are now filed in compliance with Federal regulations.

Regarding violation 27 CFR 478.39a, pertaining to the failure to properly complete and submit ATF Form 3310.11, Federal Firearms Licensee Firearms Inventory Theft/Loss Report for one firearm, you stated you are now aware of the requirements when a theft or loss of a firearm occurs.

During the conference, you also provided supplemental documentation in response to the compliance inspection in which verified the corrective action that you have taken.

I appreciate your stated intent to comply with regulatory requirements in the future. You were advised that another compliance inspection will be conducted of your business in the future.

The violations 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 Federal firearms license. You may anticipate further inspections to ensure your compliance.

Please contact Investigator [(b)(6)/(b)(7)(C)] if you have any questions concerning your responsibilities as a Federal firearms licensee or if you require further clarification about particular requirements of Federal firearms laws.

Sincerely yours,

(b)(6)/(b)(7)(C)

Area Supervisor
Springfield II
Downers Grove SO

Enclosure

c: Federal Firearms Licensing Center