

Assignment and Report

1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY) Valley Gun Inc. 2728 Chester Ave Bakersfield, CA 93301, Kern	2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) 786040-2016-0251-B1B			
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">3. PERMIT/LICENSE NUMBER 977029017M00056</td> <td style="width: 33%;">4a. TARGET DATE 3/24/2017</td> <td style="width: 33%;">4b. TARGET HOURS</td> </tr> </table>	3. PERMIT/LICENSE NUMBER 977029017M00056	4a. TARGET DATE 3/24/2017	4b. TARGET HOURS
3. PERMIT/LICENSE NUMBER 977029017M00056	4a. TARGET DATE 3/24/2017	4b. TARGET HOURS		
	5. REQUESTED BY (SIGNATURE, TITLE AND DATE) 09/28/2016			

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

7. ASSIGNED BY (SIGNATURE, TITLE AND DATE)
 (b)(6), Area Supervisor, 09/28/2016

8. PURPOSE/SPECIAL INSTRUCTIONS
 Firearms Compliance Inspection - Please conduct a full THEFT compliance inspection. NOTE: This is number eight for loss of inventory. Need to find out why they are losing firearms and they have had many violations in the past.

9. INSPECTION RESULTS		<input type="checkbox"/> CHECK IF NO VIOLATIONS, ADJUSTMENTS, ETC	10. TRAVEL EXPENSES (OPTIONAL)	
NO. OF VIOLATIONS	4	NO. OF REFERRALS		2111 - PER DIEM
NO. OF TECS CHECKS	24	NO. OF TECS HITS		2112 - P.O.A.
NO. OF TAX ADJUSTMENTS		\$ VALUE OF TAX INCREASES		2113 - COMM. AIR
		\$ VALUE OF TAX DECREASES		2114 - RENTAL CAR
NO. OF ASSESSMENTS		\$ VALUE OF ASSESSMENTS		2115 - GPV EXPENSES
NO. OF CLAIMS		\$ VALUE OF CLAIMS		2116 - MISC.
NO. OF TAX PERIODS		\$ VALUE OF TAXES VERIFIED		TOTAL \$ FOR INSP.

11. ATF OFFICER'S RECOMMENDATION
 Submitted by (b)(6) - Industry Operations Investigator

 Submitted on: 04/13/2017

Viols WL ONLY and No Recall Inspection

12. TIME ACCOUNTING DATA			
ATF OFFICER'S NAME (MONTH, YEAR, HOURS)		(b)(6)	
JAN 2017	16.00		
FEB 2017	36.00		
ATF OFFICER'S SUBTOTAL	52.00	ATF OFFICER'S SIGNATURE	
ATF OFFICER'S NAME (MONTH, YEAR, HOURS)		(b)(6)	
SEP 2016	3.00		
OCT 2016	1.00		
NOV 2016	1.00		
JAN 2017	22.00		
FEB 2017	45.50		
MAR 2017	56.75		
APR 2017	13.00		
ATF OFFICER'S SUBTOTAL	142.25	ATF OFFICER'S SIGNATURE	
TOTAL HOURS	194.25		

Assignment and Report

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13. REVIEW AND ROUTING

REVIEW COMMENTS AND RECOMMENDATION

WL, ROV and no recall inspection recommended. A theft related onsite compliance inspection was initiated on 1/30/2017 and completed on 6/17/2017 in Bakersfield, AL. The inspection disclosed 4 violations: 27 CFR 478.21(a)(REPEAT Violation 2013) - instances in Section A, 11a errors; 27 CFR 478.124(c)(1) (REPEAT Violation 2013) - instances failed to enter correct or complete information in Section A, lines 11j and 11L. 27 CFR 478.125(a) (REPEAT Violation 2013) - in instance failed to enter the disposition of a firearms, and 27 CFR 478.126a (REPEAT Violation 2006) - in instances, involving firearms, failed to complete/submit an ATF F 3310.11 for the sale of multiple handguns. No missing firearms or forms were disclosed and no referrals were created. A ROV was issued. A WL, with a copy of the ROV, was mailed to the licensee on 04/19/2017. Future compliance is expected. No further field action is required at this time.

E-mailed to: A/S (b)(6), FEL Actions-San Francisco

Viols WL ONLY and No Recall Inspection

REVIEWED
 CONCUR
 SEE COMMENTS
 FINAL DISPOSITION

SIGNATURE AND TITLE (b)(6) - Area Supervisor	REVIEW DATE 04/20/2017
-------------------------------------------------	---------------------------

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 Valley Gun Inc.	Street Address 2728 Chester Ave	City Bakersfield	State CA	Zip Code 93301-	County Kern	Page 1 of 2 Pages
License/Permit/Registry Number <i>(If any)</i> 977029017M00056		Expiration Date 12/1/2017	Date(s) or Period of Inspection 01/30/2016 through 01/29/2017			

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:

Licensee failed to properly complete ATF Forms 4473. [REDACTED] ATF Forms 4473 out of 2104 reviewed were not completed correctly consisting of the following: Item 11a – [REDACTED] incorrect responses. REPEAT VIOLATION

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

The licensee will ensure in the future that all ATF Forms 4473 are properly and accurately completed prior to transferring firearms, which includes ensuring the customer answers all questions truthfully and accurately, and ensuring the customer thoroughly completes items 11a through 11i. This violation is uncorrectable. However, involving the [REDACTED] instances, the licensee was educated in the accurate completion of ATF Form 4473, including item numbers 11a.

Citation: 27 CFR 478.21(a)

Number: 2

Nature of Violation:

During the review of 2104 ATF Forms 4473, [REDACTED] forms were incorrectly completed, which consisted of the following: item 2 [REDACTED] incorrect response; item 11j – [REDACTED] blank response; and item 11i – [REDACTED] blank response. REPEAT VIOLATION

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

Licensee will ensure in the future that all ATF Forms 4473 are properly and accurately completed. This includes obtaining completion of items 2, 11j, and 11i. This violation is uncorrectable. However, involving the error in items 2, 11j, and 11i, the licensee was educated in the accurate completion of ATF Form 4473.

Citation: 27 CFR 478.124(c)(1)

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 Valley Gun Inc.	Street Address 2728 Chester Ave	City Bakersfield	State CA	Zip Code 93301-	County Kern	Page 2 of 2 Pages
License/Permit/Registry Number <i>(If any)</i> 977029017M00056		Expiration Date 12/1/2017	Date(s) or Period of Inspection 01/30/2016 through 01/29/2017			

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:

A review of the Acquisition and Disposition Record disclosed [redacted] firearm that was disposed of, but disposition not recorded in the Acquisition and Disposition Record. REPEAT VIOLATION

Citation: 27 CFR 478.125(e)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

Licensee will ensure in the future that all future firearms transactions are properly and timely recorded into the Acquisition and Disposition Record. The Acquisition and Disposition Record was corrected/updated to reflect the disposition, which was verified on February 10, 2017.

Number: 4

Nature of Violation:

The licensee failed to prepare and submit ATF Form 3310.4, Report of Multiple Sale or Other Disposition of Pistols and Revolvers, for [redacted] transactions involving [redacted] handguns during the period January 2016 to January 2017. The license is required to submit this form when two or more handguns are transferred to the same individual at one time or within five consecutive business days. The licensee is required to submit this form not later than close of business on the day that the multiple sale or other disposition occurs. REPEAT VIOLATION

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 prepared ATF Form 3310.4 for the [redacted] transactions and submitted the forms on February 9 & 10, 2017. The licensee will ensure proper and timely completion and submission of ATF Form 3310.4 for all future multiple handgun transactions.

I Have Received a Copy of This Report of Violations <i>(Proprietor's signature and title)</i>	Date
Signature and Title of ATF Officer	Date



U.S. Department of Justice

Bureau of Alcohol, Tobacco,
Firearms and Explosives

San Francisco FD/Sacramento II (IO)
1325 J. Street, Suite 1530, Sacramento, CA 95814

www.atf.gov

786040: (b) (6)
5300
4/18/2017

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Valley Gun Inc.
2728 Chester Ave.,
Bakersfield, CA 93301

FFL #9-77-029-01-7M-00056

Dear Mr. Quarnberg:

During a recent compliance inspection at your firearms business covering the period of February 1, 2016 through January 30, 2017, you were cited for violations of 27 Code of Federal Regulations, Part 478. A copy of the Report of Violations, Form 5030.5, issued at the time of the inspection is enclosed.

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

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

Valley Gun Inc. (9-77-00056)

You are reminded that retention of your Federal firearms license is conditioned upon your compliance with Federal laws and regulations. Any future violations, either repeat or otherwise, could be viewed as willful and may result in the revocation of your license. Please ensure that future compliance is achieved.

Should you have any questions regarding this matter, please contact Investigator (b)(6) at (b)(6).

Sincerely yours,

(b)(6)

(b)(6), Area Supervisor
San Francisco FD/Sacramento II (IO)

Enclosure

cc: Federal Firearms Licensing Center

FIREARMS INSPECTION REPORT

Name: Valley Gun, Inc.
Trade Name: NONE

UI#: 786040-2016-0251 B1B
FFL#: 9-77-029-01-7M-00056

Address: 2728 Chester Avenue
Bakersfield, CA 93301, Kern Co.

1 - Introduction

Inspection Profile:

Industry Operations Investigator (Regulatory) (IOI(R)) (b)(6) conducted a firearms theft (compliance) inspection on January 30, 2017, and subsequent dates. The following persons were interviewed during this inspection: Kenneth Quarnberg (CADL (b)(6) e-mail: ken@valleygun.com), President and Responsible Person (RP), and Serge Kirkorian (CADL # (b)(6) e-mail: berge@valleygun.com), Gunsmith and employee. During the inspection, IOI(R) (b)(6) spoke with Detective (b)(6) Los Angeles County Sheriff's Office, Santa Clarita, California. No other persons or government agencies were involved in this inspection.

The inspection began on January 31, 2017. The inspection period is the last 12 months (February 1, 2016 – January 31, 2017). Special instruction for this assignment is to conduct a firearms theft (compliance) inspection due to a history of violations. The inspection scope is firearms compliance with in-person contact.

NOTE: This assignment was delayed in being submitted due to assisting on other firearms compliance assignments, submitting other required assignments and leave.

Business Profile:

The licensee owns and operates a sporting goods store that sells both handguns and long guns at the retail level. The licensee conducts gunsmith operations. The licensee conducted internet sales. The licensee does not conduct any gunshow operations. During the inspection period, the licensee acquired (b)(4) firearms, and disposed of (b)(4) firearms. Approximately (b)(4) of the firearms in inventory were new firearms and (b)(4) were used firearms (received from customers for resale, repairs & private party transfers). Activity is (b)(4) retail and (b)(4) wholesale (repair firearms shipped out for further service).

The primary supplier of firearms is customers, (b)(4) (b)(4) The licensee does not deal in National Firearms Act (NFA) firearms.

The licensee has the following current licenses/permits/certifications (Exhibit 1):

California Firearms Dealer (CFD) #12156
California Seller's Permit #SR ARH 97639067
Bakersfield City Firearms License #17-52439

FIREARMS INSPECTION REPORT

Name: Valley Gun, Inc.
Trade Name: NONE

UI#: 786040-2016-0251 B1B
FFL#: 9-77-029-01-7M-00056

I also examined the Bakersfield Secondhand Dealers License #1521066, which is also current.

The licensee holds no other ATF licenses or permits. No other business activities are conducted at the premises, or by the licensee. The licensee does not utilize any off-site storage.

Ownership and Control:

The licensee is registered in the State of California as a domestic corporation (Exhibit 2). The following officers/directors are recorded with the State of California: Kenneth Quarnberg, President, and Susan Quarnberg, Vice-President. IOI(R) (b)(6) verified the EIN as (b)(3) - 26 USC 6103 by examining a preprinted federal tax return. EIN was originally recorded in UI #786015-2004-0135 B1B, on or after April 19, 2004. No evidence of hidden ownership was disclosed during this inspection. The corporate ownership structure was verified through state filings. No discrepancies were disclosed during this inspection. A comparison to the FLS Database disclosed no unreported changes to responsible persons for the licensee.

Variance:

No variance requests were submitted during this inspection. No variances are on file for the licensee.

2 - Recommendation

Violations, Warning Letter Only, and No Recall Inspection

3 - Inspection History

The inspection history of the licensee is as follows:

Date and Type of Inspection: May 23, 2013 & Compliance Inspection

U.I.: 786040-2013-0150 B1B

Inspection Results: Violations, Report of Violations, and No Recall Inspection

Cited Violations:

27 CFR 478.21(a)--The licensee failed on (b)(3) ATF Forms 4473 to obtain complete responses to question 11a, 24, 25, 31, 32, 33, and 35 as follows;

27 CFR 478.99(c)--The licensee disposed of a firearm to a person knowing or having reasonable cause to believe that such person was prohibited on (b)(3) ATF Forms 4473 as follows (answered 11c "yes");

27 CFR 478.124(c)(1)--The licensee failed on (b)(3) ATF Forms 4473 to obtain complete responses (blank or incorrect) to question 1, 2, 3, 11j, 13, and 14;

FIREARMS INSPECTION REPORT

Name: Valley Gun, Inc.
Trade Name: NONE

UI#: 786040-2016-0251 B1B
FFL#: 9-77-029-01-7M-00056

27 CFR 478.124(c)(3)(iv)--The licensee failed on [REDACTED] ATF Forms 4473 to obtain complete responses to question 21b, and 21c:

27 CFR 478.124(c)(5)--The licensee failed on [REDACTED] ATF Forms 4473 to obtain complete responses to question 34 and 36:

27 CFR 478.125(e)--The licensee failed in [REDACTED] instances to make complete and correct entries in its Acquisition and Disposition Record as follows: [REDACTED] were late dispositions.

Date and Type of Inspection: October 23, 2008 & Firearms Recall Inspection
U.I.: 786090-2009-0031-B1B

Inspection Results: Violations Warning Letter and No Recall Inspection

Cited Violations: **27CFR 478.124(c)(1):** Licensee failed in [REDACTED] instances out of [REDACTED] ATF F 4473s reviewed middle name was left blank instead of "NMN" entered for no middle name. Licensee failed in [REDACTED] instances out of [REDACTED] ATF F 4473s reviewed state was left out of place of birth. License failed in [REDACTED] instances out of [REDACTED] ATF F 4473s reviewed city was left out of place of birth. Licensee failed in [REDACTED] instances out of [REDACTED] ATF F 4473s reviewed county was left blank. Licensee failed in [REDACTED] instances out of [REDACTED] ATF F 4473s reviewed county was abbreviated not spelled out. Licensee failed in [REDACTED] instances out of [REDACTED] ATF F 4473s reviewed question 13 state of residence was left blank. License failed in [REDACTED] instance out of [REDACTED] ATF F 4473s reviewed question 11d "Are you a fugitive from justice?" was left blank. Licensee failed in [REDACTED] instances out of [REDACTED] ATF F 4473s reviewed question 11h "Are you subject to a court order restraining you from harassing, stalking, or threatening your child or an intimate partner or child of such partner?" was left blank. **27CFR 478.124(c)(3)(iv):** Licensee failed in [REDACTED] instance out of [REDACTED] ATF F 4473s reviewed question 21b "The NICS/DROS number was:" was left blank.

Date and Type of Inspection: February 27, 2006 & Firearms Recall Inspection
U.I.: 786015-2006-0104-B1B

Inspection Results: Violations, Warning Letter and Recall Inspection

Cited Violations:

27CFR 478.125(e)—[REDACTED] late A&D dispositions six incorrect serial numbers;

27 CFR 478.126a—[REDACTED] unreported multiple sales involving [REDACTED] handguns.

Date and Type of Inspection: April 1, 2004 & Firearms Compliance Inspection
U.I.: 786015-2004-0135

Inspection Results: Violations, Warning Conference and Recall Inspection

Cited Violations:

27 CFR 478.124(c)(3)(ii)--the licensee failed to properly prepare the ATF F 4473 as follows: 1) In [REDACTED] instances out of [REDACTED] #19a was not completed (NICS date of contact). In 6 out of 800 instances #19c was not completed (NICS response).

27 CFR 478.124(c)(1) the licensee failed to ensure the buyer properly completed the ATF

FIREARMS INSPECTION REPORT

Name: Valley Gun, Inc.
Trade Name: NONE

UI#: 786040-2016-0251 B1B
FFL#: 9-77-029-01-7M-00056

F 4473 as follows: 1) In (b)(3) - 11 out of (b)(3) - 11 instances the buyer listed state of birth only instead of city and state. In (b)(3) - 11 out of (b)(3) - 11 instances, the buyer listed the city of birth only instead of the city and state.

27 CFR 478.125(e) The licensee failed to prepare A&D book as follows: In (b)(3) - 11 out of (b)(3) - 112 P instances the FFL did not record the address or FFL number of whom the gun was received. In (b)(3) - 11 out of (b)(3) - 112 P instances the FFL failed to record from whom the guns was received (name and address/FFL). In (b)(3) - 112 P instances in the past year, the licensee failed to record the disposition of a firearm. (b)(3) - 112 P were sold and one was presumed stolen. In (b)(3) - 11 instance, a gun was incorrectly logged out when the guns was still in inventory. In (b)(3) - 11 instances a gun was entered as received twice.

27 CFR 478.126a the licensee failed to prepare the Report of Multiple Sale (ATF F 3310.4) in (b)(3) instances.

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

A full physical inventory was conducted which disclosed one violation. The review disclosed 1458 firearms in inventory and (b)(3) - 112 P open entries in A&D record. The licensee utilizes a handwritten recordkeeping system.

During the physical inventory, the following discrepancy was noted: A review of the Acquisition and Disposition Record disclosed (b)(3) - 11 firearm disposition was not recorded into the Acquisition & Disposition record within seven business days after the disposition occurred, a **violation of 27 CFR 478.125(e) (W/S 1)**. A Report of Violations, ATF e-Form 5030.5, was issued. The unrecorded disposition was verified by examination of the ATF Form 4473. The A&D Record was corrected/updated immediately by entering the disposition information, initial & date (**Exhibit 3**).

The record is in the proper format, all the required information is accurate, and the entries are timely made. SIOI(R) (b)(6) traced 53 firearms through the licensee's required records from acquisition through disposition with no violations/discrepancies. No trafficking issues were disclosed during this inspection relating to acquisition and disposition of firearms. No obliterated serial numbers or illegal firearms were disclosed during this inspection.

This inspection was initiated by the licensee notifying ATF of an inventory loss involving (b)(3) - 112 Public Law 55 125 Stat 552 (b)(3) - 112 P (**Exhibit 4**). The theft was entered into the A&D Record, including the date stolen & the Theft/Loss Report ATF Number. Prior to conducting the inspection, ATF had been notified that the handgun in question had been recovered by the Los Angeles County Sheriff's Office, Case Number

FIREARMS INSPECTION REPORT

Name: Valley Gun, Inc.
Trade Name: NONE

UI#: 786040-2016-0251 B1B
FFL#: 9-77-029-01-7M-00056

917-002600645-151 (**Exhibit 5**). IOI(R) (b)(6) spoke with Detective (b)(6) Los Angeles County Sheriff's Office who confirmed they still have custody of the handgun in question and the defendant is being adjudicated.

5 - ATF Forms 4473 – NICS & Other Dispositions

An ATF Forms 4473 review was conducted which disclosed (b)(3)-112 P ATF Forms 4473 were completed within the inspection period and (b)(3)-112 P ATF Forms 4473 were reviewed.

The ATF Forms 4473 review disclosed the following violations (**W/S 2, Exhibit 6**):

During the review of (b)(3)-112 P ATF Forms 4473, (b)(3)-112 P forms were incorrectly completed, which consisted of the following: item 11a – (b)(3)-112 P incorrect responses, a violation of 27 CFR 478.21(a), a Report of Violations, ATF e-Form 5030.5, was issued; and

During the review of 2104 ATF Forms 4473, (b)(3)-112 P forms were incorrectly completed, which consisted of the following: item 2 – (b)(3)-112 P incorrect response; item 11j – (b)(3)-11 blank response; and item 11i – (b)(3)-11 blank response, a violation of 27 CFR 478.124(c)(1), a Report of Violations, ATF e-Form 5030.5, was issued.

The licensee does conduct transfers to other FFLs. Copies of FFLs are maintained by the licensee; no violations or discrepancies. The transfers to other licensees were conducted properly. The FFL Audit log (DROS Report) disclosed 989 firearms with a proceed response were verified to the ATF F4473, with no discrepancies disclosed. Transfers to law enforcement personnel using agency letterhead and obtaining the 10-day waiver letter from California Department of Justice Firearms Programs Unit were on file for the inspection period. No potential traffickers were identified during the review of the licensee's disposition records.

6 – Multiple Sales

The licensee does conduct multiple sale of handguns, but is limited to private party transfers only due to state restrictions. The VCAB Query Report disclosed (b)(3) multiple sales occurred within the inspection period. However, the inspection disclosed (b)(3) unreported multiple sales during the inspection period, a violation of 27 CFR 478.126a (**W/S 2, Exhibit 6**). A Report of Violations, ATF e-Form 5030.5, was issued.

7 – Suspicious/Prohibited Purchasers

No possible traffickers, straw purchasers, prohibited persons, or any other suspicious purchasers were identified during this inspection. There were no computerized

FIREARMS INSPECTION REPORT

Name: Valley Gun, Inc.
Trade Name: NONE

UI#: 786040-2016-0251 B1B
FFL#: 9-77-029-01-7M-00056

criminal history checks that resulted in hits (persons). No referrals were generated during this inspection involving suspicious/prohibited purchasers.

8 - Trace Activity

The Violent Crime Analysis Branch (VCAB) Firearm Trace History indicated that the licensee successfully completed (b)(3)-112 traces in the last 12 months. However, (b)(3) traces were conducted by (b)(3) - 112 Public Law 55 125 Stat 552 (b)(3). No unsuccessful traces were disclosed. No traces were resolved during this inspection. Secondary market analysis was completed with negative results. No discrepancies were noted. The licensee acquired (b)(4) used firearms (customers, returns, repairs and private party transfers), which were disposed of back to the manufacturer, owner, resold by licensee, or other 3rd party within the inspection period.

9 - NFA/Importer/Collector/Manufacturer

The licensee does not conduct any manufacturing, importing, collecting, or NFA activity. The licensee only conducts retail sale of firearms and firearms repair.

10 - Referrals

No referrals were generated during this inspection.

11 - Other

No other noteworthy anomalies were disclosed during this inspection.

12 - Closing Actions

During the inspection, a closing conference was conducted on March 17, 2017. The closing conference was attended by Kenneth Quarnberg, President and Responsible Person. The closing conference included a discussion of ATF Firearms Laws and Regulations.

The Report of Violations, ATF e-Form 5030.5 was issued and reviewed. An amended Report of Violations, ATF e-Form 5030.5, was issued on April 10, 2017. During the Report of Violations review, Quarnberg stated that he now is having his salespersons completing & submitting all multiple sales; it has been added to the salespersons training and a form letter is signed by the salesperson (**Exhibit 7**).

The closing conference included a review of the Acknowledgement of Federal Firearms Regulations Form (**Exhibit 8**).

FIREARMS INSPECTION REPORT

Name: Valley Gun, Inc.
Trade Name: NONE

UI#: 786040-2016-0251 B1B
FFL#: 9-77-029-01-7M-00056

The following reference materials were provided to the applicant: ATF Form 3310.11, Federal Firearms Licensee Firearms Inventory Theft/Loss Report; ATF Information 3310.3, ATF Important Notice to Dealer and Other Participants at The Gun Show; ATF Publication 3312.8, Personal Firearms Record; ATF Publication 3312.10, ATF National Tracing Center Division Information for Industry Members; and ATF Publication 3317.7, ATF Disaster Preparedness for Federal Firearms Licensees.

13 - Violations

1. 27 CFR 478.21(a)

REPEAT OF VIOLATION CITED ON JUNE 13, 2013

Nature of Violation:

Licensee failed to properly complete ATF Forms 4473. Three ATF Forms 4473 out of 2104 reviewed were not completed correctly consisting of the following: Item 11a – (b)(3) - (1)(2) incorrect responses.

Licensee's Response:

Licensee was not aware of the errors. Licensee took full responsibility for the errors.

Corrective Action:

The licensee will ensure in the future that all ATF Forms 4473 are properly and accurately completed prior to transferring firearms, which includes ensuring the customer answers all questions truthfully and accurately, and ensuring the customer thoroughly completes items 11a through 11l. This violation is uncorrectable. However, involving the (b)(3) - (1) instances, the licensee was educated in the accurate completion of ATF Form 4473, including item numbers 11a.

Reference: W/S 2 & Exhibit 6

2. 27 CFR 478.124(c)(1)

REPEAT OF VIOLATION CITED ON JUNE 13, 2013

FIREARMS INSPECTION REPORT

Name: Valley Gun, Inc.
Trade Name: NONE

UI#: 786040-2016-0251 B1B
FFL#: 9-77-029-01-7M-00056

Nature of Violation:

During the review of 2104 ATF Forms 4473, (b)(3)-112 P forms were incorrectly completed, which consisted of the following: item 2 – (b)(3)-112 incorrect response; item 11j – (b)(3)-11 blank response; and item 11l – (b)(3)-11 blank response.

Licensee Response:

License was not aware of the errors, but took responsibility for the errors.

Corrective Action:

Licensee will ensure in the future that all ATF Forms 4473 are properly and accurately completed. This includes obtaining completion of items 3, 11j, and 11l. This violation is uncorrectable. However, involving the error in items 3, 11j, and 11l, the licensee was educated in the accurate completion of ATF Form 4473.

Reference: W/S 2 & Exhibit 6

3. **27 CFR 478.125(e)**

REPEAT OF VIOLATION CITED ON MAY 13, 2013

Nature of Violation:

A review of the Acquisition and Disposition Record disclosed (b)(3)-11 firearm that was disposed of, but not recorded within seven days.

Licensee Response:

The licensee was not aware of the errors, but took full responsibility for the errors.

Corrective Action:

Licensee will ensure that all future firearms transactions are properly and timely recorded into the Acquisition and Disposition Record. The Acquisition and Disposition Record was corrected/updated to reflect the disposition, which was verified on February 10, 2017.

Reference: W/S 1, Exhibit 3

FIREARMS INSPECTION REPORT

Name: Valley Gun, Inc.
Trade Name: NONE

UI#: 786040-2016-0251 B1B
FFL#: 9-77-029-01-7M-00056

4. **27 CFR 478.126a**

REPEAT OF VIOLATIONS CITED ON MAY 17, 2004 & MARCH 2, 2006

Nature of Violation:

The licensee failed to prepare and submit ATF Form 3310.4, Report of Multiple Sale or Other Disposition of Pistols and Revolvers, for (b)(3) transactions involving (b)(3) handguns during the period January 2016 to January 2017. The license is required to submit this form when two or more handguns are transferred to the same individual at one time or within five consecutive business days. The licensee is required to submit this form not later than close of business on the day that the multiple sale or other disposition occurs.

Licensee Response:

Licensee was not aware of the number of errors, but took full responsibility for the violations. However, at the closing conference on March 17, 2017, Kenneth Quarnberg (RP) stated that he now requires all of his salespeople to complete & submit all future applicable multiple sales of pistols and other handguns. The salespeople go through additional training in this area and sign a form letter that the salesperson is aware of the multiple sales requirement.

Corrective Action:

The licensee prepared ATF Form 3310.4 for the (b)(3) transactions and submitted the forms on February 9 & 10, 2017. The licensee will ensure proper and timely completion and submission of ATF Form 3310.4 for all future multiple handgun transactions.

Reference: W/S 2 & Exhibits 6 & 7

(b)(6)	IOI(R)	03/22/2017
Signature	Title	Date of Report

FIREARMS INSPECTION REPORT

Name: Valley Gun, Inc.
Trade Name: NONE

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Index of Worksheets and Exhibits

Report of Violations

Worksheets

Exhibits

1. State/Local Licenses/Permits
2. Organizational Documents
3. Copy of A&D Record Documenting Error
4. ATF Theft/Loss Report dated September 27, 2016
5. ATF Trace Summary (firearm recovery) dated January 18, 2017
6. Copies of ATF Forms 4473 Documenting Errors & Unreported Multiple Handgun Sales (ATF Forms 3310.11)
7. Copy of Training Document Addressing Multiple Sales to be Conducted by Salespersons
8. Acknowledgement of Federal Firearms Regulations Form