

Assignment and Report

1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY) Phillips, William B. 12764 Burma Road Grass Valley, CA 95945, Nevada	2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) 786040-2016-0246-B1B			
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">3. PERMIT/LICENSE NUMBER 968057017E36485</td> <td style="width: 33%;">4a. TARGET DATE</td> <td style="width: 33%;">4b. TARGET HOURS</td> </tr> </table>	3. PERMIT/LICENSE NUMBER 968057017E36485	4a. TARGET DATE	4b. TARGET HOURS
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5. REQUESTED BY (SIGNATURE, TITLE AND DATE)				

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

7. ASSIGNED BY (SIGNATURE, TITLE AND DATE)
(b)(6), Area Supervisor, 09/14/2016

8. PURPOSE/SPECIAL INSTRUCTIONS
Firearms Compliance Inspection - Please conduct a full compliance inspection, FFL has not been inspected in 5 years or more.

No record in N-FROCE nor NCIC (III) 12/30/15.

9. INSPECTION RESULTS		<input type="checkbox"/> CHECK IF NO VIOLATIONS, ADJUSTMENTS, ETC	10. TRAVEL EXPENSES (OPTIONAL)	
NO. OF VIOLATIONS	3	NO. OF REFERRALS		2111 - PER DIEM
NO. OF TECS CHECKS	5	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: 11/01/2016

Viols WL ONLY and No Recall Inspection

12. TIME ACCOUNTING DATA

ATF OFFICER'S NAME (MONTH, YEAR, HOURS) (b)(6)	
OCT 2016	32.00
NOV 2016	3.00
ATF OFFICER'S SUBTOTAL	35.00
ATF OFFICER'S SIGNATURE	
TOTAL HOURS	35.00

13. REVIEW AND ROUTING

REVIEW COMMENTS AND RECOMMENDATION
Viols WL ONLY and No Recall Inspection

REVIEWED
 CONCUR
 SEE COMMENTS
 FINAL DISPOSITION

SIGNATURE AND TITLE (b)(6) - Area Supervisor	REVIEW DATE 11/01/2016
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	3. PERMIT/LICENSE NUMBER 968057017E36485	4a. TARGET DATE	4b. TARGET HOURS
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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 Phillips, William B.		Street Address 12764 Burma Road		City Grass Valley		State CA		Zip Code 95945-		County Nevada		Page 1 of 2 Pages	
License/Permit/Registry Number (if any) 968057017E36485				Expiration Date 5/1/2017		Date(s) or Period of Inspection 10/20/2015 through 10/19/2016							

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:

Failure on [redacted] occasions to ensure the ATF Form 4473 Blocks 10a (Ethnicity), 24 (Transferee's/Buyer's Signature), 25 (Recertification Date), 30a (Total Number of Firearms), 31 (Trade/corporate name and address of transferor) and 35 (Transferor's/Seller's Title) were completed and/or accurately completed.

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 will ensure the ATF Form 4473 Blocks 10a (Ethnicity), 24 (Transferee's/Buyer's Signature), 25 (Recertification Date), 30a (Total Number of Firearms), 31 (Trade/corporate name and address of transferor) and 35 (Transferor's/Seller's Title) are completed and/or accurately completed on future transactions.

Number: 2

Nature of Violation:

Failure on [redacted] occasions to ensure the ATF Form 4473 Block 17 (Certification Date) was accurately completed.

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 licensee will ensure the ATF Form 4473 Block 17 (Certification Date) is accurately completed on future transactions.

Number: 3

Nature of Violation:

Failure on [redacted] occasion to ensure the ATF Form 4473 Block 36 (Date Transferred) was accurately completed.

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

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

The licensee will ensure the ATF Form 4473 Block 36 (Date Transferred) is accurately completed on future transactions.

Report of Violations

Instructions

Please write firmly with a ball point pen when completing this form. ATF officers will prepare this form in triplicate. The original copy will be given to the proprietor or a responsible representative. The remaining copies will be submitted with the completed inspection report. Supervisors will detach one copy from the completed report for their files.

Name of Proprietor Phillips, William B.		Street Address 12764 Burma Road		City Grass Valley		State CA		Zip Code 95945-		County Nevada		Page 2 of 2 Pages	
License/Permit/Registry Number (if any) 968057017E36485				Expiration Date 5/1/2017		Date(s) or Period of Inspection 10/20/2015 through 10/19/2016							

Inspection Results

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

Citation: 27 CFR 478.124(c)(5)

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

Date

Signature and Title of ATF Officer

Date

RIF



U.S. Department of Justice

Bureau of Alcohol, Tobacco,
Firearms and Explosives

1325 J Street Suite 1530
Sacramento, CA 95814

November 1, 2016

www.atf.gov

786040: (b) (6)
5373

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

William B. Phillips
12764 Burma Road
Grass Valley, CA 95945

REF: FFL # 9-68-057-01-7E-36485

Dear Mr. Phillips:

During a recent compliance inspection at your firearms business covering the period October 20, 2015 through October 19, 2016, you were cited for violations of Title 27, Code of Federal Regulations, Part 478. A copy of the Report of Violations, Form 5030.5, issued at the time of the inspection, is enclosed.

All violations were fully explained to you by the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) Investigator (b)(6). You understood the requirements of the firearms laws and regulations, and 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 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. 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.

Mr. William B. Phillips
FFL # 9-68-057-01-7E-36485

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,

(b)(6)

Area Supervisor
Sacramento Area Office

cc: Federal Firearms Licensing Center
Director, Industry Operations, San Francisco Field Division
Sacramento II Area Office File

FIREARMS INSPECTION REPORT

Name: William B. Phillips UI#: 786040-2016-0246-B1B
Trade Name: FFL#: 9-68-057-01-7E-36485
Address: 12764 Burma Road
Grass Valley, CA 95945 NEVADA

1 - Introduction

Inspection Profile:

On October 20, 2016 Industry Operations Investigator (IOI) (b)(6) initiated a full scope compliance inspection of Federal firearms licensee (FFL) William B. Phillips at the business premises of: 12764 Burma Road, Grass Valley, CA 95945.

The purpose of the compliance inspection was to verify and ensure compliance with current provisions of the Gun Control Act (GCA) as well as assess the business activities conducted under the Type 01 Dealer in Firearms license. The inspection period covered the dates of October 20, 2015 through October 19, 2016 and no other investigative participants from any other Federal, State or local agencies assisted in the inspection.

Advanced notification was provided to the licensee given his employment as an attorney and the cost and travel expenses associated with conducting the inspection. An interview was conducted with Mr. William B. Phillips, Owner/Responsible Person, and verification of his identity was confirmed through his California Driver's License (CADL): William Bradley Crough-Phillips, CADL (b)(6), expiration date: 05-13-2020 and DOB: (b)(6)

Business Profile:

Mr. Phillips operates from a residentially zoned single story establishment in a rural area of Grass Valley, CA with a Type 01 Dealer in Firearms license which was issued on April 20, 1993. The licensee conducts all business activities from a detached building used as an office located directly in front of the residence. Business operations under the license as identified by Mr. Phillips involve the transfer of both new and used firearms in equal amounts to clientele derived from close, personal friends and referrals only. The licensee stated he does not do retail or wholesale transfers, but merely acts as the transfer agent (charging \$25.00) when a client is arranging for the transfer of a firearm.

Primary suppliers of new firearms include (b)(4) and used firearms are typically acquired from firearms posted on www.gunbroker.com. Mr. Phillips stated he does not typically carry much inventory as the firearms are custom ordered for friends. The licensee does not conduct any sales at gun shows and there is no off-site storage of firearms.

FIREARMS INSPECTION REPORT

Name: William B. Phillips
Trade Name:

UI#: 786040-2016-0246-B1B
FFL#: 9-68-057-01-7E-36485

In the last 12 months, the licensee has acquired (b)(4) handguns, (b)(4) long gun and (b)(4) receivers (total acquisition count: (b)(4)) and disposed of (b)(4) handguns, (b)(4) long gun and 2 receivers (total disposition count: (b)(4)) in the same period of time. Mr. Phillips does not utilize or maintain his own website and has conducted a few transfers in the past through www.gunbroker.com, but it is not a routine course of business.

Mr. Phillips is a practicing attorney in (b)(6) (b)(6) Outside of operating with a FFL from the premises and his employment as an attorney, there is no additional business conducted from the location. All required State and local licenses were available for review: 1) Certificate of Eligibility for William B. Phillips #11355, expiration date: 05-02-17; 2) California Board of Equalization Seller's Permit #SR KH 97-806921; 3) Nevada County Business License #055, expiration date: 05-02-2017.

Ownership and Control:

William B. Phillips operates the FFL as a sole proprietorship and is the only responsible person on the license. There have been no reported or unreported changes in ownership, no transition to a LLC or corporation and no evidence of hidden ownership was detected during the inspection interview.

The State of California recognizes the licensee as having the trade name of North West Armaments and the Dealer's Record of Sale (DROS) report was recognized and located through this trade name. Mr. Phillips stated that in 2004, the State advised him that he must register the trade name of North West Armaments in order to utilize this name as the business name. The licensee stated he didn't want to register the trade name and asked them to remove it from his DROS account.

An ATF compliance inspection conducted on 04-30-2004 on file states the licensee requested to remove this trade name as well and the trade name was removed from the FFL. Mr. Phillips stated he wants his FFL to remain the same without the trade name and IOI (b)(6) advised him to contact the State to have the trade name removed from his State accounts.

Variance:

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

FIREARMS INSPECTION REPORT

Name: William B. Phillips
Trade Name:

UI#: 786040-2016-0246-B1B
FFL#: 9-68-057-01-7E-36485

2 - Recommendation

Violations, WL ONLY, No Recall Inspection.

3 - Inspection History

The following inspection history is on file:

Date of Inspection: April 30, 2004
Type of Inspection: Application Inspection
UI#: 786040-2004-0186-B1B
Inspection Results: Recommend Issuance of FFL
Cited Violations: No violations cited.

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

A 100% inventory was conducted which resulted in a total of eight (8) firearms located on the business premises. Comparison between the total number of firearms in inventory and open dispositions in the A&D records reflected ^{(b)(3) - 112 Public Law} open dispositions, resulting in no discrepancies. ^{(b)(3) - 112 Public Law 55 125 Stat 552}

The licensee utilizes a manual A&D recordkeeping system and had a total of one (1) book on file. Some of the entries back in 2004 – 2007 had partial acquisition dates (missing the date and year in some cases) and Mr. Phillips stated there was a flood and no way to retrieve any documentation of when the firearms were acquired. Under the Type column in the A&D records, the licensee lists “S/A” and “B/A” for single action or bolt action. IOI ^{(b)(6)} advised Mr. Phillips to begin documenting pistol or revolver for handguns and rifle or shotgun for long guns under the Type column, instead of the action. Whenever the licensee would transfer a firearm to himself he would list “pc” for personal collection in the disposition column. IOI ^{(b)(6)} advised Mr. Phillips to document his full name and address in the disposition column for the corresponding firearm(s) to ensure accurate completeness of the records.

The records were in the proper format with all required headings and columns and the entries were timely made. A total of seven (7) firearms were traced through the licensee’s required records from acquisition through disposition which resulted in no discrepancies. There were no thefts or losses of firearms during the inspection period or

FIREARMS INSPECTION REPORT

Name: William B. Phillips
Trade Name:

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FFL#: 9-68-057-01-7E-36485

as a result of the inspection. There were no obliterated serial numbers or illegal firearms identified during the inspection.

5 - ATF Forms 4473 – NICS & Other Dispositions

A total of (b)(3) - 112 Public Law ATF Form 4473s were on file for the inspection period and all were reviewed for complete accuracy to ensure compliance with Federal firearms regulations. The licensee maintains the ATF F4473s in chronological order and there were no denials on file or transfers to law enforcement personnel via a certification letter.

(b)(3) - 112 Public Law 55 of the (b)(3) - 112 Public Law ATF F4473s were curio and relic firearm transfers to a Type 03 licensee (Exhibit 1). (b)(3) - 112 Public Law 55 125 Stat 552, (b)(6)

Comparison between the FFL audit log report (DROS) with ATF F4473s was verified with nine (9) DROS transaction numbers which disclosed no discrepancies. The licensee does not attach the DROS paperwork to the corresponding ATF F4473.

Due to some issues concerning errors and omissions on the ATF F4473s during the review process, IOI L (b)(6) recommended acquiring a stamp for Block 31 (Trade/corporate name and address of transferor/seller) and conducting a thorough review of the forms prior to the firearm being transferred to ensure the dates are correct and complete and all corresponding blocks on the form are accurately completed to prevent potential future errors. Mr. Phillips stated he will begin a more thorough review process of the forms to eliminate errors.

The following violations were identified and cited during the inspection period:

Failure on (b)(3) - 112 Public Law occasions to ensure the ATF Form 4473 Blocks 10a (Ethnicity), 24 (Transferee's/Buyer's Signature), 25 (Recertification Date), 30a (Total Number of Firearms), 31 (Trade/corporate name and address of transferor) and 35 (Transferor's/Seller's Title) were completed and/or accurately completed. The licensee was cited in violation of 27 CFR 478.21(a) (Violation 1, Worksheet 2, Exhibit 2).

Failure on (b)(3) - 112 Public Law occasions to ensure the ATF Form 4473 Block 17 (Certification Date) was accurately completed. The licensee was cited in violation of 27 CFR 478.124(c)(1) (Violation 2, Worksheet 2, Exhibit 3).

Failure on (b)(3) - 112 Public Law occasion to ensure the ATF Form 4473 Block 36 (Date Transferred) was accurately completed. The licensee was cited in violation of 27 CFR 478.124(c)(5)

FIREARMS INSPECTION REPORT

Name: William B. Phillips
Trade Name:

UI#: 786040-2016-0246-B1B
FFL#: 9-68-057-01-7E-36485

(Violation 3, Worksheet 2, Exhibit 4).

6 - Multiple Sales

The Violent Crime Analysis Branch (VCAB) report disclosed zero (0) multiple handgun sale transactions (ATF F3310.4 Report of Multiple Sale or Other Disposition of Pistols and Revolvers) and zero (0) multiple rifle transactions (ATF F3310.12 Multiple Sale or Other Disposition of Certain Rifles) during the last 12 months.

A review of the ATF F4473s on file during the inspection period disclosed zero (0) unreported multiple handgun sales and zero (0) unreported multiple rifle transactions. The [REDACTED] multiple handgun transaction was a curio and relic transfer to a Type 03 FFL which doesn't require a multiple handgun sale form.

7 - Suspicious/Prohibited Purchasers

No suspicious or prohibited purchasers were identified during the review process of the ATF F4473s.

8 - Trace Activity

The VCAB trace history report, obtained prior to the inspection, reflected zero (0) successful and zero (0) unsuccessful traces during the past 12 months. There were no unresolved traces.

Mr. Phillips acquired (b)(4) used firearms and disposed of (b)(4) used firearms under the license during the inspection period. A query of these four (4) used firearms through the Open Fox and Etrace database yielded no hits.

9 - NFA/Importer/Collector/Manufacturer

Mr. Phillips does not engage in NFA/Importer/Collector or Manufacturer business activities. A pre-inspection query through the NFA Branch disclosed no NFA firearms registered to William B. Phillips.

10 - Referrals

No referrals were generated as a result of this inspection.

11 - Other

The Federal Licensing System (FLS) background and NFORCE databases were

FIREARMS INSPECTION REPORT

Name: William B. Phillips
Trade Name:

UI#: 786040-2016-0246-B1B
FFL#: 9-68-057-01-7E-36485

queried: Negative results.

A total of one (1) person was queried through the Open Fox database on responsible person William B. Phillips which disclosed no prohibiting information. A total of four (4) used firearms were queried through the Open Fox and Etrace databases which disclosed no discrepancies.

12 - Closing Actions

A sixty (60) minute closing conference was conducted by IOI (b)(6) on October 27, 2016 with Mr. William B. Phillips, Owner/Responsible Person. The Report of Violations (ROV) was reviewed, discussed thoroughly with and signed by the licensee. An Acknowledgement of Federal Firearms Regulations was also reviewed, signed and dated October 27, 2016 by Mr. Phillips (Exhibit 5). A copy of the ROV and the Acknowledgement was provided to the licensee during the closing conference.

The following forms, handouts and reference materials were reviewed and provided to the licensee:

- ATF Ruling 2013-5: Computerized Recordkeeping
- ATF F4473 Firearms Transaction Record
- ATF F3310.4 Multiple Handgun Sale
- ATF F3310.12 Multiple Sale or Other Disposition of Certain Rifles
- Question and Answer Handout on the ATF F3310.12
- ATF F3310.11 Theft/Loss Report
- ATF I5300.23A Gun Show Guidelines
- ATF I5300.1 Youth Handgun Safety Act poster (not provided – licensee has copy)
- ATF I5300.2 Youth Handgun Safety Act pamphlet
- ATF P3317.2 Safety and Security Information
- ATF P5300.15 FFL Quick Reference and Best Practices Guide
- ATF P5300.4 Federal Firearms Regulations Reference Guide (2005 Edition)
- ATF P3312.8 Personal Firearms Record
- ATF Listing of Important Phone Numbers
- California State Firearms Licensee Security Requirements

The requirements for secure gun storage and safety devices were discussed with the licensee and Mr. Phillips was provided with IOI (b)(6) business card as well as the ATF San Francisco Field Division (Sacramento Field Office) contact information. The licensee was given the opportunity to discuss any questions or concerns.

FIREARMS INSPECTION REPORT

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13 - Violations

1. 27 CFR 478.21(a)

Nature of violation: Failure on [REDACTED] occasions to ensure the ATF Form 4473 Blocks 10a (Ethnicity), 24 (Transferee's/Buyer's Signature), 25 (Recertification Date), 30a (Total Number of Firearms), 31 (Trade/corporate name and address of transferor) and 35 (Transferor's/Seller's Title) were completed and/or accurately completed.

Licensee response: The licensee stated he is buying a stamp for Block 31 and needs to be more careful when reviewing these forms.

Corrective action: The licensee will ensure the ATF Form 4473 Blocks 10a (Ethnicity), 24 (Transferee's/Buyer's Signature), 25 (Recertification Date), 30a (Total Number of Firearms), 31 (Trade/corporate name and address of transferor) and 35 (Transferor's/Seller's Title) are completed and/or accurately completed on future transactions.

Reference: Worksheet 2, Exhibit 2.

2. 27 CFR 478.124(c)(1)

Nature of violation: Failure on [REDACTED] occasions to ensure the ATF Form 4473 Block 17 (Certification Date) was accurately completed.

Licensee response: The licensee stated he does so few of these forms and now understands that Block 17 needs to be dated using the date the buyer initially completes Section A of the form.

Corrective action: The licensee will ensure the ATF Form 4473 Block 17 (Certification Date) is accurately completed on future transactions.

Reference: Worksheet 2, Exhibit 3.

3. 27 CFR 478.124(c)(5)

Nature of violation: Failure on [REDACTED] occasion to ensure the ATF Form 4473 Block 36 (Date Transferred) was accurately completed.

Licensee response: The licensee stated he used the wrong date and needs to be more careful when signing off on the forms.

FIREARMS INSPECTION REPORT

Name: William B. Phillips
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UI#: 786040-2016-0246-B1B
FFL#: 9-68-057-01-7E-36485

Corrective action: The licensee will ensure the ATF Form 4473 Block 36 (Date Transferred) is accurately completed on future transactions.

Reference: Worksheet 2, Exhibit 4.

(b)(6)

Industry Operations Investigator November 1, 2016

Index of Worksheets and Exhibits

Worksheets:

Worksheet 2 – ATF Form 4473 (2012 Edition) Review Worksheet

Exhibits:

- Exhibit 1 - Copy of Type 03 FFL for purchaser **(b)(6)**
- Exhibit 2 – Copy of ATF F4473 for Violation 1
- Exhibit 3 – Copy of ATF F4473 for Violation 2
- Exhibit 4 – Copy of ATF F4473 for Violation 3
- Exhibit 5 – Acknowledgement of Federal Firearms Regulations