

## Assignment and Report

1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY)  Yampa Precision Mfg Inc 2420 North 5th Street Prescott Valley, AZ 86314, Yavapai		2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) 785050-2016-0069-B1B		
		3. PERMIT/LICENSE NUMBER 986025078H03590	4a. TARGET DATE 3/31/2016	4b. TARGET HOURS 70
		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, 10/01/2015				
8. PURPOSE/SPECIAL INSTRUCTIONS Conduct a full scope SWB-DE (Manufacturer) compliance inspection while evaluating for trafficking indicators; Assure compliance with current provisions of GCA/NFA. Retain hardcopies of issued ROV (if any) and/or Ack of Regs for file retention.				
9. INSPECTION RESULTS <input type="checkbox"/> CHECK IF NO VIOLATIONS, ADJUSTMENTS, ETC				
NO. OF VIOLATIONS	1	NO. OF REFERRALS		
NO. OF TECS CHECKS	2	NO. OF TECS HITS		
NO. OF TAX ADJUSTMENTS		\$ VALUE OF TAX INCREASES	2111 - PER DIEM	
		\$ VALUE OF TAX DECREASES	2112 - P.O.A.	
NO. OF ASSESSMENTS		\$ VALUE OF ASSESSMENTS	2113 - COMM. AIR	
NO. OF CLAIMS		\$ VALUE OF CLAIMS	2114 - RENTAL CAR	
NO. OF TAX PERIODS		\$ VALUE OF TAXES VERIFIED	2115 - GPV EXPENSES	
			2116 - MISC.	
			TOTAL \$ FOR INSP.	
11. ATF OFFICER'S RECOMMENDATION Submitted by (b)(6) - Industry Operations Investigator  Submitted on: 01/22/2016  Violts ROV ONLY and Recall				
12. TIME ACCOUNTING DATA				
ATF OFFICER'S NAME (MONTH, YEAR, HOURS) (b)(6)				
OCT 2015		3.00		
NOV 2015		22.00		
DEC 2015		9.00		
JAN 2016		24.00		
ATF OFFICER'S SUBTOTAL		58.00	ATF OFFICER'S SIGNATURE	
TOTAL HOURS		58.00		
13. REVIEW AND ROUTING				
REVIEW COMMENTS AND RECOMMENDATION Field inspection performed 11/17-12/03/15; a ROV was issued for a single recordkeeping violation. Due to the (b)(6) firearms determined to be missing (post reconciliation) a Warning Letter was generated and sent to the licensee (via certified post w/ return receipt) on 01/29/16. No further field action required.  Violts WL ONLY and No Recall Inspection				
<input checked="" type="checkbox"/> REVIEWED <input type="checkbox"/> CONCUR <input checked="" type="checkbox"/> SEE COMMENTS <input checked="" type="checkbox"/> FINAL DISPOSITION				
SIGNATURE AND TITLE (b)(6) - Area Supervisor			REVIEW DATE 01/29/2016	

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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 Tampa Precision Mfg Inc	Street Address 2420 North 5th Street	City Prescott Valley	State AZ	Zip Code 86314-	County Yavapai	Page 1 of 1 Pages
License/Permit/Registry Number (If any) 986025078H03590	Expiration Date 8/20/2018	Date(s) or Period of Inspection 11/17/2015 through 11/20/2015				

### Inspection Results

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

Number: 1

#### Nature of Violation:

Failure to record the disposition of (b)(3) firearms to another licensee in the acquisition and disposition (A&D) record and unable to resolve the disposition of an additional (b)(3) firearms which were reported as missing.

Citation: 27 CFR 478.123(b)

#### Date Corrections to be Made:

(If not corrected immediately)

#### Corrective Action to be Taken:

(If not corrected immediately)

The licensee reported (b)(3) firearms as missing. The licensee recorded the disposition for the (b)(3) firearms which were not logged out of the A&D record.

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

Signature and Title of ATF Officer

(b)(6)

President  
Industrial Operations Investigator

Date  
12/3/2015  
Date  
12/3/15



**U.S. Department of Justice**

Bureau of Alcohol, Tobacco,  
Firearms and Explosives

[www.atf.gov](http://www.atf.gov)

Yampa Precision Mfg Inc  
2420 North 5th Street  
Prescott Valley, AZ 86314  
RE: 9-86-025-07-8H-03590

January 29, 2016

Mr. Michael Barber & Mr. Jared Vanatta:

During a recent inspection at your firearms business covering the period of November 17, 2014 to November 17, 2015 you were cited for violations of Title 27, Code of Federal Regulations, Part 478. A copy of the Report of Violations, ATF F 5030.5, issued at the time of the inspection is enclosed.

All violations were fully explained to you both by the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) Industry Operations Investigator. You both indicated that 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 to ensure that criminals do not gain access to firearms. ATF appreciates the efforts you and other industry members make in this area. We look forward to continuing to work with you in that regard.

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.

Yampa Precision Mfg Inc

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

Sincerely,  
A large black rectangular redaction box covering the signature area. The text "(b)(6)" is printed in white across the center of the box.

Phoenix III Area Supervisor

Enclosure

c: Federal Firearms Licensing Center  
Phoenix III (IO) Field Office



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Citation: 27 CFR 478.123(b)

#### Date Corrections to be Made:

(If not corrected immediately)

#### Corrective Action to be Taken:

(If not corrected immediately)

The licensee reported (b)(3) firearms as missing. The licensee recorded the disposition for the (b)(3) firearms which were not logged out of the A&D record.

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

*Mike Benker*

President

Date

12/3/2015

Signature and Title of ATF Officer

(b)(6)

*Abdusalam operations investigator*

Date

12/3/15

# FIREARMS INSPECTION REPORT

**Name:** Yampa Precision Manufacturing, Inc.  
**Trade Name:**

**UI#:** 785050 2016 0069 B1B  
**FFL#:** 9 86 025 07 03590

**Address:** 2420 N. 5<sup>th</sup> Street  
Prescott, AZ 86314 Yavapai

## 1 - Introduction

### Inspection Profile:

On November 17, 2015 Senior Industry Operations Investigator (SIOI) (b)(6) (b)(6) initiated a Federal firearms compliance inspection of Yampa Precision Manufacturing, Inc. located at 2420 N. 5<sup>th</sup> Street, Prescott, AZ 86314.

The full scope Southwest Border – DE (Manufacturer) compliance inspection was conducted to ensure the licensee is in compliance with the provisions of the GCA and all ATF regulations. The period of inspection covered the dates of November 17, 2014 through November 17, 2015.

The inspection was conducted with responsible person Jared Ray Vanatta, identified by his Arizona driver's license (b)(6), DOB (b)(6) with an expiration date of 8/20/2050.

### Business Profile:

Yampa Precision Manufacturing, Inc. has been licensed as a Type 07 licensee, Manufacturer of Firearms Other Than Destructive Devices, since July 30, 2009 and operates from commercially-zoned premises in urban Prescott Valley. The licensee manufactures receivers under contract for (b)(4)

(b)(4). Since November 1, 2014, Yampa has manufactured (b)(4) firearms, broken down as follows :

(b)(4)

During this same period, the licensee has disposed of (b)(4) firearms as follows:

(b)(4)

In addition to the firearms business, the licensee manufactures a variety of parts for use in the aerospace industry and medical field.



## FIREARMS INSPECTION REPORT

**Name:** Yampa Precision Manufacturing, Inc.  
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The licensee does not conduct transfers to non-licensees and does not participate in gun shows, sell black powder or ammunition. The licensee does not sell firearms on consignment or through the internet. The licensee does not have a website. No offsite storage was disclosed during this inspection.

The licensee is in possession of the following local licenses:

- Arizona Transaction Privilege Tax License: (b)(3) - 26 USC 6103, Exp 12/31/15
- EIN: (b)(3) - 26 USC 6103
- Directorate of Defense Trade Control, Transaction #: 2032-2015-1027-29989 (Receipt for Submission, 10/27/15)
- Town of Prescott Valley Business License: 15-00007049, Exp 11/15/16

Query of FLS did not disclose any additional licenses or derogatory information.

### Ownership and Control:

Query of the Arizona Corporation Commission (ACC) disclosed that on June 2, 2015, the business entity changed from a corporation to a limited liability company (**Exhibit 1**). As stated during conversation on January 7 with Mr. Barber when SIOI (b)(6) first became aware of the change, he had not been aware that the entity had actually changed stating that he was aware his accountants were considering the change, but did not know the change had been submitted to the ACC. SIOI (b)(6) informed Mr. Barber that he was required to file for a new license because of the change in entity. At his request, SIOI (b)(6) spoke with (b)(6) his assistant, and provided information on completing a new application and cover letter and offered assistance in expediting the change, applying for new variances and closing out the old license. On Monday, January 11, SIOI (b)(6) contacted (b)(6) to check the status of the application and offer assistance. At this time, (b)(6) stated she thought Mr. Barber was just going to reactivate the corporation on a permanent basis. On January 12, query of the Arizona Corporation Commission disclosed that the corporation had been reactivated (**Exhibit 2**). SIOI (b)(6) contacted Mr. Barber on January 12 to determine if the corporation was going to remain intact. Mr. Barber stated that it would, that his accountants had suggested he change since he would not have to file a report every year with the commission. He further stated in light of the additional changes he would have to make, such as applying for new variances, he decided to remain a corporation (**Exhibit 3**).

The ACC lists the following Directors:

Michael Everett Barber



## FIREARMS INSPECTION REPORT

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No additional corporate officers were disclosed. Per conversation with Mr. (b)(6), CPA for Mr. Barber, Michael Barber Living Trust consists solely of Mr. Barber, executor. The Federal Firearms Licensing Center database (FLS) correctly lists the following responsible persons:

Michael Everett Barber, President/CEO  
Jared Ray Vanatta, Responsible Person

No indicators of hidden ownership were disclosed during this inspection. No additional responsible persons were identified as needing to be added to the database.

**Variance:**

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

### 2 - **Recommendation**

Violations, ROV only and Recall.

### 3 - **Inspection History**

<b>Date of Inspection:</b>	Start and End Date: December 4, 2012
<b>Type of Inspection:</b>	Full Scope SW Border Compliance inspection
<b>UI#:</b>	785050 2012 0083 B1B
<b>Inspection Results:</b>	No violations cited, no referrals made and no further action recommended.
<b>Cited Violations:</b>	N/A

*\*Acknowledgement of Regulations was reviewed and signed by the licensee on 12/6/2012.*

<b>Date of Inspection:</b>	Start and End: March 29, 2011
<b>Type of Inspection:</b>	Full scope manufacturer
<b>UI#:</b>	785050 2011 0094 B1B
<b>Inspection Results:</b>	No violations, no further action, no referrals
<b>Cited Violations:</b>	N/A

# FIREARMS INSPECTION REPORT

**Name:** Yampa Precision Manufacturing, Inc.  
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*\*Acknowledgement of Regulations was reviewed and signed by the licensee on 03/30/11.*

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

One hundred percent inventory was conducted disclosing 1,020 firearms in inventory, which includes 26 (silencers) NFA firearms. The A&D records disclosed (b)(3) - 112 Pub open entries. Comparison of the firearms to the A&D record disclosed (b)(3) open entries with no corresponding firearm (**Exhibit 4**). Comparison of the open entries in the A&D record disclosed (b)(3) open entries with no firearm found in the inventory.

Reconciliation of the open entries in the A&D records to the firearms in inventory disclosed the following results:

(b)(3) - 112 Public Law 55 125) firearms were found to have been dispositioned but were not logged out of the A&D record (**Exhibit 5\***): (b)(3) - 112 Public Law 55 125 Stat 552, (b)(4) for further transfer to a non-licensee (see Worksheet 1, Exhibits 4 and 5). Four of the firearms were unable to be reconciled and were reported as missing (**Exhibit 6**).

At the conclusion of the inspection, the licensee was cited for violation of **27 CFR 478.123b** Failure to record the disposition to a licensee in (b)(3) - 112 Public instances and (b)(3) - 112 firearms reported as missing (See ATF Form 5030.5 – Report of Violations, Worksheet 1 and Exhibits 4, 5 and 6).

The licensee was instructed to correct the A&D record to accurately reflect the inventory and on December 3, 2015, SIOI (b)(6) verified all required information had been recorded.

The licensee maintains electronic A&D records, using the software EZ Arms Keeper. The licensee was found to additionally be utilizing a manual A&D record in use from the time prior to switching to an electronic record. SIOI (b)(6) viewed the open entries to ensure there were no firearms unaccounted for. SIOI (b)(6) then requested Mr. Vanatta close out the open entries into the current manual A&D record. On December 3, SIOI (b)(6) confirmed the firearms in the manual record were recorded into the electronic record.

\* pls note on entries (b)(3) - 112 Public Law 55 125 Stat 552, the licensee recorded the disposition and initialed and dated the correction 11/18/15 prior to SIOI (b)(6) photographing the open entry.

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EZ Arms Keeper software is only accessible from one laptop. The electronic A&D records are kept separately by manufacturer, model and year. A backup server is located on the premises. In the presence of SIOI (b)(6) Mr. Vanatta queried the electronic record by manufacturer, serial number, acquisition date, purchaser's name and address to ensure the record met the requirements of ATF Ruling 2013-5. The A&D records were found to be in the proper format, contain required information and meet the requirements of ATF Ruling 2013-5. Records are downloaded onto a thumb drive semiannually.

Twenty-five firearms were traced through the A&D record from manufacturer to disposition or inventory. There were no discrepancies.

Mr. Vanatta is the floor supervisor for the manufacturing plant. In-process inspections are conducted throughout the manufacturing process. The receivers are serialized prior to the trigger well being cut. A deburr log is maintained to assist in tracking receivers during the manufacturing process. If a receiver is determined to be unusable, Mr. Vanatta is responsible to ensure it is scraped. Mr. Vanatta maintains a database of pictures of destroyed receivers which includes the serial number.

There is one employee dedicated to data entry of firearms information. Inventory is sorted by product into plastic tubs. The licensee states the last inventory was probably conducted about two years ago.

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

The licensee does not transfer firearms to non-licensees. There were zero ATF Forms 4473 on file and zero forms were reviewed. If an employee wants to purchase a firearm, the firearm is transferred to Bucky O'Neils (9-86-03755) and the employee goes to Bucky's and completes the ATF Form 4473. The licensee is aware of proper transfer procedures when transferring firearms to other licensees. The licensee does not make transfers of duty weapons to law enforcement officers.

There were no NICS Transaction Numbers (NTNs) on the audit log and none were compared to the licensee's ATF Forms 4473.

There are presently no standard operating procedures in place with regard to ATF Forms 4473.

## **6 - Multiple Sales**

Review of the Violent Crime Analysis Branch Report disclosed no multiple sales. No multiple sales were disclosed as a result of this inspection.

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## 7 - Suspicious/Prohibited Purchasers

No suspicious persons were disclosed as a result of this inspection.

## 8 - Trace Activity

The Violent Crime Analysis Branch (VCAB) did not disclose any traces, successful or unsuccessful, during the inspection period.

The licensee is a manufacturer only and does not deal in firearms, new or secondary.

## 9 - NFA/Importer/Collector/Manufacturer

The licensee as a Type 07 and in the past year, has manufactured (b)(4) firearms (receivers and silencers) under contract for (b)(4). The licensee has marking variances and random review of the markings during the inspection disclosed that firearms are being marked properly with all required information and in a timely manner. The licensee is properly submitting the Annual Firearms Manufacturing and Exportation Report (AFMER).

The licensee conducts NFA activities. The licensee is in possession of current Special Occupational Tax Stamp Control Number (b)(3) - 26 USC 6103, Expiration 6/30/2016. No NFA discrepancies were disclosed during this inspection.

## 10 - Referrals

No referrals were generated as a result of this inspection.

## 11 - Other

The licensee has his FFL posted. The licensee does not transfer handguns.

The following queries were conducted:

- NForce – no hits.
- Open Fox – no prohibiting hits
- Accurint – No suspicious information disclosed.
- Apps.supremecourt.az.gov/publicaccess/caselookup.aspx – no prohibiting information disclosed.

## 12 - Closing Actions



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A two hour closing conference was held with Michael Barber and Jared Vanatta on December 3, 2015. SIOI (b)(3) - 26 USC 1 reviewed the Report of Violations with Messrs. Vanatta and Barber, recommending the licensee conduct periodic inventories. SIOI (b)(3) - 26 USC 1 reviewed the Acknowledgement of Federal Firearms Regulations with Messrs. Vanatta and Barber allowing for questions and discussions. Mr. Barber signed the Acknowledgement (**Exhibit 7**) and was provided a copy. The following documents were provided to the licensee and/or reviewed:

ATF Publication 5300.4 Federal Firearms Regulations Reference Guide, 2014  
(Information provided regarding online availability)  
ATF Form 4473 Firearms Transaction Record Part 1 – Over the Counter  
ATF F 3310.4 Report of Multiple Sale or Other Disposition of Pistols & Revolvers  
ATF F 3310.12 Report of Multiple Rifle Sales  
ATF F 3310.11 FFL Firearms Inventory Theft/Loss Report  
FBI NICS Informational Brochures  
ATF I 5300.23A Important Notice to Dealers and Other Participants at This Gun Show  
ATF I 5300.1 Youth Handgun Safety Act Poster  
ATF I 5300.2 Youth Handgun Safety Act Notice  
ATF F 5300.38 Application for an Amended Federal Firearms License  
ATF P 5300.11 Curios & Relics  
ATF P 5310.1 Gun Free School Zone Notice  
Department of the Treasury Internal Revenue Service Publication 1544 Reporting Cash Payments of Over \$10,000.00

## **13 - Violations**

### **1. 27 CFR 478.123b**

#### **Nature of Violation:**

Failure to record the disposition of (b)(3) firearms to another licensee in the acquisition and disposition record and unable to resolve the disposition of an additional (b)(3) - 12 firearms which were reported as missing.

#### **Licensee's Response:**

The licensee stated he could not be sure what happened. The machine possibly could have skipped the particular serial number or it could be an issue with the cycle start button. Will start conducting periodic inventories and thinking about marking serial numbers on the totes that haul the guns to the various manufacturing areas.

#### **Corrective Action:**

The licensee corrected the A&D book entries and filed an ATF Form 3310.11 Inventory Theft/Loss Report.

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**Reference** Worksheet 1, Exhibits 4, 5 and 6.

X

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Industry Operations Investigator

## **Index of Worksheets and Exhibits**

Worksheet 1 Inventory and A&D Review Worksheet

Exhibit 1. Arizona Corporation Commission (LLC)

Exhibit 2. Arizona Corporation Commission (reactivation)

Exhibit 3. Letter from Mr. Barber reference corporation

Exhibit 4. A&D Record Open Entries w/no firearm

Exhibit 5. Disposition Documentation for Open Entries

Exhibit 6. ATF Form 3310.11 Theft/Loss Report

Exhibit 7. Acknowledgement of Federal firearms Regulations

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