

## Assignment and Report

<b>1. OPERATING NAME AND ADDRESS</b> (INCLUDE ZIP CODE AND COUNTY) Cash America Pawn L.P. Cash America Pawn of Brownsville #2 1634 Central Blvd. Brownsville, TX 78520, Cameron	<b>2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.)</b> 782110-2016-0200-B1B <b>3. PERMIT/LICENSE NUMBER</b> <b>4a. TARGET DATE</b> <b>4b. TARGET HOURS</b> 574061026A35383
<b>5. REQUESTED BY (SIGNATURE, TITLE AND DATE)</b>	

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

**7. ASSIGNED BY (SIGNATURE, TITLE AND DATE)**  
 (b)(6), Area Supervisor, 02/05/2016

**8. PURPOSE/SPECIAL INSTRUCTIONS**

9. INSPECTION RESULTS			<input type="checkbox"/> CHECK IF NO VIOLATIONS, ADJUSTMENTS, ETC	10. TRAVEL EXPENSES (OPTIONAL)	
NO. OF VIOLATIONS	2	NO. OF REFERRALS		2111 - PER DIEM	
NO. OF TECS CHECKS	53	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: 03/03/2016  
  
 Viols WL ONLY and No Recall Inspection

12. TIME ACCOUNTING DATA			
ATF OFFICER'S NAME (MONTH, YEAR, HOURS)	(b)(6)		
FEB 2016	32.00		
MAR 2016	16.00		
ATF OFFICER'S SUBTOTAL	48.00	ATF OFFICER'S SIGNATURE	
ATF OFFICER'S NAME (MONTH, YEAR, HOURS)	(b)(6)		
FEB 2016	16.00		
ATF OFFICER'S SUBTOTAL	16.00	ATF OFFICER'S SIGNATURE	
TOTAL HOURS	64.00		

**13. REVIEW AND ROUTING**

**REVIEW COMMENTS AND RECOMMENDATION**  
 Concur with finding  
  
 Viols WL ONLY and No Recall Inspection

REVIEWED   
  CONCUR   
  SEE COMMENTS   
  FINAL DISPOSITION

<b>SIGNATURE AND TITLE</b> (b)(6) - Area Supervisor	<b>REVIEW DATE</b> 03/08/2016
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ROUTING SEQUENCE AND DATE

- 1. \_\_\_\_\_
- 2. \_\_\_\_\_
- 3. \_\_\_\_\_
- 4. \_\_\_\_\_

CONTROL FILE POSTED DATE \_\_\_\_\_



**U.S. Department of Justice**

Bureau of Alcohol, Tobacco,  
Firearms and Explosives

*McAllen II Field Office*

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**MAR 08 2016**

*McAllen, TX 78504*

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

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

782110: EDS  
1000

Cash America Pawn L.P.  
d/b/a Cash America Pawn of Brownville # 2  
1634 Central Blvd.  
Brownsville, TX 78520

REF: 5-74-061-02-9A-35383

Dear Ms. Mireles:

During a recent compliance inspection at your firearms business covering the period of January 15, 2015 to February 10, 2016 you were cited for violations of 27 Code of Federal Regulations, Part 48. 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) IO Investigator(s). 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.

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.

Cash America Pawn L.P.

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

Sincerely yours,

(b)(6)

Area Supervisor, McAllen II

Enclosure

c: National Firearms Licensing Center  
McAllen II Area Office

## 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	Street Address	City	State	ZIP Code	County	Page <u>1</u> of
Cash Am. Pawn of Brownsville #2	1634 Central Blvd.	Brownsville	Texas	78520	Cameron	<u>2</u> Pages
License/Permit/Registry Number (if any)		Expiration Date	Date(s) or Period of Inspection			
5-74-061-02-9A-35383		January 1, 2019	February 10, 2016 - February 11, 2016			

### Inspection Results

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

Number	USC or CFR Citation	Nature of Violation	Corrective Action to be Taken <i>(If not corrected immediately)</i>	Date Corrections to be Made <i>(If not corrected immediately)</i>
1.	27 CFR 478.124(c)(3)(iv)	Failure to comply with the requirements of Section 478.102 and record on the ATF Form 4473 the transaction number provided by NICS or the response provided by the system, on two <sup>(b)(3)</sup> forms:  (b)(3), Public Law 112-55, 125 Stat 552, (b)(6)	Violation uncorrectable. Preventative action discussed. In the future, the licensee will ensure to record the required information for all transactions in which NICS was contacted.	Violation uncorrectable
2.	27 CFR 478.125(e)	Failure to properly enter into a record the acquisition of individual firearms, in <sup>(b)(3)</sup> instances:  (b)(3), Public Law 112-55, 125 Stat 552, (b)(6)	The licensee corrected all entries with discrepancies in the A&D record. In the future, the licensee will ensure to record the required acquisition and disposition information for each firearm as prescribed by the regulations.	Immediately

I, <b>(b)(6)</b> and a Copy of This Report of Violations <i>(Proprietor's signature and title)</i> <i>SHOP MANAGER</i>	Date <u>2/11/16</u>
Signature and Title of ATF Officer <b>(b)(6)</b> <i>Industry Operations Investigator</i>	Date <u>2/11/2016</u>

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		(b)(3), Public Law 112-55, 125 Stat 552,(b)(6)		

# FIREARMS INSPECTION REPORT

**Name:** Cash America Pawn L.P.  
**Trade Name:** Cash America Pawn of Brownsville #2

**UI#:** 782110-2016-0200-B1B  
**FFL#:** 5-74-061-02-9A-35383

**Address:** 1634 Central Blvd.  
Brownsville, TX 78520 – Cameron County  
N 25.927258 W 97.510562

## 1 - Introduction

### Inspection Profile:

On February 10, 2016, Industry Operations Investigators Thomas McCarthy and Vernon Irvin-Smith conducted a firearms compliance inspection (Southwest Border DE Recall) at the business premises of Cash America Pawn L.P. d/b/a Cash America Pawn of Brownsville #2, a Type 02 Federal Firearms Licensee (FFL). No other federal, state, or local agencies were present during the inspection. Store Manager (b)(6) was interviewed and identified with her Texas driver's license, DL#(b)(6) showing DOB (b)(6). District Manager Earl Pixley was also present during the inspection. Mr. Pixley was identified with his Texas driver's license, DL#(b)(6) showing DOB (b)(6) (Exhibit 1). The period of inspection was from January 15, 2015 to February 10, 2016. The on-site inspection commenced on February 10, 2016 and was completed on February 11, 2016 after corrections to the acquisition and disposition record were reviewed. Advanced notification of the inspection was not provided.

### Business Profile:

Cash America Pawn of Brownsville #2 operates as a licensed pawnshop that provides secured cash loans and buys and sells an assortment of used consumer goods, including jewelry, electronics, appliances, musical instruments, sporting goods, tools, and firearms. The business is licensed with the state of Texas under pawn license number 984-7311 (Exhibit 2). Cash America Pawn of Brownsville #2 possesses a Type 02 Federal Firearms License as a dealer and pawnbroker of firearms other than destructive devices. The license was originally issued on January 28, 1992 and is the only ATF license possessed by the licensee at this location. The licensee conducts retail sales of new and used firearms, provides cash loans for firearms brought in as collateral, and returns firearms redeemed from pawn. The licensee buys and sells handguns, hunting rifles, and shotguns. Tactical firearms, such as AR-15 and AK-47 rifles, are not accepted on pawn or sold at this Cash America Pawn location. During the period of inspection, the licensee acquired (b)(4) firearms and disposed of (b)(4) firearms. New firearms are acquired from (b)(4) and used firearms are acquired from the general public. The licensee does not sell NFA firearms, provide gunsmith services, or conduct business online or at gun shows. There is no off-site storage of firearms.

## FIREARMS INSPECTION REPORT

**Name:** Cash America Pawn L.P. **UI#:** 782110-2016-0200-B1B  
**Trade Name:** Cash America Pawn of Brownsville #2 **FFL#:** 5-74-061-02-9A-35383

The business is conducted from a commercial storefront in Brownsville, Texas (urban). The premises are owned by Black Canyon Holding Co., L.P. and leased to Cash America Pawn L.P. (**Exhibit 3**). Property ownership was verified with the Cameron County Appraisal District. The lease agreement is valid until February 28, 2018 with a renewal option until February 28, 2021. There are no other businesses located on the premises. The licensee is compliant with all state and local laws, including zoning. Cash America Pawn of Brownsville #2 possesses an active Texas Sales and Use Tax Permit with taxpayer number (b)(3) - 26 USC 6103 (**Exhibit 4**).

### Ownership and Control:

Cash America Pawn L.P. is registered with the Texas Secretary of State as a foreign limited partnership (**Exhibit 5**). The original date of filing for the entity in Texas was December 16, 1991. Cash America Holding, Inc., a Delaware corporation, is the general partner and possesses 1% ownership of Cash America Pawn L.P. Cash America, Inc., a Delaware corporation, is a limited partner with 92% ownership and Express Cash International Corp., a Delaware corporation, is also a limited partner with 7% ownership. All three partners are wholly owned by Cash America International, Inc., a Texas corporation publically traded on the New York Stock Exchange under the symbol CSH. Cash America Pawn L.P. possesses an assumed name certificate to conduct business in the state of Texas under the name Cash America Pawn of Brownsville #2 (**Exhibit 6**). The certificate is valid until December 12, 2024.

The current executive officers and directors of the aforementioned entities are as follows:

Daniel R. Feehan – Executive Chairman of The Board of Directors  
T. Brent Stuart – President and Chief Executive Officer  
Thomas A. Bessant Jr. – Executive Vice President and Chief Financial Officer  
J. Curtis Linscott – Executive Vice President, General Counsel, and Corporate Secretary

A complete list of the executive officers and directors was obtained from the Cash America website (**Exhibit 7**).

(b)(6) is the store manager at this location and Earl Pixley serves as the district manager. Mr. Pixley is not listed in the Federal Licensing System as a responsible person under this Cash America license and shall be added. NCIC and N-Force queries were completed on both individuals and the results were negative. There have been no unreported changes in the business partnership and hidden ownership is not suspected.



# FIREARMS INSPECTION REPORT

**Name:** Cash America Pawn L.P. **UI#:** 782110-2016-0200-B1B  
**Trade Name:** Cash America Pawn of Brownsville #2 **FFL#:** 5-74-061-02-9A-35383

## Variance:

The licensee does not possess any approved variances and none were requested during the inspection.

## 2 - Recommendation

Violations, WL only, and no recall inspection.

## 3 - Inspection History

There have been three (3) other compliance inspections completed in the last 5 years.

**Date of Inspection:** December 9, 2014 – January 14, 2015  
**Type of Inspection:** Southwest Border DE  
**UI#:** 782110-2015-0150-B1B  
**Inspection Results:** Violations, WC with WL, and recall (WC held on 3/10/2015)  
**Cited Violations:** 27 CFR 478.125(e) (b)(3)-(12) instances

**Date of Inspection:** June 14, 2013  
**Type of Inspection:** Southwest Border DE  
**UI#:** 782110-2013-0117-B1B  
**Inspection Results:** No violations, no further action, no referrals  
**Cited Violations:** None

**Date of Inspection:** May 17, 2011  
**Type of Inspection:** Southwest Border DE Non-VCIT  
**UI#:** 782110-2011-0306-B1B  
**Inspection Results:** No violations, no further action, no referrals  
**Cited Violations:** None

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

Discrepancies were found during a review of the licensee's acquisition and disposition (A&D) record and completion of a full inventory. The licensee utilizes a computerized A&D record system called CashLinx (Version 24.0.6) which is designed by Cash America. The software is in the proper format and is compliant with ATF Ruling 2013-5 for computerized recordkeeping. At the time of the inspection, there were 62 firearms in inventory verified with (b)(3) corresponding open entries in the A&D record. A review of the A&D record disclosed that the licensee recorded the incorrect information or omitted the required information for the acquisition of several firearms. The following violation was cited (**Worksheet 1 and Exhibit 8**):

**Violation 2: 27 CFR 478.125(e) – 10 Instances**

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Each ATF Form 4473 on file for the period of inspection was compared to the A&D record to verify that the entries were made timely. No discrepancies were found. The licensee reported (b)(3) - 112 Public Law 5 stolen firearms (b)(3) - 112 Public Law 55 125 Stat 552 as a result of a theft that occurred on October 8, 2015 (ATF Theft# (b)(3) - 112 Public Law 55 125 Stat 552). The firearms were correctly recorded as dispositions in the A&D record and there were no other thefts or losses discovered during the inspection. There were no firearms with an obliterated serial number or other illegal firearms found in the licensee's inventory.

The licensee's procedures for recording firearm acquisitions and dispositions and maintaining inventory were discussed. All employees are authorized to conduct firearm transactions and must complete yearly training. Acquisition and disposition information is recorded in the computer system at the time the transaction occurs and the licensee generates invoices and pawn tickets for all transactions. A review of the A&D record disclosed several discrepancies and in order to reduce or eliminate recordkeeping errors, the licensee was advised to train employees on firearm identification and familiarization. The licensee conducts an inventory of firearms every three months.

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

There were (b)(3) - ATF Forms 4473 on file for the period of inspection. The licensee maintains the forms in alphabetical order by year and places a gun number in the transaction serial number box. Denied and lost sale forms are also retained in alphabetical order. There were no denied forms on file for the period of inspection or within the last five years. Each form was reviewed and (b)(3) - 112 Public L forms contained NICS discrepancies. The following violation was cited (**Worksheet 2 and Exhibit 9**):

### **Violation 1: 27 CFR 478.124(c)(3)(iv) – 2 Instances**

NICS transaction numbers (14) were compared to the FFL Audit Report and no discrepancies were found.

The licensee disposed (b)(4) firearms during the period of inspection. (b)(4) firearms were transferred to non-licensees after a purchase or pawn redemption, (b)(4) firearms were reported stolen, and (b)(4) firearms were transferred to another Cash America location (FFL). The disposition entries for transfers to non-licensees were selected from the A&D record to verify an ATF Form 4473 was completed for each transaction. No discrepancies were found. There were no sales to law enforcement personnel during the period of inspection.

The licensee's procedures for completing ATF Forms 4473 were reviewed and found to be adequate. Employees must complete regular online training and there is an ATF Form 4473 training guide available in each store. Employees are responsible for

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verifying the identity of customers by requesting a valid identification document and NICS background checks are completed online using the NICS E-Check system. The licensee utilizes a template for reviewing ATF Forms 4473 and each form is required to be reviewed and signed on the front page by a manager. Cash America Pawn conducts unscheduled internal audits (2-3 times per year) in which the ATF Forms 4473, A&D record, and inventory are reviewed by company auditors and district managers. All employees are trained on the multiple sale reporting requirements.

## **6 - Multiple Sales**

An eTrace query resulted in no reported multiple sales during the period of inspection and no unreported multiple sales were discovered during the on-site inspection.

## **7 - Suspicious/Prohibited Purchasers**

There were no suspicious or prohibited purchasers discovered during the inspection.

## **8 - Trace Activity**

An eTrace query disclosed that the licensee was associated with (b)(3) - (1)2 Public trace request in the last 12 months. There were no referrals submitted as a result of the trace.

A NCIC query was conducted on 51 firearms in the licensee's inventory. The results were negative for stolen or missing firearms.

## **9 - NFA/Importer/Collector/Manufacturer**

The licensee does not deal in NFA firearms and is not an importer, collector, or manufacturer of firearms or ammunition.

## **10 - Referrals**

There were no referrals generated as a result of the inspection.

## **11 - Other**

The licensee is compliant with the Youth Handgun Safety Act. A poster is maintained on the sales floor and notices are provided to customers. The licensee requests that customers initial the ATF Form 4473 indicating that they have received the notice and provides a trigger lock for all handgun transfers.

The property is equipped with an alarm system monitored by Stanley Security Systems, video surveillance, and panic buttons located behind the sales counter. The windows

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and entry doors are equipped with roll down storm/security shutters. Handguns on the sales floor are kept in a locked display case with an alarm and long guns are displayed on a locked vertical gun rack. All other firearms in inventory, including firearms on pawn and layaway, are stored in a safe room located in the back of the store. The firearms on the sales floor are stored in the safe room during non-business hours and only managers have key access to the room.

### 12 - Closing Actions

On February 11, 2016, Investigators (b)(6) and (b)(6) held a closing conference with the licensee to discuss the inspection results and review the Report of Violations. District Manager Earl Pixley and Store Manager (b)(6) were present during the conference. The Report of Violations was signed and dated by (b)(6). (b)(6) The Acknowledgement of Federal Firearms Regulations was also reviewed and the licensee was given the opportunity to ask questions and address any concerns. Emphasis was placed on properly recording information in the A&D record and the completion of ATF Forms 4473. Both Mr. Pixley and (b)(6) signed and dated the Acknowledgement and were provided a copy for business records (**Exhibit 10**). The licensee was informed that the 2014 version of the Federal Firearms Regulations Reference Guide is available online and was provided with some ATF contact information.

### 13 - Violations

1. **27 CFR 478.124(c)(3)(iv)**

**Nature of Violation:** Failure to comply with the requirements of Section 478.102 and record on the ATF Form 4473 the transaction number provided by NICS or the response provided by the system, on (b)(6)-112125 Stat forms:

**(b)(3) - 112 Public Law 55 125 Stat 552, (b)(6)**

**Licensee's Response:** Ms. Mireles (store manager) stated that the errors occurred during "delayed" transactions and were not noticed during the final review of the forms.

**Corrective Action:** Violation uncorrectable. Preventative action discussed. In the future, the licensee will ensure to record the required information for all transactions in which NICS was contacted.

**Reference Worksheet 2 and Exhibit 9**

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2. **27 CFR 478.125(e)**

**REPEAT OF VIOLATION CITED ON DECEMBER 15, 2014**

**Nature of Violation:** Failure to properly enter into a record the acquisition of individual firearms, in <sup>(b)(3)</sup> instances:

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



**Licensee's Response:** Ms. Mireles stated the markings on certain firearms are difficult to read or understand and they (pawnshop employees) do their best to record the correct information. Regarding the instances in which the licensee recorded the incorrect name

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of the person from whom firearms were received, Mr. Pixley (district manager) stated that the name, address, and license number of other licensees are already recorded in the computer system and are selected from a drop down box (Cash America of Brownsville #3 was incorrectly recorded as Brn03).

**Corrective Action:** The licensee immediately corrected all entries with discrepancies in the A&D record. In the future, the licensee will ensure to record the required acquisition and disposition information for each firearm as prescribed by the regulations.

## Reference Worksheet 1 and Exhibit 8

X

(b)(6)

Industry Operations Investigator

## Index of Worksheets and Exhibits

### Worksheets:

Informational Page  
Worksheet 1 – Inventory and A&D Review  
Worksheet 2 – ATF Form 4473 Review  
Other Statistics

**Exhibit 1:** Texas Driver's License Images – (b)(6) and Earl Lynn Pixley

**Exhibit 2:** Pawn License

**Exhibit 3:** Lease Agreement

**Exhibit 4:** Comptroller's Taxpayer Search Detail

**Exhibit 5:** State Filings – Certificate of Limited Partnership and Franchise Tax Account

**Exhibit 6:** Assumed Name Certificate

**Exhibit 7:** Executive Officers and Directors

**Exhibit 8:** A&D Record Discrepancies

**Exhibit 9:** ATF Form 4473 Discrepancies

**Exhibit 10:** Acknowledgement of Federal Firearms Regulations