

Assignment and Report

1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY) Gray, Curtis Wayne Yellow Jacket Arms 9919 Lower Troy Road Troy, TX 76579, BELL- 027	2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) 782065-2016-0104-B1B			
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">3. PERMIT/LICENSE NUMBER 574027078E05377</td> <td style="width: 33%;">4a. TARGET DATE 9/23/2016</td> <td style="width: 33%;">4b. TARGET HOURS</td> </tr> </table>	3. PERMIT/LICENSE NUMBER 574027078E05377	4a. TARGET DATE 9/23/2016	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, 10/05/2015

8. PURPOSE/SPECIAL INSTRUCTIONS
 Please conduct a compliance inspection of a Type 07 Manufacturer of Firearms.

9. INSPECTION RESULTS		<input type="checkbox"/> CHECK IF NO VIOLATIONS, ADJUSTMENTS, ETC	10. TRAVEL EXPENSES (OPTIONAL)	
NO. OF VIOLATIONS	7	NO. OF REFERRALS		2111 - PER DIEM
NO. OF TECS CHECKS	8	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: 09/28/2016
 On September 20, 2016, Industry Operations Investigator (IOI) **(b)(6)** conducted a Type-07; Manufacturer of Firearms DE compliance inspection with owner and Sole Proprietor, Curtis Wayne Gray d.b.a. Yellow Jacket Arms. IOI **(b)(6)** extended the period of inspection from when the license was received since the licensee had yet to be inspected. The period of inspection covered April 10, 2012 to September 20, 2016. The inspection took place at the business premises located at 9919 Lower Troy Road, Troy, Texas 76579. No others were present during the inspection. All records were reviewed on September 20, 2016.

Violations Cited:

1. Violation 27 CFR 478.123(d)
2. Violation 27 CFR 478.21(a)
3. Violation 27 CFR 478.124(c)(1)
4. Violation 27 CFR 478.124(c)(3)(i)
5. Violation 27 CFR 478.124(c)(4)
6. Violation 27 CFR 478.124(c)(5)
7. Violation 27 CFR 478.129(b)

Viols WL ONLY and No Recall Inspection

12. TIME ACCOUNTING DATA

ATF OFFICER'S NAME (MONTH, YEAR, HOURS)		(b)(6)
FEB 2016	6.00	
MAY 2016	2.00	
SEP 2016	24.50	
ATF OFFICER'S SUBTOTAL	32.50	ATF OFFICER'S SIGNATURE
TOTAL HOURS	32.50	

Assignment and Report

1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY) Gray, Curtis Wayne Yellow Jacket Arms 9919 Lower Troy Road Troy, TX 76579, BELL- 027	2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) 782065-2016-0104-B1B		
	3. PERMIT/LICENSE NUMBER 574027078E05377	4a. TARGET DATE 9/23/2016	4b. TARGET HOURS
	5. REQUESTED BY (SIGNATURE, TITLE AND DATE)		

13. REVIEW AND ROUTING

REVIEW COMMENTS AND RECOMMENDATION

Seven violations cited. A Warning Letter is recommended to emphasize the importance of regulatory compliance.

Viols WL ONLY and No Recall Inspection

REVIEWED CONCUR SEE COMMENTS FINAL DISPOSITION

SIGNATURE AND TITLE (b)(6) - Industry Operations Investigator	REVIEW DATE 09/28/2016
--	---------------------------

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 Gray, Curtis Wayne Yellow Jacket Arms	Street Address 9919 Lower Troy Road	City Troy	State TX	Zip Code 76579-	County BELL- 027	Page 1 of 7 Pages
License/Permit/Registry Number <i>(If any)</i> 574027078E05377	Expiration Date 5/1/2018	Date(s) or Period of Inspection 09/20/2016 through 09/20/2016				

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 to correctly maintain a record of disposition date for firearm: Manufacturer (b)(3) Public Law 112-55, 125 STAT 552 The

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

Citation: 27 CFR 478.123(d)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

Licensee is to correctly record the disposition information in the A&D books. Licensee will review the A&D records for correctness and completeness. Licensee stated he will attempt to contact the purchaser to get a copy of the form updated with the correct information.

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 Gray, Curtis Wayne Yellow Jacket Arms	Street Address 9919 Lower Troy Road	City Troy	State TX	Zip Code 76579-	County BELL- 027	Page 2 of 7 Pages
License/Permit/Registry Number <i>(If any)</i> 574027078E05377		Expiration Date 5/1/2018	Date(s) or Period of Inspection 09/20/2016 through 09/20/2016			

Inspection Results

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

Number: 2

Nature of Violation:

Failure to ensure all of the information called for in each form as indicated by the headings on the form and the instructions on or pertaining to the form were properly completed.

There were a total of [REDACTED] ATF Forms 4473 with [REDACTED] instances of errors pertaining to item 24 (recertification signature), item 25 (recertification date) and item 30(a) (number firearms transferred) on the form.

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

Citation: 27 CFR 478.21(a)

Date Corrections to be Made: 09/23/2016

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

Licensee is to record all of the information called for in each form as indicated by the headings on the form and the instructions on or pertaining to the form. Licensee made copies and corrected all ATF Forms 4473 with the correct information pertaining to parts B and D.

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 Gray, Curtis Wayne Yellow Jacket Arms	Street Address 9919 Lower Troy Road	City Troy	State TX	Zip Code 76579-	County BELL- 027	Page 3 of 7 Pages
License/Permit/Registry Number <i>(If any)</i> 574027078E05377	Expiration Date 5/1/2018	Date(s) or Period of Inspection 09/20/2016 through 09/20/2016				

Inspection Results

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

Number: 3

Nature of Violation:

Failure to obtain the buyer's race on the ATF Form 4473 prior to the making a firearms transfer to a non-licensee.

There was a total of ^{(b) (3)} ATF Form 4473 with ^{(b) (3)} instance of errors pertaining to item 10b (race) on the form.

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

Citation: 27 CFR 478.124(c)(1)

Date Corrections to be Made: 09/23/2016

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

Licensee is to make sure all the required information called for in each form as indicated by the headings on the form and the instructions on or pertaining to the form are recorded.

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 Gray, Curtis Wayne Yellow Jacket Arms	Street Address 9919 Lower Troy Road	City Troy	State TX	Zip Code 76579-	County BELL- 027	Page 4 of 7 Pages
License/Permit/Registry Number <i>(If any)</i> 574027078E05377	Expiration Date 5/1/2018	Date(s) or Period of Inspection 09/20/2016 through 09/20/2016				

Inspection Results

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

Number: 4

Nature of Violation:

Failure to identify the transferee by examining the identification document (as defined in §478.11) presented, and note on the Form 4473 the type of identification used after the transferee has executed the Form 4473.

There were a total of [REDACTED] ATF Forms 4473 with [REDACTED] instances of errors pertaining to item 20a (Identification information) on the form.

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

Citation: 27 CFR 478.124(c)(3)(i)

Date Corrections to be Made: 09/23/2016

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

Licensee is to record all of the information called for in each form as indicated by the headings on the form and the instructions on or pertaining to the form. Licensee made copies and corrected the ATF Forms 4473 with the correct information.

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 Gray, Curtis Wayne Yellow Jacket Arms	Street Address 9919 Lower Troy Road	City Troy	State TX	Zip Code 76579-	County BELL- 027	Page 5 of 7 Pages
License/Permit/Registry Number <i>(If any)</i> 574027078E05377	Expiration Date 5/1/2018	Date(s) or Period of Inspection 09/20/2016 through 09/20/2016				

Inspection Results

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

Number: 5

Nature of Violation:

Failure to identify the firearm to be transferred by listing on the Form 4473 the name of the manufacturer, the name of the importer (if any), the type, model, caliber or gauge, and the serial number of the firearm.

There was a total of [REDACTED] ATF Form 4473 with [REDACTED] instance of errors pertaining to item 26 (manufacturer/importer), item 27 (model), item 28 (serial number), item 29 (type), and item 30 (caliber) on the form.

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

Citation: 27 CFR 478.124(c)(4)

Date Corrections to be Made: 09/23/2016

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

Licensee is to identify the firearms to be transferred by listing on the Form 4473 the name of the manufacturer, the name of the importer (if any), the type, model, caliber or gauge, and the serial number of the firearm. Licensee made a copy and corrected the ATF Form 4473 with the correct information.

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 Gray, Curtis Wayne Yellow Jacket Arms	Street Address 9919 Lower Troy Road	City Troy	State TX	Zip Code 76579-	County BELL- 027	Page 6 of 7 Pages
License/Permit/Registry Number <i>(If any)</i> 574027078E05377	Expiration Date 5/1/2018	Date(s) or Period of Inspection 09/20/2016 through 09/20/2016				

Inspection Results

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

Number: 6

Nature of Violation:

Failure to correctly date the form if the licensee does not know or have reasonable cause to believe that the transferee is disqualified by law from receiving the firearm and transfer the firearm described on the Form 4473.

There was a total of [REDACTED] ATF Form 4473 with [REDACTED] instance of errors pertaining to item 36 (date transferred) on the form.

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

Citation: 27 CFR 478.124(c)(5)

Date Corrections to be Made: 09/23/2016

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

Licensee is to correctly date the form if the licensee does not know or have reasonable cause to believe that the transferee is disqualified by law from receiving the firearm and transfer the firearm described on the Form 4473. Licensee made a copy and corrected the ATF Form 4473 with the correct information.

Number: 7

Nature of Violation:

Failure to retain an ATF Form 4473 for a period of not less than 5 years after the date of a NICS inquiry.

(b) (6) contacted NICS on 7/30/16 and received NTN **(b) (6)** with a proceed response and contacted NICS on 8/10/2016 and received NTN **(b) (6)** with a proceed response.

Citation: 27 CFR 478.129(b)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

Each ATF Form 4473 shall be retained for a period of not less than 20 years after the date of sale or disposition or for five years after a NICS inquiry. No corrective action to be taken on the missing ATF Forms 4473.

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 Gray, Curtis Wayne Yellow Jacket Arms	Street Address 9919 Lower Troy Road	City Troy	State TX	Zip Code 76579-	County BELL- 027	Page 7 of 7 Pages
License/Permit/Registry Number (If any) 574027078E05377	Expiration Date 5/1/2018	Date(s) or Period of Inspection 09/01/2016 through 09/01/2016				

Inspection Results

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

Have Received a Copy of This Report of Violations (Proprietor's signature and title) Curtis Gray Owner	Date 23 Sept 16
Signature and Title of ATF Officer (b)(6) [Redacted] JAI	Date 9-23-16

For Official Use Only



U.S. Department of Justice

Bureau of Alcohol, Tobacco,
Firearms and Explosives

8610 Broadway, Ste. 410
San Antonio, TX 78217

September 29, 2016

www.atf.gov

782065(b)(6)
5373

WARNING LETTER

CERTIFIED MAIL- RETURN RECEIPT REQUESTED

Mr. Curtis Wayne Gray
Yellow Jacket Arms
9919 Lower Troy Rd
Troy, TX 76579
RE: 5-74-027-07-8E-05377

Dear Mr. Gray:

During a recent inspection at your firearms business covering the period April 10, 2012, through September 20, 2016, you were cited for violations of Title 27, Code of Federal Regulations, Parts 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 or your designated responsible person by the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) Industry Operations Investigator(s). You or your responsible person 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.

-2-

Mr. Curtis Wayne Gray
Yellow Jacket Arms
RE: 5-74-027-07-8E-05377

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

Sincerely,

(b)(6)

Area Supervisor
San Antonio II Field Office

Enclosure

cc: Federal Firearms Licensing Center
San Antonio II Field Office
Houston FD

FIREARMS INSPECTION REPORT

Name: Gray, Curtis Wayne
Trade Name: Yellow Jacket Arms

UI#: 782065-2016-0104-B1B
FFL#: 5-74-027-07-8E-05377

Address: 9919 Lower Troy Road
Troy, Texas 76579 (Bell County)

1 - Introduction

Inspection Profile:

On September 20, 2016, Industry Operations Investigator (IOI) (b)(6) conducted a Type-07; Manufacturer of Firearms DE compliance inspection with owner and Sole Proprietor, Curtis Wayne Gray (Identified by TXDL (b)(6)) d.b.a. Yellow Jacket Arms. IOI (b)(6) extended the period of inspection from when the license was received since the licensee had yet to be inspected. The period of inspection covered April 10, 2012 to September 20, 2016. The inspection took place at the business premises located at 9919 Lower Troy Road, Troy, Texas 76579. No others were present during the inspection. All records were reviewed on September 20, 2016. Advanced notification was given due a Certified Unable to Contact letter being sent out on September 1, 2016. On September 15, 2015, IOI (b)(6) received a call from Curtis Gray.

Exhibit 1 – Certified Letter

Business Profile:

The firearms business will be conducted from a rural residence located at 9919 Lower Troy Road, Troy, Texas 76579. The license is listed as a sole proprietor under Curtis Wayne Gray with assumed name Yellow Jacket Arms.

Curtis Gray informed IOI (b)(6) that the main business is retail sales and transfers. Transfers are about 90 percent new and 10 percent used. (b)(6) does not make sales at gun shows or provide gunsmithing activities. No manufacturing has taken place. Curtis Gray stated that he planned on working with a third party machinist to make threaded barrels and then assemble AK rifles. Curtis Gray does not have any of his own manufacturing machinery at this time.

Curtis Gray acquired (b)(4) handgun (b)(4) percent), and (b)(4) long guns (b)(4) percent), and (b)(4) receivers (b)(4) percent) and disposed of (b)(4) handgun (b)(4) percent), and (b)(4) long guns (b)(4) percent), and four receivers (b)(4) percent) during the last 12 months. The primary suppliers for firearms are (b)(4). Curtis Gray does not have a personal or business website but uses Texas Gun Trader and Gun Broker.

There are no other businesses conducted from the premises. Curtis Gray is

FIREARMS INSPECTION REPORT

Name: Gray, Curtis Wayne
Trade Name: Yellow Jacket Arms

UI#: 782065-2016-0104-B1B
FFL#: 5-74-027-07-8E-05377

employed as a contractor for JB Goodwin properties in Round Rock, Texas. The license is appropriate for the business activity of firearm manufacturing and transfers. No other ATF licenses or permits are held. There is no insurance for the firearms business at this time. Curtis Gray does not currently have a Special Occupational Tax Stamp (SOT).

On September 19, 2016, IOI (b)(6) spoke with City Administrator, (b)(6), Troy, Texas (contact number is (b)(6)). (b)(6) stated that the property is not zoned by the city and is in the ETJ of Bell County. There are no zoning restrictions for Bell County. Curtis Gray is in compliance with state and local laws as well as zoning requirements. There is no off-site storage of firearms. Curtis Gray has held an ATF Federal Firearms License since April 10, 2012.

The hours of operation are as follows: Monday: 2pm-6pm, Tuesday – Friday: 8am-5pm, Saturday: 9am-4pm, Sunday: Closed

Exhibit 2 – Bell County CAD

Ownership and Control:

The business is operated as a sole proprietorship under the name of Curtis Wayne Gray with an assumed name of Yellow Jacket Arms. Hidden ownership is not suspected.

A search of the Texas Secretary of State website disclosed no results. There is currently an active Texas Sales and Use Tax Permit # 3 (b)(3) - 26 USC 6103 for Curtis Gray per the Comptroller's website. The assumed name Yellow Jacket Arms is registered with Bell County and will expire March 15, 2022. There is no EIN.

Responsible persons are correctly shown in FLS. No changes to the FLS database needed.

Exhibit 3 – Texas Sales and Use Tax Permit

Exhibit 4 – Tax Search Detail

Exhibit 5 – Assumed Name Certificate

Variance:

No variances were requested during this inspection and none are on file.

2 - Recommendation

Viols WL ONLY and No Recall Inspection.

FIREARMS INSPECTION REPORT

Name: Gray, Curtis Wayne
Trade Name: Yellow Jacket Arms

UI#: 782065-2016-0104-B1B
FFL#: 5-74-027-07-8E-05377

3 - Inspection History

Inspection history for the last five years.

Date of Inspection: March 20, 2012
Type of Inspection: Qualification
UI#: 782065-2012-0397-B1B
Inspection Results: Application Approved
Cited Violations: None

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

IOI (b)(6) conducted a complete physical inventory to include comparing the physical inventory to the A&D books during the inspection by serial number. There was three A&D books with zero open dispositions. There were no firearms in inventory.

The A&D books consist of long gun, hand gun, a receiver books. They are handwritten, in the proper format, and entries are timely made.

There was (b)(6) discrepancy in regards to a disposition date discovered during the inspection.

1. **Violation 27 CFR 478.123(d)**

Four firearms were traced through the licensee's required records from acquisition through disposition with no discrepancies. No trafficking issues relating to acquisition and disposition of firearms found. No discoveries of obliterated serial numbers or illegal firearms found during the inspection. No theft or loss reports submitted by the licensee during the inspection period or as a result of this inspection.

IOI (b)(6) discussed standard operating procedures regarding acquisitions and dispositions with Curtis Gray. Curtis Gray updates the A&D book once the transfer has taken place. Ultimately Curtis Gray is the only responsible person for the licensed activities and is responsible for ensuring all recorded information in the A&D book is correct. Curtis Gray stated that he will make sure to double check all entries into the A&D books.

Exhibit 6 – Copy of A&D page

5 - ATF Forms 4473 – NICS & Other Dispositions

The total number of ATF Forms 4473 on file for the last 12 months was (b)(6) and the total number of ATF Forms 4473 on file were (b)(6). The total number of ATF Forms

FIREARMS INSPECTION REPORT

Name: Gray, Curtis Wayne
Trade Name: Yellow Jacket Arms

UI#: 782065-2016-0104-B1B
FFL#: 5-74-027-07-8E-05377

4473 reviewed was [REDACTED]. The forms are filed chronologically. Curtis Gray had no sales to law enforcement officers and transfers to other licensees were properly conducted. The FFL Audit Report showed three proceed NICS transactions. No denied ATF Forms 4473 on file for the past five years. IOI (b)(6) was only able to verify one of the three NICS proceed transactions.

There were [REDACTED] ATF Forms 4473 with errors and [REDACTED] missing forms; refer to violations section.

2. **Violation 27 CFR 478.21(a)**
3. **Violation 27 CFR 478.124(c)(1)**
4. **Violation 27 CFR 478.124(c)(3)(i)**
5. **Violation 27 CFR 478.124(c)(4)**
6. **Violation 27 CFR 478.124(c)(5)**
7. **Violation 27 CFR 478.129(b)**

IOI (b)(6) discussed standard operating procedures regarding ATF Forms 4473 with Curtis Gray. Curtis Gray fills out the ATF Form 4473 and then logs the firearm out of the A&D book. Ultimately Curtis Gray is the only responsible person for the licensed activities and is responsible for ensuring all recorded information on the ATF Form 4473 is correct and complete. IOI (b)(6) suggested Curtis Gray review the forms after the transfer has taken place and conduct a weekly audit of all ATF Forms 4473 for omissions and errors.

- Exhibit 7** – Copy of incorrect ATF Form 4473; Violation 27 CFR 478.21(a)
- Exhibit 8** – Copy of incorrect ATF Form 4473; Violation 27 CFR 478.124(c)(1)
- Exhibit 9** – Copy of incorrect ATF Form 4473; Violation 27 CFR 478.124(c)(3)(i)
- Exhibit 10** – Copy of incorrect ATF Form 4473; Violation 27 CFR 478.124(c)(4)
- Exhibit 11** – Copy of incorrect ATF Form 4473; Violation 27 CFR 478.124(c)(5)
- Exhibit 12** – FFL Audit Report

6 - Multiple Sales

Per the Violent Crime Analysis Branch FFL Master Query the number of multiple sales reported during the inspection period was zero. There were no unreported multiple sales identified during the inspection.

7 - Suspicious/Prohibited Purchasers

No indications related to possible traffickers, straw purchasers, prohibited persons, or any other suspicious purchasers found during this inspection. IOI (b)(6) randomly queried two purchasers and responsible person Curtis Gray in OpenFox with no hits disclosed.

FIREARMS INSPECTION REPORT

Name: Gray, Curtis Wayne
Trade Name: Yellow Jacket Arms

UI#: 782065-2016-0104-B1B
FFL#: 5-74-027-07-8E-05377

TECS/NCIC checks results: (persons) three run / 0 hits.

8 - Trace Activity

There were no traces for this dealer in the last twelve months. Secondary market analysis was run on ^{(b)(7)(C)} firearms with no hits.

9 - NFA/Importer/Collector/Manufacturer

Curtis Gary does not Import, Collect, or hold a Special Occupational Tax Stamp (SOT) but does hold a manufacturer's license. No manufacturing activities have taken place.

Curtis Gray is aware of the Annual Firearms Manufacturing and Exportation Report (AFMER), the reporting requirements with the Tax and Trade Bureau (TTB), and registration requirements with the Directorate of Defense Trade Controls (DDTC) concerning International Trafficking in Arms Regulations (ITAR).

A copy of the AFMER for 2015 was given to IOI (b)(6) Curtis Gray stated that he had already submitted the form.

Exhibit 13 – AFMER

10 - Referrals

No referrals were generated as a result of this inspection.

11 - Other

IOI (b)(6) reviewed and provided a copy of the Important Notice: Selling Firearms AFTER revocation, Expiration, or Surrender with Curtis Gray.

Responsible Person, Curtis Gray, was queried in OpenFox and NForce with no prohibiting factors disclosed.

12 - Closing Actions

A closing conference was held on September 20, 2016, with sole proprietor Curtis Gray at the business premises. The Acknowledgement of Federal Firearms Regulations was reviewed with and signed by Curtis Gray and IOI (b)(6) A copy was provided for the licensee's records. IOI (b)(6) reviewed the violations found during the inspection with Curtis Gray. Corrections to the forms and the Report of Violations was signed and dated on September 23, 2016 and given to IOI (b)(6)

FIREARMS INSPECTION REPORT

Name: Gray, Curtis Wayne
Trade Name: Yellow Jacket Arms

UI#: 782065-2016-0104-B1B
FFL#: 5-74-027-07-8E-05377

Exhibit 14 – Acknowledgement of Federal Firearms Regulations

13 - Violations

1. 27 CFR 478.123(d)

Nature of Violation:

Failure to correctly maintain a record of disposition made of a firearm to a nonlicensee. The disposition date for firearm: (b)(6), (b)(3) - 112 Public Law 55 125 Stat 552

[REDACTED]

Licensee's Response:

Curtis Gray Stated that the customer came in and received a delayed response from NICS. Curtis Gray stated that he didn't know the customer had to recertify. Curtis Gray is now aware of the requirement and will have customers recertify if needed.

Corrective Action:

Licensee is to correctly record the disposition information in the A&D books. Licensee will review the A&D records for correctness and completeness. Licensee stated he will attempt to contact the purchaser to get a copy of the form updated with the correct information.

Worksheet / Exhibits:

Worksheet 1 - Inventory, A&D

Exhibit 6 – Copy of A&D page

2. 27 CFR 478.21(a)

Nature of Violation:

Failure to ensure all of the information called for in each form as indicated by the headings on the form and the instructions on or pertaining to the form were properly completed.

There were a total of (b)(3) - 112 F ATF Forms 4473 with (b)(3) instances of errors pertaining to item 24 (recertification signature), item 25 (recertification date) and item 30(a) (number firearms transferred) on the form.

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

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

Licensee's Response:

Curtis Gray stated that he thought he was properly filling out the form correctly. Curtis Gray also stated that he will make sure to start double checking the forms before and after the transfer.

Corrective Action:

Licensee is to record all of the information called for in each form as indicated by the headings on the form and the instructions on or pertaining to the form. Licensee made copies and corrected all ATF Forms 4473 with the correct information pertaining to parts B and D.

Worksheet / Exhibits:

Worksheet 2; 4473 (2012 Edition)

Exhibit 7 – Copy of incorrect ATF Form 4473; Violation 27 CFR 478.21(a)

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

Nature of Violation:

Failure to obtain the buyer's race on the ATF Form 4473 prior to the making a firearms transfer to a non-licensee.

There was a total of (b)(3) ATF Form 4473 with one instance of errors pertaining to item 10b (race) on the form.

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

Licensee's Response:

Curtis Gray stated he must have overlooked the customer not checking the box. Curtis Gray also stated that he will make sure to start double checking the forms before and after the transfer.

Corrective Action:

Licensee is to make sure all the required information called for in each form as indicated by the headings on the form and the instructions on or pertaining to the form are recorded.

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Worksheet / Exhibits:

Worksheet 2; 4473 (2012 Edition)

Exhibit 8 – Copy of incorrect ATF Form 4473; Violation 27 CFR 478.124(c)(1)

4. **27 CFR 478.124(c)(3)(i)**

Nature of Violation:

Failure to identify the transferee by examining the identification document (as defined in §478.11) presented, and note on the Form 4473 the type of identification used after the transferee has executed the Form 4473.

There were a total of ^{(b)(3) - 11} ATF Forms 4473 with ^{(b)(3) - 112} instances of errors pertaining to item 20a (Identification information) on the form.

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

Licensee's Response:

Curtis Gray stated that he thought he recorded the correct information. Curtis Gray also stated that he will make sure to start double checking the forms before and after the transfer.

Corrective Action:

Licensee is to record all of the information called for in each form as indicated by the headings on the form and the instructions on or pertaining to the form. Licensee made copies and corrected the ATF Forms 4473 with the correct information.

Worksheet / Exhibits:

Worksheet 2; 4473 (2012 Edition)

Exhibit 9 – Copy of incorrect ATF Form 4473; Violation 27 CFR 478.124(c)(3)(i)

5. **27 CFR 478.124(c)(4)**

Nature of Violation:

Failure to identify the firearm to be transferred by listing on the Form 4473 the name of the manufacturer, the name of the importer (if any), the type, model, caliber or gauge, and the serial number of the firearm.

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There was a total of (b)(3) ATF Form 4473 with for instance of errors pertaining to item 26 (manufacturer/importer), item 27 (model), item 28 (serial number), item 29 (type), and item 30 (caliber) on the form.

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

Licensee's Response:

Curtis Gray stated that the customer ended up purchasing another firearm while he was completing the form. Curtis Gray also stated that he will make sure to start double checking the forms before and after the transfer.

Corrective Action:

Licensee is to identify the firearms to be transferred by listing on the Form 4473 the name of the manufacturer, the name of the importer (if any), the type, model, caliber or gauge, and the serial number of the firearm. Licensee made a copy and corrected the ATF Form 4473 with the correct information.

Worksheet / Exhibits:

Worksheet 2; 4473 (2012 Edition)

Exhibit 10 – Copy of incorrect ATF Form 4473; Violation 27 CFR 478.124(c)(4)

6. **27 CFR 478.124(c)(5)**

Nature of Violation:

Failure to correctly date the form if the licensee does not know or have reasonable cause to believe that the transferee is disqualified by law from receiving the firearm and transfer the firearm described on the Form 4473.

There was a total of (b)(3) ATF Form 4473 with (b)(3) instance of errors pertaining to item 36 (date transferred) on the form.

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

Licensee's Response:

Curtis Gray Stated that the customer came in and received a delayed response from NICS. Curtis Gray transferred the firearm on a different date but recorded the original date the customer came in.

Corrective Action:

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Licensee is to correctly date the form if the licensee does not know or have reasonable cause to believe that the transferee is disqualified by law from receiving the firearm and transfer the firearm described on the Form 4473. Licensee made a copy and corrected the ATF Form 4473 with the correct information.

Worksheet / Exhibits:

Worksheet 2; 4473 (2012 Edition)

Exhibit 11 – Copy of incorrect ATF Form 4473; Violation 27 CFR 478.124(c)(5)

7. **27 CFR 478.129(b)**

Failure to retain an ATF Form 4473 for a period of not less than 5 years after the date of a NICS inquiry.

Curtis Gray contacted NICS on 7/30/16 and received NTN (b)(3) - 112 Public Law 55 with a proceed response and contacted NICS on 8/10/2016 and received NTN (b)(3) - 112 Public Law 55 125 S with a proceed response.

Licensee's Response:

Curtis Gray stated that there was a wait for the NICS response and the customer didn't have time to wait. Since he didn't transfer the firearm he destroyed the ATF Form 4473. Curtis Gray will now keep the ATF Forms 4473 for the proper time.

Corrective Action:

Each ATF Form 4473 shall be retained for a period of not less than 20 years after the date of sale or disposition or for five years after a NICS inquiry. No corrective action to be taken on the missing ATF Forms 4473.

Worksheet / Exhibits:

Worksheet 2; 4473 (2012 Edition)

X

Industry Operations Investigator

FIREARMS INSPECTION REPORT

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- Exhibit 2** – Bell County CAD
- Exhibit 3** – Texas Sales and Use Tax Permit
- Exhibit 4** – Tax Search Detail
- Exhibit 5** – Assumed Name Certificate
- Exhibit 6** – Copy of incorrect/corrected A&D page
- Exhibit 7** – Copy of incorrect/corrected ATF Form 4473; Violation 27 CFR 478.21(a)
- Exhibit 8** – Copy of incorrect ATF Form 4473; Violation 27 CFR 478.124(c)(1)
- Exhibit 9** – Copy of incorrect/corrected ATF Form 4473; Violation 27 CFR 478.124(c)(3)(i)
- Exhibit 10** – Copy of incorrect/corrected ATF Form 4473; Violation 27 CFR 478.124(c)(4)
- Exhibit 11** – Copy of incorrect/corrected ATF Form 4473; Violation 27 CFR 478.124(c)(5)
- Exhibit 12** – FFL Audit Report
- Exhibit 13** – AFMER
- Exhibit 14** – Acknowledgement of Federal Firearms Regulations