

## Assignment and Report

1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY) 13TH STREET JEWELRY & LOAN INC 1904 S 13TH ST OMAHA, NE 68108, DOUGLAS (055)	2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) 779080-2016-0171-B1B		
	3. PERMIT/LICENSE NUMBER 547055026A01166	4a. TARGET DATE 8/30/2016	4b. TARGET HOURS
	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  
DE

9. INSPECTION RESULTS		<input type="checkbox"/> CHECK IF NO VIOLATIONS, ADJUSTMENTS, ETC		10. TRAVEL EXPENSES (OPTIONAL)	
NO. OF VIOLATIONS	8	NO. OF REFERRALS		2111 - PER DIEM	
NO. OF TECS CHECKS	63	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: 02/26/2016  
Onsite compliance inspection conducted 1/12/16 - 1/14/16. Closing conference on 1/27/16. Per current policy, Violations #1, 2, & 5 merit that a Warning Letter be sent. Recommendation of No Recall due to low number of occurrences relative to the number of dispositions.

NOTE: Licensee is sending in request (w/ FPC & photos) to have (b) (6) and (b) (6) added as RPs.

WL mailed 2/5/16. Return Receipt not received. Confirmed receipt by licensee via email on 2/26/16.

Viols WL ONLY and No Recall Inspection

12. TIME ACCOUNTING DATA			
ATF OFFICER'S NAME (MONTH, YEAR, HOURS)		(b)(6)	
DEC 2015	5.00		
JAN 2016	57.00		
FEB 2016	3.50		
ATF OFFICER'S SUBTOTAL	65.50	ATF OFFICER'S SIGNATURE	
TOTAL HOURS	65.50		

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### 13. REVIEW AND ROUTING

#### REVIEW COMMENTS AND RECOMMENDATION

##### SYNOPSIS OF VIOLATIONS:

- 1) 27 CFR 478.99(c) - MEETS CRITERIA FOR WARNING LETTER
- 2) 27 CFR 478.102(a) - MEETS CRITERIA FOR WARNING LETTER
- 3) 27 CFR 478.125(e) - DOES NOT MEET CRITERIA FOR ADVERSE ACTION
- 4) 27 CFR 478.124(c)(1) - DOES NOT MEET CRITERIA FOR ADVERSE ACTION
- 5) 27 CFR 478.124(c)(3)(i) - MEETS CRITERIA FOR WARNING LETTER
- 6) 27 CFR 478.124(c)(3)(iv) - DOES NOT MEET CRITERIA FOR ADVERSE ACTION
- 7) 27 CFR 478.124(5) - DOES NOT MEET CRITERIA FOR ADVERSE ACTION
- 8) 27 CFR 478.21(a) - DOES NOT MEET CRITERIA FOR ADVERSE ACTION

FIRST COMPLIANCE INSPECTION. NO MISSING INVENTORY. RECOMMENDATION OF "NO RECALL INSPECTION" IS RECOMMENDED DUE TO LOW NUMBER OF "OCCURENCES" RELATIVE TO NUMBER OF DISPOSITIONS.

CONCUR WITH IOI RECOMMENDATION

Viols WL ONLY and No Recall Inspection

☒ REVIEWED

☒ CONCUR

☒ SEE COMMENTS

☐ FINAL DISPOSITION

SIGNATURE AND TITLE

(b)(6) - Area Supervisor

REVIEW DATE

02/05/2016

#### 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 13TH STREET JEWELRY & LOAN INC.	Street Address 1904 S. 13TH ST	City OMAHA	State NE	ZIP Code 68108	County DOUGLAS	Page 1 of 3 Pages
License/Permit/Registry Number (if any) 5-47-055-02-9A-01166		Expiration Date JANUARY 1, 2019	Date(s) or Period of Inspection 1/12 - 1/14/16, COVERING 1/1/15 TO 1/12/16			

### 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 (If not corrected immediately)	Date Corrections to be Made (If not corrected immediately)
1.	27 CFR 478.99(c)	Transfer of a firearm to a purchaser, who at the time of the transfer appeared to be prohibited. (b)(3) 112 Public Law 55 125 STAT 552 (b)(6)	Reviewed Requirements	n/a
2.	27 CFR 478.102(a)	Acceptance of a non-qualifying permit in lieu of conducting a NICS check. On 5/26/15, the licensee accepted an Arizona Concealed Weapons Permit in lieu of conducting a NICS check. (b)(3) 112 Public Law 55 125 STAT 552 (b)(6)	Reviewed requirements	n/a
3.	27 CFR 478.125(e)	Failure to maintain a complete and accurate Firearms Acquisition and Disposition Record (A&D book) (b)(3) 112 Public Law 55 125 STAT 552 (b)(6)	Make corrections in A&D book	2/5/16

Signature of Proprietor/Responsible Person (Print name and title) (b)(6) manager General Manager 1-27		Date 1-27-16
Signature of ATF Officer (b)(6) DOJ		Date 1/27/16

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Name of Proprietor 13TH STREET JEWELRY & LOAN INC.	Street Address 1904 S. 13TH ST	City OMAHA	State NE	ZIP Code 68108	County DOUGLAS	Page 2 of 3 Pages
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### 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 (If not corrected immediately)	Date Corrections to be Made (If not corrected immediately)
4.	27 CFR 478.124(c)(1)	Errors on Section A of ATF F 4473 (b)(3) total forms) Item 2 blank/incorrect: (b)(3) - Public Law 112-55 (125 Stat. 552) Item 3 incomplete: (b)(3) - Public La Item 4/5/6 blank: (b)(3) - Pu Item 7 blank/incorrect: (b)(3) - Public Law 112-55 (125 Stat. 55 Item 10b blank: (b)(3) - Public Law 112-5 Item 11k blank: (b)(3) - Pub Item 11L blank: (b)(3) - Pub Item 13 incorrect: (b)(3) - Pub Item 14 incorrect/incomplete: (b)(3) - Public Law 11 Item 16/17 blank: (b)(3) - Public Law 11	Reviewed requirements	n/a
5.	27 CFR 478.124(c)(3)(i)	Licensee failed to completely record on ATF F 4473 the identification document used to verify identity of transferee. On (b)(3) instance, Item 20a left blank (b)(3) - Public La Copy of DL was attached to 4473 On (b)(3) instances, address on Item 2 did not match address on ID; nothing noted in Item 20 (b)(3) - Public Law 112-55 (125 Stat. 552)	For #711, make correction to a photocopy of the original form. For remainder - reviewed requirements	2/5/16
6.	27 CFR 478.124(c)(3)(iv)	Failure to record results of NICS check on Items 21a-d of ATF F 4473. On (b)(3) instances, Items 21a-c were left blank (b)(3) - Public Law 112-55 (125 Stat. 552) On (b)(3) instance, Item 21c was left blank (b)(3) - Public La Of note - handwritten notes documenting the required information were attached to each F4473.	Record missing information on photocopy of original form	2/5/16

## Report of Violations

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License/Permit/Registry Number (if any) 5-47-055-02-9A-01166		Expiration Date JANUARY 1, 2019	Date(s) or Period of Inspection 1/12 - 1/14/16, COVERING 1/1/15 TO 1/12/16			

### 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 (If not corrected immediately)	Date Corrections to be Made (If not corrected immediately)
7.	27 CFR 478.124(c)(5)	Failure to sign and date ATF F 4473 (Items 34 & 36) (b) (3) - Public Law 112-55 (125 Stat. 552)	Record missing information on photocopy of original form	2/5/16
8.	27 CFR 478.21(a)	Failure to complete ATF F 4473 in accordance to the directions on the form. Item 11a answered "No": (b) (3) - Public Law 112-55 (125 Stat. 552) Item 18 left blank: (b) (3) - Public Law 112-55 (125 Stat. 552) Item 30a left blank: (b) (3) - P Item 31/32 left blank: (b) (3) - P Item 33/35: (b) (3) - Public L	For Item 11a - reviewed requirements For remaining - record missing information on photocopy of original form	2/5/16





U.S. Department of Justice

Bureau of Alcohol, Tobacco,  
Firearms and Explosives  
17310 Wright St  
Suite 204  
Omaha, NE 68130

www.atf.gov

February 05, 2016

**CERTIFIED MAIL**

**Return Receipt Requested**

13<sup>th</sup> Street Jewelry & Loan, Inc.  
1904 S. 13<sup>th</sup> St.  
Omaha, NE 68108

RE: 5-47-055-02-9A-01166

Dear Mr. Schroeder:

During a recent inspection at your firearms business covering the period 01/01/2015 to 01/12/2016 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 or your designated responsible person by the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) Industry Operations Investigator. 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. Should you have any questions regarding this matter, please contact (b)(6), Area Supervisor at (b)(6).

Sincerely yours,

(b)(6)

Area Supervisor, Omaha II

Enclosure

cc: Federal Firearms Licensing Center  
Omaha II Field Office

Address: 1904 SOUTH 13<sup>TH</sup> STREET  
OMAHA, NE 68108

## 1 - Introduction

### Inspection Profile:

On 1/12/16, IOI (b)(6) initiated a compliance inspection at the licensed premises. Conchita Sinecio ((b)(6)), general manager, and David Schroeder ((b)(6)), owner, were identified and interviewed. Alex Estell, manager, was also interviewed. The inspection was unannounced. The inspection period was set from 1/1/15 to 1/12/16.

### Business Profile:

13<sup>th</sup> Street Jewelry & Loan is located in a brick storefront south of the downtown Omaha area. DSS Coins and Bullion, owned and operated by David Schroeder, is located next door in the same building. Mr. Schroeder owns the building, and has an apartment located on the top floor.

Inside the front door is an entryway. Customers can speak to the cashier through bulletproof glass, or can be buzzed in to the store. Handguns are on display in locked display cases. Long guns are on display racks behind the hand guns. Back stock handguns are located in safes behind the two-way mirrors at the back of the store. Pawned and layaway firearms are kept in or on a safe located behind the display cases. Empty boxes/cases are stored in the basement.

Over the past twelve months, the licensee acquired (b)(4) firearms, and disposed of approximately (b)(4). Of the acquisitions, the proportion of new to used was estimated at (b)(4) to (b)(4). The proportion of handguns to long guns was estimated to be (b)(4) to (b)(4). Over the inspection period, only (b)(4) firearms were taken in on pawn (about (b)(4) of all acquisitions).

13<sup>th</sup> Street Jewelry & Loan has held an FFL since 2009. Per the office file, the FFL was on the Demand Letter 2 program from April 2012 to March 2013. Mr. Schroeder also holds an FFL in Gregory, SD (Old Pioneer Inc., 3-46-02-01036). Old Pioneer Tool, Pawn & Gun was previously licensed under DSS Enterprises, Inc (3-46-02-00564). Per FLS, no adverse actions (WL or WC) were noted on either SD FFL.

Regarding internet operations, the licensee's website is used to advertise, but not conduct sales ([www.13thstreetjewelry.com](http://www.13thstreetjewelry.com)). The licensee also has a Facebook page for advertising purposes. Ms. Sinecio stated that she lists firearms for sale on Gun Broker (ID: 13<sup>th</sup> Street), GunAuction.com (ID: Conchita), and Armslist.com (ID: 13<sup>th</sup> Street Jewelry & Loan). Documentation of their online presence is submitted as **Exhibit 1**.

The licensee does not sell firearms at area gun shows, but actively attracts business by handling transfers of handguns purchased by Nebraska residents at gun shows held in Western Iowa. Over the inspection period, at least [REDACTED] handguns were acquired from Sieh Guns (5-42-34239), Boswell Guns & Ammo (5-42-00349), and other Iowa dealers. Mr. Estell stated that he or Mr. Schroeder will pick up handguns from the Iowa dealers two times each day, and then conduct the transfers back at the shop in Omaha. Ms. Sinecio stated that 13<sup>th</sup> Street Jewelry & Loan does not have tables or set up at Iowa gun shows.

### **Ownership and Control:**

13<sup>th</sup> Street Jewelry & Loan Inc. is a domestic corporation registered in the State of Nebraska (see **Exhibit 2**). David Schroeder is the sole corporate officer and director. A copy of the Articles of Incorporation was provided during the qualification inspection, confirming that Mr. Schroeder is the sole member/owner. No unreported changes discovered. No hidden ownership suspected. Mr. Schroeder's information under the RP tab in FLS is accurate.

Regarding the day to day firearms operations, Conchita Sinecio is the individual conducting transfers, making entries in the required records, and ensuring compliance. On 1/27/16, IOI [REDACTED] advised the licensee that Ms. Sinecio should be added as an RP under the FFL. The licensee elected to add both Ms. Sinecio and Mr. Estell as RPs. IOI [REDACTED] provided the licensee with fingerprint cards and instructions to submit them to the FFLC. On 2/4/16, Ms. Sinecio advised via email that the request to add them will be sent by 2/5/16.

### **Variance:**

No variances on file. No variances requested as a result of the inspection.

## **2 - Recommendation**

Viols WL ONLY and No Recall Inspection

Per current policy, Violations #1, 2, & 5 merit that a Warning Letter be sent. Recommendation of No Recall due to low number of occurrences relative to the number of dispositions.

## **3 - Inspection History**

<b>Date of Inspection:</b>	11/24/09
<b>Type of Inspection:</b>	Qualification
<b>UI#:</b>	779080-2010-0214
<b>Inspection Results:</b>	Approve Original



**Cited Violations:** n/a

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

A full inventory was conducted on 1/12/16. A total of (154) firearms were found in inventory. A review of the A&D books revealed (b)(3) - 112 P. open dispositions. Each firearm in inventory was matched up against its respective A&D book entry, and two discrepancies were found. On (b)(3) - 112 P. instance, a firearm was found in inventory, but the A&D record showed it as being sold. On (b)(3) - 112 P. instance, a firearm had been sold, but was not logged out of the A&D record. These discrepancies are documented on **Worksheet #1** and **Exhibit 3**, and referenced under **Violation #3**.

Each firearm entry was compared against the actual firearm to ensure the gun was accurately recorded. No discrepancies found in regards to serial numbers, models, calibers, or types. The licensee was reminded to consistently include both the manufacturer and importer on firearms made outside of the United States.

Each acquisition and disposition entry from the inspection period was reviewed to ensure it contained the required information. (b)(3) - 112 P. discrepancies were found. On (b)(3) - 112 P. instance, the licensee listed the incorrect FFL# under "From whom received." The FFL# listed was the licensee's and not the number of the transferor. On (b)(3) - 112 P. instance, a disposition was recorded, but the disposition date was left blank. These discrepancies are documented on **Worksheet #1** and **Exhibit 3**, and referenced under **Violation #3**.

Multiple firearms in the A&D were received from "DSS" or "DSS Enterprises" and listed the address of DSS Coins and Mr. Schroeder (1906 S. 13<sup>th</sup> St). See 11-Other below for further discussion.

A total of (b)(3) - 112 P. A&D entries were compared against their respective ATF F 4473s; no discrepancies found. Another (b)(3) - 112 P. F4473s were selected and compared against the A&D book; no discrepancies found. Five commercial invoices (for 41 guns total) were obtained and compared against the A&D book; no discrepancies found. No theft/loss reports were submitted over the inspection period or as a result of the inspection.

Regarding standard operating procedures relevant to the A&D Record and inventory, Ms. Sinecio maintains all of the records. Mr. Schroeder and other employees will occasionally make entries, but Ms. Sinecio ensures that the A&D Record is complete and up to date. Regarding inventory, Ms. Sinecio stated that she will do a gun to book inventory at least four times a year. Mr. Schroeder stated that his insurer and lender require that regular inventories be conducted. The licensee's A&D record includes separate books for Handguns, Long Guns, and Pawned guns. Of note, when firearms are forfeited from pawn, they are logged out of the pawn A&D and reentered as acquisitions (from the person who pawned the gun) in the Handgun or Long Gun A&D book.

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

A total of (b)(3) - 112 ATF F 4473s were on file for the inspection period. All (b)(3) - 112 forms were reviewed. The forms were filed in sequential order by transferor's transaction serial number. Forms that were initiated, but did not result in a transfer, were retained in a separate file.

On (b)(3) forms, the licensee transferred a firearm to a purchaser who at the time of the transfer appeared to be prohibited. (b)(3) - 112 Public Law 55 125 Stat 552 the purchaser answered "Yes" to Item 11k. (b)(3) - 112 Public Law the purchaser answered "Yes" to Item 11i. These discrepancies are documented on **Worksheet #2** and **Exhibit 4**, and referenced under **Violation #1**. Of note, Open Fox checks on both purchasers did not return prohibiting information.

(b)(3) - 112 Public form, the licensee accepted a non-qualifying permit in lieu of conducting a NICS check. (b)(3) - 112 Public Law 55 125 Stat 552, the licensee accepted an Arizona Concealed Weapons Permit for Item 23. This discrepancy is documented on **Worksheet #2** and **Exhibit 4**, and referenced under **Violation #2**.

(b)(3) - 112 Public forms, errors and/or omissions on Section A of ATF F 4473 were found. Required items were either blank, incomplete, or incorrect. These discrepancies are documented on **Worksheet #2** and **Exhibit 4**, and referenced under **Violation #4**.

(b)(3) - 112 Public forms, the licensee failed to completely record on ATF F 4473 the identification document used to verify the identity of the transferee. (b)(3) - 112 Public Law 55 125 Stat 552, Item 20a was left blank. Of note, a copy of the driver's license was attached to the form. On Forms (b)(3) - 112 Public Law 55 125 Stat 552, the address on Item 2 did not match the address on the ID, and nothing was noted on Item 20b. These discrepancies are documented on **Worksheet #2** and **Exhibit 4**, and referenced under **Violation #5**.

On (b)(3) forms, the licensee failed to record the results of a NICS check on Items 21a-d of ATF F 4473. On (b)(3) - 112 Public Law 55 125 Stat 552 the licensee left Items 21a-c blank. On (b)(3) - 112 Public Item 21c was left blank. Of note, handwritten notes documenting the required information were attached to each F4473. These discrepancies are documented on **Worksheet #2** and **Exhibit 4**, and referenced under **Violation #6**.

(b)(3) - 112 Public forms, the licensee failed to sign and date ATF F 4473 on Items 34 & 36. On (b)(3) - 112 Public Law 55 125, both Items 34 & 36 were left blank. (b)(3) - 112 Public Law, the date on Item 36 was incorrect. These discrepancies are documented on **Worksheet #2** and **Exhibit 4**, and referenced under **Violation #7**.

(b)(3) - 112 Public forms, the licensee failed to complete ATF F 4473 in accordance to the directions on the form. Required items were either blank, incomplete, or incorrect. These discrepancies are documented on **Worksheet #2** and **Exhibit 4**, and referenced under **Violation #8**.

The NICS FFL Audit Log (see **Exhibit 5**) was used to verify nine NTN's issued for NICS checks between 10/30/15 and 10/29/15. No discrepancies found. A sample of

(b)(3) - 112 P.O. transfers to other FFLs was reviewed and confirmed to be properly completed. No dispositions to law enforcement officers or agencies conducted.

The licensee's standard operating procedures in regards to F4473 completion and other dispositions includes the following: First, the licensee will often run a NICS check and accept a qualifying permit. Ms. Sinecio and Mr. Schroeder stated that they will run a NICS check, even if the buyer has a qualifying permit, as an extra precaution when they feel it is merited. Second, Ms. Sinecio completes 95% of the F4473s, but all are held aside for Mr. Schroeder to sign Item 34. The licensee stated that since Mr. Schroeder was the owner and only RP, they thought that only he could sign. IOI (b)(6) advised the licensee that Items 33-36 should be completed by the employee reviewing the ID for Item 20a and conducting the background check.

#### **6 - Multiple Sales**

Per the VCAB Report (see **Exhibit 6**), the licensee reported (b)(3) - 112 Public Law 55-125 multiple sales (involving 24 handguns) over the inspection period. No unreported multiple sales discovered.

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

A total of 19 individuals were selected as suspicious purchasers, including the individuals referenced under **Violation #1**. E-Trace and Open Fox queries were conducted on the individuals and the weapons purchased. No prohibited persons identified.

Regarding standard operating procedures to prevent straw purchases, the licensee has a "No Cell Phone" sign posted, and will not allow customers to be on their phones while looking at guns. Ms. Sinecio stated that they posted the sign a few years ago, as they noticed customers describing guns on the phone before making a purchase. Both Ms. Sinecio and Mr. Estell stated that they were very careful about who they sold guns to, and have turned purchasers away if they felt it was a straw purchase.

#### **8 - Trace Activity**

Per the VCAB Report (see **Exhibit 6**), the licensee received (b)(3) - 112 Public Law 55-125 Stat trace requests over the past 12 months. All trace requests were successfully completed. Per E-Trace, no unsuccessful trace requests are associated with the licensee.

A sample of (41) used firearms acquired over the past twelve months was selected for Secondary Market Analysis. Open Fox and E-Trace queries did not result in any hits.

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

NFA, Importer, Collector, or Manufacturer operations are not conducted by the licensee.

#### **10 - Referrals**

No referrals generated.

## **11 - Other**

During the review of the A&D Book, IOI (b)(6) noted multiple entries where firearms were acquired from “DSS” or “DSS Enterprises” and listed the address of DSS Coins and Mr. Schroeder (1906 S. 13<sup>th</sup> St). See pages (b)(3) - 112 Public Law 55 125 Stat 552 of **Exhibit 3** (A&D) for reference. Mr. Schroeder explained that he frequently meets with families settling estates to purchase coin collections, bullion, etc. Mr. Schroeder stated that often the estates are also looking to liquidate the firearms collections of the deceased. Mr. Schroeder stated that he writes one check, from his DSS account, to pay for both the coins and the guns. Upon return to the shop, the guns are sold to 13<sup>th</sup> Street Jewelry & Loan. Mr. Schroeder stated that he did not think it was an issue since he owns both companies. IOI (b)(6) explained that one company (DSS) is repeatedly buying and selling firearms, which requires an FFL. Mr. Schroeder acknowledged that he understood. The licensee stated that firearms would be purchased from estates by 13<sup>th</sup> Street Jewelry & Loan, and entered in the A&D book with the estate’s name under “From Whom Received”.

## **12 - Closing Actions**

Initial findings were reviewed with Ms. Sinecio and Mr. Schroder on 1/14/16. A closing conference was held on 1/27/16. Mr. Schroeder was supposed to be present, but was instead at a coin show in Florida. Ms. Sinecio and Mr. Estell were present for the licensee. The Report of Violations was issued and corrective actions discussed. Federal Firearms regulations were reviewed; a signed Acknowledgement is submitted as (**Exhibit 7**).

## **13 - Violations**

### **1. 27 CFR 478.99(c)**

**Nature of Violation:** Transfer of (b)(3) firearm to a purchaser, who at the time of the transfer appeared to be prohibited. (b)(3) - 112 Public Law 55 125 Stat 552, (b)(6) who answered "Yes" to Item 11k (Illegal Alien). On 7/22/15, a firearm was redeemed from pawn (b)(3) - 112 Public Law 55 125 Stat 552, (b)(6) who answered "Yes" to Item 11i (MCDV). See (b)(3) - 112 Public Law 55 125 Stat 552.

**Licensee Response:** Ms. Sinecio stated that she tries to review each form before completing the transaction, but missed the “yes” responses.

**Corrective Action:** IOI (b)(6) reviewed the requirements with the licensee.

Reference **Worksheet #2** and **Exhibit 4** (#729 & 842)

### **2. 27 CFR 478.102(a)**



**Nature of Violation:** Acceptance of a non-qualifying permit in lieu of conducting a NICS check. (b)(3) - 112 Public Law 55 125, the licensee accepted an Arizona Concealed Weapons Permit in lieu of conducting a NICS check (b)(3) - 112 Public Law 55 125 Stat 552

**Licensee Response:** Ms. Sinecio stated that she thought that since the customer was a member of the Armed Forces (a copy of the PCS orders was attached), the out-of-state permit would qualify.

**Corrective Action:** IOI (b)(6) reviewed the requirements with the licensee.

Reference **Worksheet #2** and **Exhibit 4** (#809)

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

**Nature of Violation:** Failure to maintain a complete and accurate Firearms Acquisition and Disposition Record (A&D book)

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

**Licensee Response:** Ms. Sinecio acknowledged that the mistakes were made. Ms. Sinecio noted that some of the entries were made by Mr. Estell or Mr. Schroeder, but acknowledged that she needs to take time to review the records to make sure they are accurate and complete.

**Corrective Action:** The licensee was instructed to correct the noted discrepancies in the A&D book.

Reference **Worksheet #1** and **Exhibit 3**

4. **27 CFR 478.124(c)(1)**

**Nature of Violation:** Errors on Section A of ATF F 4473 (b)(3) - 1 total forms)

Item 2 blank/incorrect: (b)(3) - 112 Public Law 55 125 Stat 552  
Item 3 incomplete: (b)(3) - 112  
Item 4/5/6 blank: (b)(3) - 112  
Item 7 blank/incorrect: (b)(3) - 112 Public Law  
Item 10b blank: (b)(3) - 112  
Item 11k blank: (b)(3) - 112  
Item 11L blank: (b)(3) - 112 Public Law  
Item 13 incorrect: (b)(3) - 112  
Item 14 incorrect/incomplete: (b)(3) - 112 Public Law  
Item 16/17 blank: (b)(3) - 112 Public Law

**Licensee Response:** Ms. Sinecio stated that she tries to review each form before completing the transaction, but the store can get busy at times, and she missed the errors.

**Corrective Action:** IOI (b)(6) reviewed the requirements with the licensee.

Reference **Worksheet #2** and **Exhibit 4** (b)(3) - 112 Public Law 55 125 Stat 552)

5. **27 CFR 478.124(c)(3)(i)**

**Nature of Violation:** Licensee failed to completely record on ATF F 4473 the identification document used to verify identity of transferee.

On (b)(3) instance, Item 20a was left blank (b)(3) - 112 Pub; a copy of DL was attached to 4473

On (b)(3) - 112 Pub instances, the address on Item 2 did not match address on ID; nothing noted in Item 20b (b)(3) - 112 Public Law 55 125 Stat 552)

**Licensee Response:** Regarding Form (b)(3) - 112 Pub Ms. Sinecio acknowledged that even though a copy was attached, she knew that Item 20a must be completed. Regarding the issues with Item 20b, Ms. Sinecio advised that she was not aware of the requirement.

**Corrective Action:** The licensee was instructed to add the missing information on a photocopy of Form (b)(3) - 112 Pub. The completion of Item 20b was reviewed with the licensee.

Reference **Worksheet #2** and **Exhibit 4** (b)(3) - 112 Public Law 55 125 Stat 552

6. **27 CFR 478.124(c)(3)(iv)**

**Nature of Violation:** Failure to record results of NICS check on Items 21a-d of ATF F 4473.

On (b)(3) instances, Items 21a-c were left blank (b)(3) - 112 Public Law 55 125 Stat 552

On (b)(3) instance, Item 21c was left blank (b)(3) - 112 Pub

Of note - handwritten notes documenting the required information were attached to each F4473.

**Licensee Response:** Ms. Sinecio acknowledged that even though the information was written on an attached sheet, she knew that NICS checks need to be documented on the F4473.

**Corrective Action:** The licensee was instructed to record the missing information on photocopies of the original forms.

Reference **Worksheet #2** and **Exhibit 4** (b)(3) - 112 Public Law 55 125 Stat 552).

7. **27 CFR 478.124(c)(5)**

**Nature of Violation:** Failure to sign and date ATF F 4473 (Items 34 & 36)

(b)(3) - 112 Public Law 55 125  
(b)(3) - 112 Public Law 55 125  
- Items 34 & 36 left blank  
- Item 36 (date) was incorrect

**Licensee Response:** Ms. Sinecio advised that she had no idea why these two forms had issues with the signature and date.

**Corrective Action:** The licensee was instructed to record the missing information on photocopies of the original forms.

8. Reference **Worksheet #2** and **Exhibit 4** (b)(3) - 112 Pub  
**27 CFR 478.21(a)**

**Nature of Violation:** Failure to complete ATF F 4473 in accordance to the directions on the form.

Item 11a answered "No": (b)(3) - 112 Public Law 55 125 S  
Item 18 left blank: (b)(3) - 112 Public Law 55 125 Stat 55  
Item 30a left blank: (b)(3) - 112  
Item 31/32 left blank: (b)(3) - 112  
Item 33/35: (b)(3) - 112

**Licensee Response:** Ms. Sinecio stated that she tries to review each form before completing the transaction, but the store can get busy at times, and she missed the errors.

**Corrective Action:** For the forms with errors on Item 11a, the requirements were reviewed. For the remaining, the licensee was instructed to record the missing information on photocopies of the original forms.

Reference **Worksheet #2** and **Exhibit 4** (b)(3) - 112 Public Law 55 125 Stat 552

X

Industry Operations Investigator

**Index of Worksheets and Exhibits**

**Worksheets**

Worksheet #1 – Inventory and A&D Review

Worksheet #2 – ATF F 4473 Review

Exhibits

1. 13<sup>th</sup> Street Jewelry & Loan – Websites
2. Corporate Documentation
3. Sample Pages from A&D Record
4. ATF F 4473s Referenced on Worksheet #2
5. NICS FFL Audit Log
6. VCAB History Report
7. Acknowledgement of Federal Firearms Regulations