

Assignment and Report

1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY) DAVIS, CARL PENTLEY CR SERVICE 6550 PENGUIN ROAD GILMER, TX 75645, UPSHUR	2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) 781025-2017-0031-B1B		
	3. PERMIT/LICENSE NUMBER 575459079D08245	4a. TARGET DATE	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), Acting Area Supervisor, 10/12/2016

8. PURPOSE/SPECIAL INSTRUCTIONS
Conduct a firearms disposition emphasis inspection. Ensure the licensee meets local zoning and ATF regulations.

9. INSPECTION RESULTS		<input type="checkbox"/> CHECK IF NO VIOLATIONS, ADJUSTMENTS, ETC		10. TRAVEL EXPENSES (OPTIONAL)	
NO. OF VIOLATIONS	1	NO. OF REFERRALS		2111 - PER DIEM	
NO. OF TECS CHECKS	1	NO. OF TECS HITS		2112 - P.O.A.	
NO. OF TAX ADJUSTMENTS		\$ VALUE OF TAX INCREASES		2113 - COMM. AIR	
		\$ VALUE OF TAX DECREASES		2114 - RENTAL CAR	
NO. OF ASSESSMENTS		\$ VALUE OF ASSESSMENTS		2115 - GPV EXPENSES	
NO. OF CLAIMS		\$ VALUE OF CLAIMS		2116 - MISC.	
NO. OF TAX PERIODS		\$ VALUE OF TAXES VERIFIED		TOTAL \$ FOR INSP.	

11. ATF OFFICER'S RECOMMENDATION
Submitted by (b)(6) - Industry Operations Investigator
Submitted on: 11/30/2016

Viols WL ONLY and No Recall Inspection

12. TIME ACCOUNTING DATA			
ATF OFFICER'S NAME (MONTH, YEAR, HOURS)		(b)(6)	
OCT 2016	1.00		
NOV 2016	16.00		
ATF OFFICER'S SUBTOTAL	17.00	ATF OFFICER'S SIGNATURE	
TOTAL HOURS	17.00		

13. REVIEW AND ROUTING
REVIEW COMMENTS AND RECOMMENDATION
Viols WL ONLY and No Recall Inspection

<input checked="" type="checkbox"/> REVIEWED	<input checked="" type="checkbox"/> CO	<input type="checkbox"/> COMMENTS	<input checked="" type="checkbox"/> FINAL DISPOSITION
SIGNATURE AND TITLE (b)(6) - Area Supervisor			REVIEW DATE 12/08/2016

ROUTING SEQUENCE AND DATE

<input type="checkbox"/> 1. _____	CONTROL FILE POSTED DATE _____
<input type="checkbox"/> 2. _____	
<input type="checkbox"/> 3. _____	
<input type="checkbox"/> 4. _____	

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 DAVIS, CARL PENTLEY CR SERVICE	Street Address 6550 PENGUIN ROAD	City GILMER	State TX	Zip Code 75645-	County UPSHUR	Page 1 of 1 Pages
License/Permit/Registry Number (If any) 575459079D08245	Expiration Date 4/1/2019	Date(s) or Period of Inspection 11/04/2016 through 11/04/2016				

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 timely or correctly report the sale of two or more pistols, or revolvers, or a combination thereof, on the same day or within five consecutive business days in ^{(b)(3)} instance involving ^{(b)(3)} firearms.

Citation: 27 CFR 478.126a

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

IOI ^{(b)(6)} instructed the licensee to complete and submit ATF Form 3310.4 immediately. In addition, the licensee will timely complete and submit the ATF Form 3310.4 when the circumstances require it.

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

^{(b)(6)}

owner

Date

11-9-2016

Signature and Title of ATF Officer

^{(b)(6)}

Date

11/9/16



U.S. Department of Justice

Bureau of Alcohol, Tobacco,
Firearms and Explosives

December 8, 2016

www.atf.gov

781025: SBW
5000

DAVIS, CARL PENTLEY
CR SERVICE
6550 PENGUIN ROAD
GILMER, TX 75645-
RE: 575459079D08245

Dear Mr. Davis:

During a recent inspection at your firearms business covering the period November 14, 2015 to November 14, 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(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.

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

Sincerely yours

(b)(6)

Area Supervisor for Dallas Group V

Enclosure

cc: Federal Firearms Licensing Center

Dallas Field Office
Sep 10 2016 Production

Address: 6550 Penguin Road
Gilmer, Texas 75645 Upshur County

1 - Introduction

Inspection Profile:

On 11/04/2013, ATF Industry Operations Investigator (b)(6) initiated a Full Firearms Inspection at the business premises of Carl Pentley Davis, d.b.a. CR Service, located at 6550 Penguin Road, Gilmer, Texas. Investigator (b)(6) held an opening conference and interviewed the owner and responsible person, Carl Pentley Davis, who presented a Texas Driver's License # (b)(6), with date of birth 04/20/1949. The licensee holds an ATF Type 07- manufacturer of firearms license, which is the focus of this inspection. The period examined during this inspection was from 11/4/2015 through 11/4/2016. The dates of the on-site inspection were 11/4/2016, with a review of the acknowledgment of federal firearms regulations done that same day. The ROV was reviewed telephonically on 11/14/16.

Mr. Davis was not given advance notice of the compliance inspection. Investigator (b)(6) initiated this inspection and presented his Department of Justice, ATF issued credentials as proof of identity. No other Federal, State, or local agencies participated in this inspection.

NCIC/NLETS checks on the responsible person, Carl Pentley Davis were conducted prior to the inspection and disclosed no prohibiting information.

A query of the Federal Licensing System (FLS) database for Carl Pentley Davis d.b.a. CR Service disclosed no special attention flag for this licensee.

Prior to this inspection, Investigator (b)(6) queried Nforce to ascertain if this Federal Firearms Licensee is the subject of an ongoing ATF investigation. This query disclosed no significant investigative findings.

Business Profile:

The licensee maintains a Type 07 manufacturer license, with an original issue date of 03/14/2013. Mr. Davis conducts business from a shop close to his residence, and sells firearms to the general public, family, friends and known associates. The licensee does not sell on the internet, and does not have a website. There are no other businesses at the licensed premises, and the licensee is not involved in any other businesses. Mr. Davis is retired, and the firearms business is a part time venture. The licensee retains this Type 07 license so that he can assemble/manufacture customized AR-15's. Generally, the licensee does not maintain an inventory of firearms. A review of the licensee's acquisition and disposition (A&D) record disclosed that the licensee acquired approximately (b)(4) firearms ((b)(4) long guns, (b)(4) handguns) during the

inspection period. The licensee disposed of approximately (b)(4) firearms ((b)(4) long guns, (b)(4) handgun & (b)(4) receivers) during the inspection period. Mr. Davis stated that the firearms business consists of (b)(4) retail sales. The inspection of the A&D Record for the inspection period disclosed the licensee's firearms business consisted of approximately (b)(4) new firearms and (b)(4) used firearms. At the time of the inspection, one firearm was in inventory. Mr. Davis stated that the primary supplier of the firearms inventory is (b) (4) .

Mr. Davis stated that the licensee does not sell at or attend gun shows.

A query of the Federal Licensing System indicates the licensee currently holds one Type 07 FFL (FFL #5-75-08245), which is the subject of this inspection and does not hold any additional ATF licenses.

Mr. Davis stated that the licensee does not utilize off-site storage of firearms.

Ownership and Control:

Investigator (b)(6) queried the ATF FLS database for the status of the licensee prior to the inspection, which indicates that the licensee, Carl Pentley Davis d.b.a. CR Service is a sole proprietorship. On 11/4/2016, Investigator (b)(6) interviewed the owner, Mr. Carl Pentley Davis, regarding the licensee's business structure. Mr. Davis stated the licensee is a sole proprietorship. Mr. Davis stated that he maintains 100% ownership of the firearms business. Mr. Davis stated that there have not been any unreported changes in the business structure of the firearms business.

Variance:

The licensee has no ATF approved variances. No variances were requested during the onsite inspection.

2 - Recommendation

Violations, Warning Letter Only, No Recall Inspection

3 - Inspection History

Date of Inspection:	1/23/2013
Type of Inspection:	Qualification Inspection
UI#:	781025-2013-0161-B1B
Inspection Results:	Application Approved on 3/14/13
Cited Violations:	None

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

Investigator (b)(6) conducted a full firearms inventory. A comparison of the firearms inventory and the Acquisition and Disposition (A&D) Record disclosed one firearm in physical inventory and one open disposition. No discrepancies were disclosed. The licensee's A&D record is in the proper format. The investigator discovered no firearms with obliterated serial numbers or unregistered NFA weapons.

The responsibility for maintaining the A&D records rest entirely with Mr. Davis. All firearms are recorded as soon as they are received, and disposed as soon as they are sold.

The inspection of the licensee's A&D Record did not disclose any trafficking issues relating to the acquisition or disposition of firearms.

The licensee did not report any firearms lost or stolen during the inspection period. No firearms were reported lost or stolen as a result of this inspection.

5 - ATF Forms 4473 – NICS & Other Dispositions

Investigator (b)(6) counted 97 ATF Forms 4473 on file for the inspection period of 11/4/2015 through 11/3/2016. The licensee retains/files the ATF Forms 4473 chronologically by date of disposition. Investigator (b)(6) reviewed all (b)(6) ATF Forms 4473 on file for the inspection period, which disclosed no discrepancies.

The licensee did not transfer any firearms to other FFL's during the inspection period.

The responsibility for completing all ATF Forms 4473 rests entirely with Mr. Davis. Mr. Davis alone completes, and reviews all forms.

The licensee made no sales to law enforcement officers per the provisions of 27 CFR 478.134 during the inspection period.

Investigator (b)(6) inspected the FFL Audit Log, which disclosed five transactions/NTN within the last 60 days and no denied transactions. No discrepancies disclosed.

Investigator (b)(6) reviewed the (b)(6) ATF Forms 4473 on file for the inspection period of 11/4/2015, through 11/3/2016, which did not disclose any trafficking issues relating to the purchasers of firearms.

6 - Multiple Sales

The Violent Crime Analysis Branch (VCAB) reported no multiple handgun sales for the inspection period. A review of the licensee's records disclosed (b)(6) unreported sale of

multiple handguns by the licensee during the last 12 months: **Violation #1-27 CFR 478.126a -See Worksheet 2-ATF Form 4473 Review Worksheet, Exhibit 1, ATF Forms 4473 and completed multiple sale reports, ATF Form 5030.5-Report of Violations.** IOI (b)(6) instructed the licensee to complete the multiple sale report immediately, and subsequently submit it.

7 - Suspicious/Prohibited Purchasers

The investigator conducted a review of the A&D Record for individuals with repeat firearm purchases of common crime guns with no significant investigative results. This inspection disclosed no information relating to any possible firearms traffickers, straw purchases or prohibited persons. No referrals were prepared regarding any possible suspicious or prohibited purchasers.

No violations disclosed.

8 - Trace Activity

Investigator (b)(6) requested a Firearm Trace History from the Violent Crime Analysis Branch prior to this inspection. The Firearm Trace History Report from the Violent Crime Analysis Branch revealed that there are no (zero) trace requests and no multiple handgun sales submitted for the inspection period of 11/4/2015, through 11/3/2016. Investigator (b)(6) obtained no significant investigative results from the Firearm Trace Report.

Investigator (b)(6) reviewed the Firearm Trace History report for any trace history information regarding firearms recovered in Mexico. This review disclosed negative results, no firearm was trace to or recovered in Mexico.

No violations were disclosed.

9 - NFA/Importer/Collector/Manufacturer

The licensee does not sell NFA firearms. The licensee is not an importer, collector. The licensee is a Type 07 FFL because he engages in the manufacturing/assembling of customized AR-15 rifles. Investigator (b)(6) verified the licensee complies with the preparation of the Annual Firearms Manufacturing and Exportation Report (ATF 5300.11). A comparison of the information on this report disclosed no discrepancies.

The licensee is properly marking any firearms that he manufactures. The licensee is maintaining proper manufacturer records, and accounting of all firearms assembled or manufactured. The licensee consolidates his records in compliance with ATF Ruling 2016-3. The licensee was reminded that he may incur a tax liability, and that he should be in touch with TTB to determine exactly what that liability would be. In addition, the licensee was reminded that if he begins manufacturing his own receivers with CNC type

machines, then he may be subject to the DDTC registration, and that he would need to contact the Department of State.

10 - Referrals

No referrals were generated as a result of the inspection findings.

11 - Other

The licensee has the Youth Handgun Safety Act Poster (ATF I 5300.1) displayed. In addition, Mr. Davis has Youth Handgun Safety Act Notices (ATF I 5300.2) on hand, and they are given to each individual with the purchase of a handgun.

The licensee maintains trigger locks at the premises. Mr. Davis stated that the business is aware of the regulatory requirement that the licensee must provide a secure gun safety device to each customer (non-licensee) with the purchase of a handgun.

12 - Closing Actions

On 11/9/2016, IOI (b)(6) reviewed in detail the Report of Violations over the telephone, and provided educational guidance on the proper completion of the ATF Form 4473, the A&D record, as well as other matters related to the proper conduct of business. Mr. Davis signed the Report of Violations, and then emailed the signed copy back to IOI (b)(6). Mr. Davis was provided with a copy for his records. The closing conference was done via telephone to conserve time, money, and expense to the government.

IOI (b)(6) reviewed in detail the Acknowledgement of Federal Firearms Regulations on 11/4/16, discussing all applicable regulations including ATF's right of entry and examination, recordkeeping requirements, theft or losses of firearms, Report of Multiple Handgun and Rifle Sales and tracing procedures. Mr. Davis signed the Acknowledgement of Federal Firearms Regulations, and was provided with a copy for his records (**Exhibit 2**). IOI (b)(6) provided Mr. Davis with his contact information, and encourage him to use this contact information when questions arise regarding ATF compliance.

13 - Violations

1. 27 CFR 478.126a

Nature of Violation: Failure to timely or correctly report the sale of two or more pistols, or revolvers, or a combination thereof, on the same day or within five consecutive business days in (b)(3) instance involving (b)(3) firearms.

Licensee's Response: The licensee simply overlooked the requirement due to

inadvertent human error. All future forms will be double checked to check this potential requirement.

Corrective Actions: The licensee will timely or correctly report the sale of two or more pistols, or revolvers, or a combination thereof, on the same day or within five consecutive business days.

X

Industry Operations Investigator

Index of Worksheets and Exhibits

Information Page

Worksheet 1

Worksheet 2

Other Statistics

Exhibits

Exhibit 1- Evidence of 478.126a violation

Exhibit 2- Acknowledgment of Federal Firearms Regulations