

Assignment and Report

1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY) SMITH, BRENT L SMITH BROTHERS PAWN & GUN 200 E MAIN ANTLERS, OK 74523, PUSHMATAHA		2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) 781025-2016-0404-B1B		
		3. PERMIT/LICENSE NUMBER 573127027J02599	4a. TARGET DATE	4b. TARGET HOURS
		5. REQUESTED BY (SIGNATURE, TITLE AND DATE)		

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

7. ASSIGNED BY (SIGNATURE, TITLE AND DATE)
(b)(6) , AREA SUPERVISOR, 06/21/2016

8. PURPOSE/SPECIAL INSTRUCTIONS	
Conduct a Compliance Inspection with emphasis on SWBI. Verify no changes in zoning. Verify that there is no hidden ownership. Review the A&D records and ATF Forms 4473 to determine if the licensee has established good recordkeeping practices.	

9. INSPECTION RESULTS		<input type="checkbox"/> CHECK IF NO VIOLATIONS, ADJUSTMENTS, ETC		10. TRAVEL EXPENSES (OPTIONAL)	
NO. OF VIOLATIONS	9	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: 10/25/2016	
Alternative recommendation: IOI (b)(6) is recommending a warning letter in lieu of a warning conference. The result of this inspection would warrant a warning letter, however, the licensee had an inspection in 2009, and was cited for failure to record a valid ID on ATF Forms 4473, on file for that inspection period which resulted in a warning conference. The adverse action history states that if the FFL has previously received a warning letter and violation(s) disclosed would require a second warning letter for repeated similar violation(s). However, the DIO may decide, based on the significance and number of violations, compliance history, time since previous warning letter and other relevant factors, that a warning letter should be the appropriate action.	
Violts WL ONLY and No Recall Inspection	

12. TIME ACCOUNTING DATA			
ATF OFFICER'S NAME (MONTH, YEAR, HOURS)		(b)(6)	
SEP 2016	8.00		
ATF OFFICER'S SUBTOTAL	8.00	ATF OFFICER'S SIGNATURE	
ATF OFFICER'S NAME (MONTH, YEAR, HOURS)		(b)(6)	
SEP 2016	14.50		
OCT 2016	32.00		
ATF OFFICER'S SUBTOTAL	46.50	ATF OFFICER'S SIGNATURE	
TOTAL HOURS	54.50		

Assignment and Report

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	3. PERMIT/LICENSE NUMBER 573127027J02599	4a. TARGET DATE	4b. TARGET HOURS
	5. REQUESTED BY (SIGNATURE, TITLE AND DATE)		

13. REVIEW AND ROUTING

REVIEW COMMENTS AND RECOMMENDATION
Viols WL ONLY and No Recall Inspection

☒ REVIEWED ☒ CONCUR ☐ SEE COMMENTS ☒ FINAL DISPOSITION

SIGNATURE AND TITLE (b)(6) - Industry Operations Investigator	REVIEW DATE 10/26/2016
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REVIEW COMMENTS AND RECOMMENDATION
Viols WL ONLY and No Recall Inspection

☒ REVIEWED ☒ CONCUR ☐ SEE COMMENTS ☐ FINAL DISPOSITION

SIGNATURE AND TITLE (b)(6) - Acting DIO	REVIEW DATE 10/28/2016
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ROUTING SEQUENCE AND DATE

- ☐ 1. _____
- ☐ 2. _____
- ☐ 3. _____
- ☐ 4. _____

CONTROL FILE POSTED DATE _____

Report of Violations

Instructions

Please write firmly with a ball point pen when completing this form. ATF officers will prepare this form in triplicate. The original copy will be given to the proprietor or a responsible representative. The remaining copies will be submitted with the completed inspection report. Supervisors will detach one copy from the completed report for their files.

Name of Proprietor SMITH, BRENT L SMITH BROTHERS PAWN & GUN	Street Address 200 E MAIN	City ANTLERS	State OK	Zip Code 74523-	County PUSHMATAHA	Page 1 of 5 Pages
License/Permit/Registry Number (If any) 573127027J02599		Expiration Date 9/1/2017	Date(s) or Period of Inspection 09/14/2016 through 09/15/2016			

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 furnish all information called for in each ATF Form 4473 as indicated by the headings on the ATF Form 4473 and the instructions on or pertaining to the ATF Form 4473. (b)(7)
(forms)
On ATF Form 4473 (2012 Edition) Item #18 was blank on (b)(3) 112 forms; Item #30a and 30b was blank on (b)(3) 112 form; Item # 33 was blank on (b)(3) 112 forms and Item #35 was blank on (b)(3) 112 forms.
Citation: 27 CFR 478.21(a)
- Date Corrections to be Made:**
(If not corrected immediately)
- Corrective Action to be Taken:** The licensee will ensure that all ATF Forms 4473 are properly completed.
(If not corrected immediately)
- Number: 2**
- Nature of Violation:**
Failure to knowingly transfer a firearm(s) to a prohibited person after receiving information that the transferee is a prohibited person. (b)(7)
(form)
On ATF Form 4473 (2012 Edition) a nonlicensee (b)(3) 112 PUBLIC LAW 85 125 91AT 855 answered "yes" to Item # 11g that he was discharged from the Armed Forces under dishonorable conditions.
Citation: 27 CFR 478.99(c)(6)
- Date Corrections to be Made:**
(If not corrected immediately)
- Corrective Action to be Taken:** The licensee instructed in the provisions of 27 CFR 478.99(c)(1) which pertain to certain prohibited sales or deliveries of firearms.
(If not corrected immediately)

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License/Permit/Registry Number (If any) 573127027J02599		Expiration Date 9/1/2017	Date(s) or Period of Inspection 09/14/2016 through 09/15/2016			

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 initiate a new NICS check after the thirty (30) day period from the date that NICS was initially contacted. (b)(3) form)
- On ATF Form 4473 (2012 Edition) the licensee contacted NICS on 03/11/2016, for nonlicensed (b)(3) 112 Public Law 55 125 STAT 552 (b) and received a delay. The firearm was transferred on 04/12/2016.
- Citation:** 27 CFR 478.102(c)
- Date Corrections to be Made:**
(If not corrected immediately)
- Corrective Action to be Taken:** The licensee will initiate a new NICS check prior to any firearm(s) transfer not completed within thirty (30) calendar days that the NICS system was initially contacted.
(If not corrected immediately)
- Number:** 4
- Nature of Violation:**
Failure to obtain a properly completed ATF Form 4473 from a nonlicensee prior to the transfer of a firearm. (b)(3) forms)
- On ATF Form 4473 (2012 Edition) Item #1 was an error on (b)(3) 112 form; Item #2 was an error on (b)(3) 112 forms; Item #3 was an error on (b)(3) 112 form; Item #11g was answered "yes" on (b)(3) 112 form; Item #11k was blank on (b)(3) 112 form; Item #11L was blank on (b)(3) 112 forms and Item #17 was blank on (b)(3) 112 form.
- Citation:** 27 CFR 478.124(c)(1)
- Date Corrections to be Made:**
(If not corrected immediately)
- Corrective Action to be Taken:** The licensee will ensure that a nonlicensee, prior to the transfer of a firearm, completes all the required information on the ATF Form 4473.
(If not corrected immediately)

Report of Violations

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License/Permit/Registry Number (If any) 573127027J02599		Expiration Date 9/1/2017	Date(s) or Period of Inspection 09/14/2016 through 09/15/2016			

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 verify and correctly record identification document of transferee on ATF Form 4473. (b)(3) forms

On ATF Form 4473 (2012 Edition) Item 20b was an error on (b)(3) 112 forms.

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

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken: The licensee will always verify and correctly record all identification documents on the ATF Form 4473.

(If not corrected immediately)

Number: 6

Nature of Violation:

Failure to note the NICS system contact date or the response provided by the NICS system on the ATF Form 4473. (b)(3) forms

On ATF Form (2012 Edition) Item # 21a was an error on (b)(3) 112 form and Item # 21e was blank on (b)(3) 112 form.

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

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken: The licensee will always provide the NICS system contact date or the response provided by the NICS system on the ATF Form 4473.

(If not corrected immediately)

Report of Violations

Instructions

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Name of Proprietor SMITH, BRENT L SMITH BROTHERS PAWN & GUN	Street Address 200 E MAIN	City ANTLERS	State OK	Zip Code 74523-	County PUSHMATAHA	Page 4 of 5 Pages
License/Permit/Registry Number (If any) 573127027J02599	Expiration Date 9/1/2017	Date(s) or Period of Inspection 09/14/2016 through 09/15/2016				

Inspection Results

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

Number: 7

Nature of Violation:

Failure to properly record the firearm transfer completion date upon transfer of a firearm to a nonlicensee on the ATF Form 4473. (b)(3) forms)

On ATF Form 4473 (2012 Edition) Item #36 was an error on (b)(3) 1 forms.

Citation: 27 CFR 478.124(c)(5)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

The licensee will ensure to properly record the firearm transfer completion date on the ATF Form 4473. If the licensee does not know or have reasonable cause to believe that the transferee is disqualified by law from receiving the firearm, and transfers the firearm described on the ATF Form 4473.

Number: 8

Nature of Violation:

Failure to accurately and timely maintain the Acquisition and Disposition Record. (b)(3) instances)

There were (b)(3) 112 P (b)(6) 9.15.16 firearms found in inventory that was not log into the A&D book (b)(3) 112 Public Law 55 (b)(3) - Public Law 112-55 (125 Stat. 552)

The licensee failed to log out one firearm in the A&D book (b)(3) - Public Law 112-55 (125 Stat. 552)

Citation: 27 CFR 478.125(e)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

The licensee will accurately and timely maintain the Acquisition and Disposition Record.

Report of Violations

Instructions

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Name of Proprietor SMITH, BRENT L SMITH BROTHERS PAWN & GUN	Street Address 200 E MAIN	City ANTLERS	State OK	Zip Code 74523-	County PUSHMATAHA	Page 5 of 5 Pages
License/Permit/Registry Number (If any) 573127027J02599		Expiration Date 9/1/2017	Date(s) or Period of Inspection 09/14/2016 through 09/15/2016			

Inspection Results

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

Number: 9

Nature of Violation:
Failure to report and or prepare a Report of Multiple Sale or Other Disposition of Pistols and Revolvers (ATF 3310.4), to report the sale or other disposition two or more pistols or revolvers or any combination thereof to a nonlicensee at one time or during any five consecutive business days. (b)(3) form)

On ATF Form 4473 (2012 Edition) Licensee failed to submit a multiple sale form for a no license (b)(3) - Public Law 112-55 (125 Stat. 552), (b)(6) handguns within five business days.

Citation: 27 CFR 478.126a

Date Corrections to be Made:
(If not corrected immediately)

Corrective Action to be Taken:
(If not corrected immediately) The licensee will prepare a Report of Multiple Sale or Other Disposition of Pistols and Revolvers (ATF 3310.4) to report the sale or other disposition two or more pistols or revolvers or any combination thereof to a nonlicensee at one time or during any five consecutive business days.

I Have Received a Copy of This Report of Violations (Proprietor) (b)(6) - owner	Date 9-15-16
Signature and Title of ATF Investigator (b)(6) - Investigator	Date 9-15-16



U.S. Department of Justice

Bureau of Alcohol, Tobacco,
Firearms and Explosives
1114 Commerce St, Rm 303
Dallas, Texas 75242

October 31, 2016

www.atf.gov

781025: (b) (6)
5000

SMITH, BRENT L
SMITH BROTHERS PAWN & GUN
200 E MAIN
ANTLERS, OK 74523
RE: 573127027J02599

Dear Mr. Smith:

During a recent inspection at your firearms business covering the period September 14, 2015 to September 13, 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.

SMITH, BRENT L

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

Sincerely yours,

(b)(6)

Acting Area Supervisor, Dallas V

Enclosure

c: Federal Firearms Licensing Center
Dallas V (IO) Field Office

Address: 200 E. Main Street
Antlers, Oklahoma 74523 (McCurtain County)

1 - Introduction

Inspection Profile:

On 09/14/2016, Industry Operations Investigators (b)(6) and (b)(6) (the investigators) began an onsite full firearms compliance inspection with emphasis on the Southwest Border Initiative at the business premises of Brent L. Smith, doing business as Smith Brothers Pawn & Gun, located at 200 E. Main Street, Antlers, Oklahoma.

Upon arriving on the business premises the investigators identified themselves and the purpose of their visit and requested to speak with Brent L. Smith (Mr. Smith) or Jeannette A. Smith (Ms. Smith). The investigators interviewed Ms. Smith, responsible person, who identified herself with her Oklahoma driver's license ((b)(6)) and Mr. Smith, licensee and owner, who identified himself with his Oklahoma driver's license ((b)(6)). The period of the inspection for review of the licensee's records was from 09/14/2015, through 09/13/2016. No other Federal, State, or local agencies participated in this inspection. The investigators did not provide advance notification to the licensee.

NCIC/NLETS queries of Brent L. Smith or Jeannette A. Smith did not return any prohibiting criminal information. Queries in the ATF NFORCE database of Smith Brothers Pawn & Gun, Brent L. Smith nor Jeannette A. Smith did not return any information that would indicate that they are the subject of any ongoing ATF criminal investigations at the time of this inspection.

Business Profile:

Mr. Smith holds an ATF Type-02 Federal Firearms License (FFL) as a pawnbroker. The licensee provides secured loans to the public who use items of personal property as collateral. If an item is pawned for a loan within a certain contractual period of time the pawner may redeem it for the amount of the loan plus some agreed-upon amount for interest.

If the loan is not paid within the time period, the pawned item will be offered for sale to the public by the pawnbroker. Items of personal property include long guns, and handguns.

The licensee sell new and used long guns, handguns and NFA Firearms. A review of the records disclosed the licensee acquired approximately (b)(4) firearms ((b)(4) long guns, (b)(4) handguns and (b)(4) silencers) and disposed of approximately (b)(4) firearms ((b)(4) long guns and (b)(4) handguns) during the inspection period.

Mr. Smith stated that all sales are retail sales or pawn redemptions and that (b)(4) of the firearms received are used and (b)(4) % are new. He further stated that his primary supplier of firearms is (b)(4) and firearms pawned by customers. The licensee does not sell firearms at gun shows or on consignment. The licensee does not sell firearms via the internet and does not have a website. However, the licensee does firearm transfers. The licensee has held an active ATF license since 06/14/2008. The licensee does not hold any other ATF license, State or local license.

The licensee does not operate any other business on the premises. In addition, to the pawnshop, the licensee recently opened Cowboy Bar-b-Que restaurant located in Antlers, Oklahoma.

The licensed premises are located in an urban commercial zoned area inside the city limits of Antlers, Texas. The investigator contacted the City of Antlers Police Department, and spoke with Dwayne Morgan, Chief of Police, who verified that there have been no changes in their zoning laws or regulations that prevent firearm sales at this location.

The licensee does not maintain any off-site firearms storage locations.

Ownership and Control:

Brent L. Smith operates the pawnshop as a sole proprietor.

An online query of the Oklahoma Secretary of State website disclosed no information for Brent L. Smith nor Smith Brothers Pawn and Gun. Mr. Smith verified that he own 100% of the business and that Jeanette A. Smith is his mother who as of August, 2016, is handling the daily operations of the business.

A review of the licensee's records indicated that the licensee has an active Oklahoma Sales and Tax Permit (b)(3) - 26 USC 6103 and an active pawn broker's license (PB001683). The licensee has applied for and received an Employer Identification Number from the Internal Revenue Service ((b)(3) 16 USC 6103).

The investigator reviewed the responsible person listed in the Federal Licensing System (FLS) database with Mr. Smith and no changes or correction were made.

An online query of the TLOxp website disclosed information that the property located at 200 E. Main Street Antlers, Oklahoma, is owned by Brent L. Smith.

The investigator did not review any documents or observe any activities and the licensee did not make any statements that indicated hidden ownership or a change of control or a change of ownership.

Variance:

The licensee maintains a handwritten bound Acquisition and Disposition book (A&D). The investigators advised the licensee that he could maintain a computerized A&D record, without submitting a variance request as long as the records met the requirements of ATF Ruling 2016-1. The licensee does not hold any variances. No variance was requested during this inspection.

2 - Recommendation

Viols WL ONLY and No Recall Inspection

Alternative recommendation: IOI (b)(6) is recommending a warning letter in lieu of a warning conference. The result of this inspection would warrant a warning letter, however, the licensee had an inspection in 2009, and was cited for failure to record a valid ID on (b)(3) ATF Forms 4473, on file for that inspection period which resulted in a warning conference. The adverse action history states that if the FFL has previously received a warning letter and violation(s) disclosed would require a second warning letter for repeated similar violation(s). However, the DIO may decide, based on the significance and number of violations, compliance history, and time since previous warning letter and other relevant factors, that a warning letter should be the appropriate action.

3 - Inspection History

The area office file disclosed the following inspection history:

Date and Type of Inspection:	04/13/2015; SW Border Full Inspection
UI#:	781025-2015-0240
Inspection Results:	No violations, no further action, no referrals
Cited Violations:	None
Date and Type of Inspection:	06/01/2011; SW Border Full Recall Inspection
UI#:	781050-2011-0102

Inspection Results:	No violations, no further action, no referrals
Cited Violations:	None
Date and Type of Inspection:	08/10/2009; SW Border Full Compliance Inspection
UI#:	781050-2009-0223
Inspection Results:	WC with WL and Recall Inspection
Cited Violations:	27 CFR 478.21a; 27 CFR 478.124(c)(1); 27 CFR 478.124(c)(3)(i); 27 CFR 478.124(c)(3)(iv); 27 CFR 478.124(c)(5); 27 CFR 478.125(e); 27 CFR 478.126a.
Date and Type of Inspection:	08/08/2008; Qualification Inspection
UI#:	781050-2008-0425
Inspection Results:	Approved Application
Cited Violations:	None

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

Investigator (b)(6) conducted a full gun-to-book inventory of the firearms. There were (b)(3)-1 open entries in the licensee's A&D books and 169 firearms in inventory.

The investigator and Ms. Smith compared the information stamped on the firearms against the entries in the licensee's A&D books. The licensee maintains handwritten A&D books. The books are in the proper format and contain all of the required information. Regarding the A&D, the licensee's internal controls are inadequate. The licensee had (b)(3)-1 firearm found in inventory that was not logged into the A&D book and (b)(3)-1 firearm that was not logged out of the A&D book.

Ms. Smith stated that she log the firearms into the A&D book the same day it is received but somehow missed (b)(3)-1. Investigator (b)(6) advised Ms. Smith to recheck all firearms she receive daily to ensure she had recorded the firearm in the A&D book. MS. Smith verified that she records the information from the firearm and not the invoice. The investigator compared (b)(3)-1 ATF Forms 4473, to information recorded in the A&D and found no discrepancies.

Regarding the inventory, Ms. Smith stated she conducts an inventory by comparing the information stamped on the firearm with the information recorded in the A&D book annually. There was firearm missing from inventory and later it was discovered transferred and not logged out. Also, as stated earlier, there was (b)(3)-1 firearm found in inventory that was not recorded into the A&D book.

No firearms reported stolen during the inspection period. The inspection did not disclose any illegal firearms or firearms with altered or obliterated serial numbers in

inventory. Based upon review of the A&D book and the inventory, the licensee was cited for the following violations:

ROV 8: 27 CFR 478.125e

Details of the violation can be found in Section 13.

The inspection did not disclose any indications of firearms trafficking by the licensee; the investigator did not forward any referrals to the Field Intel Division.

5 - ATF Forms 4473 – NICS & Other Dispositions

The licensee had (b)(6) ATF Forms 4473 on file for the inspection period. Investigator (b)(6) examined all of the forms and checked for any indications of possible firearms trafficking.

No firearms were transferred to law enforcement officers under the provisions of 27 CFR 478.134 during this inspection period. The investigator found that the ATF Forms 4473 were filed chronological by the transfer date and the denied forms were filed separately.

The investigator compared 39 NICS Transaction Numbers (NTNs) listed on the FFL Audit Log against the information on the corresponding ATF Forms 4473 which disclosed no discrepancies.

The licensee did not have any instances where the purchaser received a delayed response after completing an ATF Form 4473 and then failed to return to the shop to pick up the firearm. The investigator advised the licensee that, in those instances, the forms for the ‘non-transfers’ should also be filed separately.

Based upon the review of the forms, the licensee was cited for the following violations:

ROV 1- 27 CFR 478.21a-Worksheet 2-Exhibit 1

ROV 2- 27 CFR 478.99(c)(6)- Worksheet 2 Exhibit 2

ROV 3 – 27 CFR 478.102c- Worksheet 2 Exhibit 3

ROV 4 – 27 CFR 478.124(c)(1) – Worksheet 2 Exhibit 4

ROV 5 – 27 CFR 478.124(3)(i) – Worksheet 2 Exhibit 5

ROV 6 – 27 CFR 478.124(3)(iv) – Worksheet 2 Exhibit 6

ROV 7– 27 CFR 478.124(c)(5) – Worksheet 2 Exhibit 7

Details of the violations can be found in Section 13 – Violations.

Regarding the ATF Forms 4473 (Firearms Transaction Record), the licensee's internal controls are inadequate. Ms. Smith stated that she is the only person that process the ATF Forms 4473. She further stated that once a nonlicensee completes the forms, she check the information recorded with the information listed on the person's driver's license for accuracy. Prior to Mr. Smith starting a new business, Ms. Smith stated that he use to verify each other's forms for accuracy. The investigator advised Ms. Smith that it is imperative that she have another person verify the forms prior to a firearm being transferred to avoid discrepancies.

A review of the licensee's records did not disclose any indications of firearms trafficking by purchasers; the investigator did not forward any referrals to the Field Division.

6 – Multiple Sales

Prior to this on-site inspection, the investigator requested a Firearms Trace History Report from the Violent Crime Analysis Branch. The report revealed (b)(6) multiple sales of handguns involving (b)(6) firearms. A review of the ATF Form 4473, disclosed that the licensee failed to submit (b)(6) multiple sale form on handguns. Based upon review of the ATF Forms 4473, the licensee was cited for the following violation:

ROV 9- 27 CFR 478.126a - Worksheet2 Exhibit 9

Details of this violation can be found in SECTION 13

7 – Suspicious/Prohibited Purchasers

Investigator (b)(6) conducted criminal history queries in the NCIC/NLETS database on six nonlicensees that received a "no resolution" and received a "hit" on 2 nonlicensees. In addition, one nonlicensee answered "yes" to item #11g on the ATF Form 4473.

NCIC/NLETS criminal history query on (b)(6)

(b)(6) The investigator contacted the Whatcom, Washington County Sherriff's office via email and received the court disposition document.

The investigator forward the document to (b)(6), Senior Attorney, to determine if (b)(6) was prohibited. (b)(6) contacted (b)(6), Division Counsel, and it was determine that (b)(6) was not prohibited.

(b)(6), (b)(7)(C)

No referrals were submitted as a result of the criminal history queries in the NCIC/NLETS or review of the military record.

8 – Trace Activity

A review of the Violent Crime Analysis Branch FFL History query disclosed there were no firearms traced to this licensee successfully or unsuccessfully from the time period of 08/17/2013, to the present.

A query in the ATF e-Trace database disclosed that the licensee has had no firearms traced to a foreign country. The investigator did not conduct secondary market analysis on used firearms.

9 - NFA/Importer/Collector/Manufacturer

The licensee does not import or manufacture firearms or ammunition. The licensee does not hold an ATF type-03 collector's license. The licensee holds an active special occupation tax stamp with control number 2016166-N01-024. The investigator requested the NFA registration and transfer record report from the NFA branch and compared it to the NFA firearms in inventory and the A&D book which disclosed one discrepancy. The NFA report indicated that the licensee had a silencer that was not found in inventory. Further research disclosed that the NFA branch disclosed Mr.

(b)(3) - 26 USC 6103

[Exhibit 10]. Investigator (b)(6) verified with Ms. Smith that the NFA forms are kept in chronological order.

The licensee does not sell black powder.

10 – Referrals

This inspection generated no referrals.

11 - Other

The licensee is in compliant with the Youth Handgun Safety Act (poster and notices). The licensee has locking devices available for its customers. The licensee provides a locking device when transferring handguns to nonlicensees. The licensed premises are not located within 1,000 feet of a school zone.

12 - Closing Actions

On 09/15/2016, Investigator (b)(6) held a closing conference with Brent L. Smith, licensee and owner, and Jeanette Smith, responsible person. Investigator (b)(6) reviewed all items on the Acknowledgement of Federal Firearms Regulations and Report of Violation and afforded them an opportunity to ask questions. Mr. Smith signed and dated the Report of Violations and Ms. Smith signed and dated the acknowledgement and received a copy of each for their records. **[Exhibit 11]**

13 - Violations

1. **27 CFR 478.21a**
REPEAT VIOLATION CITED ON: 08/10/2009.

Nature of Violation: Failure to furnish all information called for in each ATF Form 4473 as indicated by the headings on the ATF Form 4473 and the instructions on or pertaining to the ATF Form 4473. (b)(6) forms)

On ATF Form 4473 (2012 Edition) Item #18 was blank on (b)(3)-112 forms; Item #30a and 30b was blank on (b)(3)-112 form; Item # 33 was blank on (b)(3)-112 forms and Item #35 was blank on (b)(3)-112 forms.

Licensee's Response: Mr. Smith stated that the errors were an oversight and mainly due to his mother (Ms. Smith) being the only person working in the pawn shop. He further stated that he will verify all of the forms in the future before they are filed away. Ms. Smith will verify all forms prior to a customer leaving the premises.

Corrective Action: The licensee will ensure that all ATF Forms 4473 are properly completed.

Reference: Worksheet 2 and Exhibit 1

2.. **27 CFR 478.99(c)(6)**

Nature of Violation: Failure to knowingly transfer a firearm(s) to a prohibited person after receiving information that the transferee is a prohibited person. (b) form)

On ATF Form 4473 (2012 Edition) a nonlicensee (b)(6), (b)(3) - 112 Public Law 55-125 Stat 552) answered "yes" to Item # 11g that he was discharged from the Armed Forces under dishonorable conditions.

Licensee's Response: Mr. Smith stated that the error was an oversight and mainly due to his mother (Ms. Smith) being the only person working in the pawn shop. He further stated that he will verify all of the forms in the future before they are filed away. Ms. Smith will verify all forms prior to a customer leaving the premises.

Corrective Action: The licensee instructed in the provisions of 27 CFR 478.99(c)(1) which pertain to certain prohibited sales or deliveries of firearms.

Reference: Worksheet 2 and Exhibit 2

3. **27 CFR 478.102(c)**

Nature of Violation: Failure to initiate a new NICS check after the thirty (30) day period from the date that NICS was initially contacted. (b) form)

On ATF Form 4473 (2012 Edition) the licensee contacted NICS on 03/11/2016, for nonlicensee ((b)(6)) and received a delay. The firearm was transferred on 04/12/2016.

Licensee's Response: Mr. Smith stated that the error was an oversight and mainly due to his mother (Ms. Smith) being the only person working in the pawn shop. He further stated that he will verify all of the forms in the future before they are filed away. Ms. Smith will verify all forms prior to a customer leaving the premises.

Corrective Action: The licensee will initiate a new NICS check prior to any firearm(s) transfer not completed within thirty (30) calendar days that the NICS system was initially contacted.

Reference: Worksheet 2 and Exhibit 3

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

REPEAT VIOLATION CITED ON: 08/10/2009.

Nature of Violation: Failure to obtain a properly completed ATF Form 4473 from a nonlicensee prior to the transfer of a firearm. (b)(3) forms)

On ATF Form 4473 (2012 Edition) Item #1 was an error on (b)(3)-112 form; Item #2 was an error on (b)(3)-112 forms; Item # 3 was an error on (b)(3)-1 form; Item #11g was answered "yes" on (b)(3)-112 form; Item #11k was blank on (b)(3)-112 form; Item #11L was blank on (b)(3)-112 forms and Item # 17 was blank on (b)(3)-1 form.

Licensee's Response: Mr. Smith stated that the errors were an oversight and due to his mother (Ms. Smith) being the only person working in the pawn shop. He further stated that he will verify all of the forms in the future before they are filed away. Ms. Smith will verify all forms prior to a customer leaving the premises.

Corrective Action: The licensee will ensure that a nonlicensee, prior to the transfer of a firearm, completes all the required information on the ATF Form 4473.

Reference: Worksheet 2 and Exhibit 4

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

REPEAT VIOLATION CITED ON: 08/10/2009.

Nature of Violation: Failure to verify and correctly record identification document of transferee on ATF Form 4473. (b)(3) forms)

On ATF Form 4473 (2012 Edition) Item 20b was an error on (b)(3)-112 forms.

Licensee's Response: Mr. Smith stated that the errors were an oversight and mainly due to his mother (Ms. Smith) being the only person working in the pawn shop. He further stated that he will verify all of the forms in the future before they are filed away. Ms. Smith will verify all forms prior to a customer leaving the premises.

Corrective Action: The licensee will always verify and correctly recorded all identification documents on the ATF Form 4473.

Reference: Worksheet 2 and Exhibit 5

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

REPEAT VIOLATION CITED ON: 08/10/2009.

Nature of Violation: Failure to note the NICS system contact date or the response provided by the NICS system on the ATF Form 4473. (b)(3) forms)

On ATF Form (2012 Edition) Item # 21a was an error on (b)(3) form and Item # 21c was blank on (b)(3) form.

Licensee's Response: Mr. Smith stated that the errors were an oversight and mainly due to his mother (Ms. Smith) being the only person working in the pawn shop.

He further stated that he will verify all of the forms in the future before they are filed away. Ms. Smith will verify all forms prior to a customer leaving the premises.

Corrective Action: The licensee will always provide the NICS system contact date or the response provided by the NICS system on the ATF Form 4473.

Reference: Worksheet 2 and Exhibit 6

7. **27 CFR 478.124(c)(5)**
REPEAT VIOLATION CITED ON: 08/10/2009.

Nature of Violation Failure to properly record the firearm transfer completion date upon transfer of a firearm to a nonlicensee on the ATF Form 4473. (b) forms)

On ATF Form 4473 (2012 Edition) Item #36 was an error on (b)(3) forms.

Licensee's Response: Mr. Smith stated that the errors were an oversight and mainly due to his mother (Ms. Smith) being the only person working in the pawn shop. He further stated that he will verify all of the forms in the future before they are filed away. Ms. Smith will verify all forms prior to a customer leaving the premises.

Corrective Action: The licensee will ensure to properly record the firearm transfer completion date on the ATF Form 4473. If the licensee does not know or have reasonable cause to believe that the transferee is disqualified by law from receiving the firearm, and transfers the firearm described on the ATF Form 4473.

Reference: Worksheet 2 and Exhibit 7

8. **27 CFR 478.125e**
REPEAT VIOLATION CITED ON: 08/10/2009.

Nature of Violation: Failure to accurately and timely maintain the Acquisition and Disposition Record. (b)(3) instances)

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

Licensee's Response: Mr. Smith stated that the errors were an oversight and mainly due to his mother (Ms. Smith) being the only person working in the pawn shop. Ms. Smith stated that she will verify all firearms received daily at the end of the day to be sure the firearm was added to the A&D book.

Corrective Action: The licensee will accurately and timely maintain the Acquisition and Disposition Record.

Reference: Worksheet 1 and Exhibit 8

9. **27 CFR 478.126a**
REPEAT VIOLATION CITED ON: 08/10/2009.

Nature of Violation: Failure to report and or prepare a Report of Multiple Sale or Other Disposition of Pistols and Revolvers (ATF 3310.4), to report the sale or other disposition two or more pistols or revolvers or any combination thereof to a nonlicensee at one time or during any five consecutive business days (b)(6) form)

On ATF Form 4473 (2012 Edition) Licensee failed to submit a multiple sale form for a no licensee (b)(6) who purchased (b)(3)-(1) handguns within five business days.

Licensee's Response: Mr. Smith stated that the error was an oversight and mainly due to his mother (Ms. Smith) being the only person working in the pawn shop. He further stated that he will verify all of the forms in the future before they are filed away. Ms. Smith will verify all forms prior to a customer leaving the premises.

Corrective Action: The licensee will prepare a Report of Multiple Sale or Other Disposition of Pistols and Revolvers (ATF 3310.4) to report the sale or other disposition two or more pistols or revolvers or any combination thereof to a nonlicensee at one time or during any five consecutive business days. A query in the online eTrace database disclosed that the multiple sale form for the nonlicensee has been received.

Reference: Worksheet 2 and Exhibit 9

Index of Worksheets and Exhibits

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2. Worksheet 1 – Inventory, A&D
3. Worksheet 2 – 4473 (2008 edition)
4. Worksheet 2 – 4473 (2012 edition)
5. Firearms Inspection Statistical Page
6. Exhibit 1- 27 CFR 478.21a
7. Exhibit 2- 27 CFR 478.99(c)(6)
8. Exhibit 3– 27 CFR 478.102c
9. Exhibit 4 – 27 CFR 478.124(c)(1)
10. Exhibit 5– 27 CFR 478.124(c)(3)(i)
11. Exhibit 6 –27 CFR 478.124(c)(3)(iv)
12. Exhibit 7 –27 CFR 478.124(c)(5)
13. Exhibit 8–27 CFR 478.125e
14. Exhibit 9 –27 CFR 478.126a
15. Exhibit 10- Silencer photo
16. Exhibit 11- Acknowledgement of Federal Firearms Regulations