

Assignment and Report

1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY) JT GUNS & SUPPLY, LLC 3023 MERLE HAY RD DES MOINES, IA 50310, POLK (153)		2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) 779080-2017-0111-B1B		
		3. PERMIT/LICENSE NUMBER 542153018G02910	4a. TARGET DATE 1/31/2017	4b. TARGET HOURS
		5. REQUESTED BY (SIGNATURE, TITLE AND DATE)		
6. ATF OFFICER(S) ASSIGNED (b)(6) - Assigned Investigator (b)(6) - Lead Investigator (b)(6) - Assigned Investigator				
7. ASSIGNED BY (SIGNATURE, TITLE AND DATE) (b)(6), Area Supervisor, 10/05/2016				
8. PURPOSE/SPECIAL INSTRUCTIONS DE. HQ MANDATED INSPECTION.				
9. INSPECTION RESULTS <input type="checkbox"/> CHECK IF NO VIOLATIONS, ADJUSTMENTS, ETC				
NO. OF VIOLATIONS	6	NO. OF REFERRALS		10. TRAVEL EXPENSES (OPTIONAL)
NO. OF TECS CHECKS	14	NO. OF TECS HITS		2111 - PER DIEM
NO. OF TAX ADJUSTMENTS		\$ VALUE OF TAX INCREASES		2112 - P.O.A.
		\$ VALUE OF TAX DECREASES		2113 - COMM. AIR
NO. OF ASSESSMENTS		\$ VALUE OF ASSESSMENTS		2114 - RENTAL CAR
NO. OF CLAIMS		\$ VALUE OF CLAIMS		2115 - GPV EXPENSES
NO. OF TAX PERIODS		\$ VALUE OF TAXES VERIFIED		2116 - MISC.
				TOTAL \$ FOR INSP.
11. ATF OFFICER'S RECOMMENDATION Submitted by (b)(6) - Industry Operations Investigator Submitted on: 01/23/2017 Onsite compliance inspection conducted by Invs. (b)(6), and (b)(6) over three days. Approx (b)(6) guns in inventory (b)(3) - (26 USC § 6103). Approx 1600 Forms 4473 for past 12 months. Inspection resulted in citation of 6 violations. Licensee will have full computerized records (A&D and 4473s) as of 01/01/2017. Viols WL ONLY and No Recall Inspection				
12. TIME ACCOUNTING DATA				
ATF OFFICER'S NAME (MONTH, YEAR, HOURS) (b)(6)				
NOV 2016		22.00		
DEC 2016		9.00		
ATF OFFICER'S SUBTOTAL		31.00	ATF OFFICER'S SIGNATURE	
ATF OFFICER'S NAME (MONTH, YEAR, HOURS) (b)(6)				
OCT 2016		6.00		
NOV 2016		38.50		
DEC 2016		42.00		
JAN 2017		17.50		
ATF OFFICER'S SUBTOTAL		104.00	ATF OFFICER'S SIGNATURE	
ATF OFFICER'S NAME (MONTH, YEAR, HOURS) (b)(6)				
NOV 2016		20.00		
DEC 2016		11.00		
ATF OFFICER'S SUBTOTAL		31.00	ATF OFFICER'S SIGNATURE	
TOTAL HOURS		166.00		

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	3. PERMIT/LICENSE NUMBER 542153018G02910	4a. TARGET DATE 1/31/2017	4b. TARGET HOURS
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13. REVIEW AND ROUTING

REVIEW COMMENTS AND RECOMMENDATION

SYNOPSIS OF VIOLATIONS:

- 1) 27 CFR 478.125(e) - MEETS CRITERIA FOR WARNING LETTER
- 2) 27 CFR 478.102 - MEETS CRITERIA FOR WARNING LETTER
- 3) 27 CFR 478.99(a) MEETS CRITERIA FOR WARNING LETTER
- 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)(5) - DOES NOT MEET CRITERIA FOR ADVERSE ACTION

-- 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 01/23/2017
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REVIEW COMMENTS AND RECOMMENDATION

Viols WL ONLY and No Recall Inspection

☒ REVIEWED ☒ CONCUR ☐ SEE COMMENTS ☒ FINAL DISPOSITION

SIGNATURE AND TITLE WLBOWERS - Director Industry Operations	REVIEW DATE 01/31/2017
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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 JT Guns & Supply LLC	Street Address 3023 Merle Hay Rd	City Des Moines	State IA	ZIP Code 50310	County Polk	Page 1 of 2 Pages
License/Permit/Registry Number (if any) 5-42-153-01-8G-02910		Expiration Date 07/01/2018	Date(s) or Period of Inspection November 1, 2015 - December 12, 2016			

Inspection Results

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

Number	USC or CFR Citation	Nature of Violation	Corrective Action to be Taken (If not corrected immediately)	Date Corrections to be Made (If not corrected immediately)
1	27 CFR 478.125(e)	Failure to properly maintain an accurate acquisition and disposition record. In approximately (b)(3) 112 Public Law 55 125 ST instances, the licensee failed to record the disposition of a firearm. In approximately (b)(3) 112 Public Law 55 125 STAT 552 (b)(6) instances, the licensee could not reconcile an entry.	A&D record corrected immediately. Licensee completed ATF Form 3310.11 to report (b)(3) 112 Public Law 55 125 STAT 552 (b)(6) firearm missing.	N/A
2	27 CFR 478.102	Failure to accept a valid NICS exemption document. In (b)(3) 112 Public Law 55 125 STAT 552 instance, the licensee accepted an Iowa Peace Officer ID which was not issued within the last five years (b)(3) 112 Public Law 55 125 STAT 552. In (b)(3) 112 Public Law 55 125 STAT 552 instance, the licensee accepted a retired Iowa Peace Officer ID which is not a valid NICS exemption document (b)(3) 112 Public Law 55 125 STAT 552. In (b)(3) 112 Public Law 55 125 STAT 552 instance, the licensee accepted an expired NICS exemption document (b)(3) 112 Public Law 55 125 STAT 552. Failure to document a background check. In (b)(3) 112 Public Law 55 125 STAT 552 instance, the licensee failed to record a background check or NICS exemption document (b)(3) 112 Public Law 55 125 STAT 552.	For future transactions, slow down while completing the ATF Form 4473 and accurately record all required information relating to NICS exemption documents.	N/A
3	27 CFR 478.99(a)	Failure to follow state law. In approximately (b)(3) 112 Public Law 55 125 STAT 552 instance, the licensee failed to follow Illinois state law relating to the transfer of a long gun (b)(3) 112 Public Law 55 125 STAT 552.	For future transactions, ensure out-of-state transfers abide by receiving State laws.	N/A

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

(b)(6)	Owner.	Date 01-12-2017
Signature and Title of ATF Officer (b)(6)	Industry Operations Investigator	Date 12/22/16

ATF E-Form 5030.5
Revised April 2005

Report of Violations

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Name of Proprietor JT Guns & Supply LLC	Street Address 3023 Merle Hay Rd	City Des Moines	State IA	ZIP Code 50310	County Polk	Page <u>2</u> of <u>2</u> Pages
License/Permit/Registry Number (if any) 5-42-153-01-8G-02910		Expiration Date 07/01/2018	Date(s) or Period of Inspection November 1, 2015 - December 12, 2016			

Inspection Results

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

Number	USC or CFR Citation	Nature of Violation	Corrective Action to be Taken (If not corrected immediately)	Date Corrections to be Made (If not corrected immediately)
4	27 CFR 478.124(c)(1)	Failure to ensure the transferee/buyer accurately completes the Form 4473. In approximately (b)(3) 112 Public Law 55 125 STAT 552 (b)(6) instances, the licensee failed to ensure the buyer accurately completed the ATF Form 4473 (b)(3) 112 Public Law 55 125 STAT 552 (b)(6)	Ensure the ATF Form 4473 is completed accurately and correctly by the buyer.	N/A
5	27 CFR 478.124(c)(3)(i)	Failure to verify the identity of the transferee by examining the identification document presented and noting on the Form 4473 the additional documentation provided. In approximately (b)(3) 112 Public Law 55 125 STAT 552 (b)(6) instance, the licensee failed to document the additional identification documentation in (b)(3) 112 Public Law 55 125 STAT 552 (b)(6)	Ensure the buyer accurately and completely identifies themselves prior to the transfer of a firearm.	N/A
6	27 CFR 478.124(c)(5)	Failure to date the Form 4473. In approximately (b)(3) 112 Public Law 55 125 STAT 552 (b)(6) instance, the licensee failed to date the Form 4473 in (b)(3) 112 Public Law 55 125 STAT 552 (b)(6)	Ensure the ATF Form 4473 is completed per the instructions.	N/A



U.S. Department of Justice

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

www.atf.gov January 23, 2017

CERTIFIED MAIL
Return Receipt Requested

JT GUNS & SUPPLY LLC
3023 MERLE HAY ROAD
DES MOINES, IA 50310

RE: 5-42-153-01-8G-02910

Dear Mr. Hofman:

During a recent inspection at your firearms business covering the period November 15, 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 action 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

Enclosure

cc: Federal Firearms Licensing Center
Omaha II Field Office

Address: 3023 Merle Hay Road, Des Moines, IA 50310

1 - Introduction

Inspection Profile:

On November 15, 2016, Industry Operations Investigators (b)(6)(b)(6) and (b)(6) initiated a firearms compliance inspection at the licensee's above-listed premises. Owner Ryzard "Richard" Hofman (IADL (b)(6), exp. 03/10/24) and his wife Elwira Hofman (IADL (b)(6), exp. 05/15/24) were identified, interviewed and assisted with the inspection. On the afternoon of November 14, 2016, the licensee was contacted to ensure responsible person availability. The inspection period was set from November 1, 2015 to present. This inspection was requested by ATF Headquarters due to the licensee being in the Top 100 in the country for Trace Requests.

Business Profile:

The licensee operates a commercial gun shop in urban Polk County, Iowa. The licensee sells new and used firearms, firearms accessories and suppressors. The licensee acquired approximately (b)(4) firearms and disposed of (b)(4) firearms in the last twelve months. All firearms are retail. Used firearms account for approximately 30 percent of the licensee's business. No business is conducted at gun shows. No other business on the premises. No other ATF licenses held by the licensee. This is the licensee's first compliance inspection. The licensee is a central Iowa representative for (b)(4) Firearms and approximately (b)(4) of sales are (b)(4)-branded items. Primary suppliers include (b)(4), and the general public. The licensee conducts business as a transfer dealer for firearms purchased over the internet. The licensee received this license in July, 2012.

Ownership and Control:

This license is operated as a limited liability company. See UI: 779080-2012-0535-B1B for corporate documentation. No changes in ownership discovered and no indications of hidden ownership encountered. No changes in RPs – all are correctly listed in FLS.

Variance:

The licensee does not currently possess any variances.

2 - Recommendation

Viols WL ONLY and NO Recall Inspection

3 - Inspection History

A review of the Area Office File reveals this is the first on-site inspection for the licensee. An application inspection was conducted under UI: 779080-2012-0535-B1B on June 12, 2012 which resulted in the issuance of this license.

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

A full inventory was conducted on November 15-16, 2016. At the time of inspection, the licensee had 591 (400 GCA, 191 NFA) firearms in inventory. There were approximately (b)(3) - 11 GCA open entries in the Acquisition and Disposition record. See **Worksheet #1** and **Violation 1**. Due to the amount of entries needing reconciliation, the licensee was given one month for reconciliation. Investigators returned to the premise on December 12, 2016. The licensee was unable to account for (b)(3) - 1 firearm and reported in missing on December 12, 2016. See **Exhibit 1** for the ATF Form 3310.11 (Theft/Loss Report) for this firearm.

Another ATF Form 3310.11 was completed on December 16, 2016. The theft of a firearm occurred that day. See **Exhibit 2**.

The A&D record is in the proper format as the licensee maintains a handwritten record. See **Exhibit 3** for example pages. The licensee will begin using an electronic A&D record around January 1, 2017. Entries into the written A&D record appear to be timely. The licensee admits they fell behind in maintaining the disposition side of the bound book, yet with the adoption of an electronic record, this poor record keeping practice should cease. At the time of sale, the firearm is removed from inventory and logged out electronically. It was due to this remedy that the licensee was only cited for disposition instances occurring in the sixty days prior to the start of the inspection.

No firearms with obliterated serial numbers were located in inventory. The licensee is not suspected of trafficking in firearms.

5 - ATF Forms 4473 – NICS & Other Dispositions

At the time of inspection, approximately (b)(3) - 112 ATF Forms 4473 were completed over the previous twelve (12) months. Forms are filed by transferor transaction serial number. Forms on file for the past year were reviewed with special emphasis on the most recent six months of transfers. Discrepancies (discussed below) are noted on **Worksheet 2** and the **Report of Violations**. No transfers to law enforcement agencies conducted. Transfers to other licensees appear to be properly conducted.

The FFL Audit Log (submitted as **Exhibit 4**) shows 49 NICS checks performed by the licensee from September 1, 2016 to November 5, 2016. Nine (9) NTN's were verified with the Audit Log. No discrepancies discovered.

In the majority of transfers, purchasers possess a NICS exemption document. In (b)(3) - 112 instances, the licensee accepted an invalid NICS exemption document. In (b)(3) - 112 Public instance, the licensee did not document a NICS check. See **Violation 2**, **Worksheet 2** and **Exhibit 5**. Regarding the instance where the licensee did not document a NICS

check, the licensee reviewed their video recording of the premises and found the footage which demonstrates a NICS check was performed yet the results were not written or attached on the Form 4473.

6 - Multiple Sales

Per the VCAB Report (submitted as **Exhibit 6**), the licensee has (b)(3)-11 multiple sale transaction involving (b)(3)-112 firearms. The licensee maintained a file of Multiple Sale Forms; Investigators requested the licensee begin attaching the Multiple Sale Form to the applicable Form 4473. No unreported multiple sales discovered during the inspection.

7 - Suspicious/Prohibited Purchasers

A total of (b)(3)-112 individuals selected as suspicious purchasers. These individuals and the firearms they purchased queried through NCIC/NLETS and E-Trace. No hits on either the firearms or the individuals.

Information on (b)(3)-1 purchasers ((b)(6)) given to ATF Special Agent ((b)(6)) for further review. See **Exhibit 7** for Forms 4473 on these purchasers.

8 - Trace Activity

Per the VCAB Report (submitted as **Exhibit 6**), (b)(3) firearms has been traced to the licensee over the past 12 months. The licensee was able to provide disposition information to all traces.

Over the past twelve months, the licensee acquired approximately (b)(4) used firearms and disposed of (b)(4) used firearms. (b)(3) - 112 Public Law 55 125 Stat 552
The licensee was witnessed completing this information for submission to ATF while Investigators were on-site.

9 - NFA/Importer/Collector/Manufacturer

JT Guns & Supply LLC is a current Special Occupational Taxpayer. (b)(3) - 26 USC 6103
(b)(3) NFA weapons were listed on the National Firearm Registration and Transfer Record (NFRTR). IOI (b)(6) compared the information contained in the NFRTR with the NFA weapons in inventory, identifying (b)(3) discrepancies. (b)(3) - 112 Public Law 55 125 Stat 552
(b)(3) silencers have been approved for transfer, but have yet to be received from the distributor.

(b)(3) - 26 USC 6103 silencer was discovered in inventory that was not listed on the NFRTR. The licensee had an (b)(3) - 26 USC 6103

approved NFA transfer forms were compared to the NFRTR with no additional discrepancies identified. All NFA inventory was properly marked and recorded in the A&D record.

Exhibit 8 – NFRTR

Exhibit 9 – NFA inventory discrepancy worknote and approved Form 3

10 - Referrals

No referrals generated.

11 - Other

The Youth Handgun Safety Act notice was posted and visible at the premises. The pamphlets were available on the front counter. The licensee provides secure gun storage or a safety device for the transfer of all handguns to non-licensees.

12 - Closing Actions

On January 12, 2017 Inv. (b)(6) conducted a closing conference with the licensee. Both Richard Hofman and his wife, Elwira, were present. Violations were identified and a Report of Violations was issued to the licensee. Federal Firearms regulations were reviewed and a signed acknowledgment has been inserted into NSPECT and is submitted as **Exhibit 10**.

13 - Violations

1. 27 CFR 478.125(e)

Nature of Violation: Failure to accurately maintain an Acquisition and Disposition record.

In approximately (b)(3) - 112 Public Law 55 125 Stat 552 instances, the licensee failed to record the disposition of a firearm. In approximately (b)(3) - 112 Public instance, the licensee could not reconcile an entry (b)(3) - 112 Public Law 55 125 Stat 552.

Licensee's Response: Mr. Hofman stated, "We lost the gun. We don't know how." Regarding the timeliness of entries in the A&D record, the licensee has changed to an electronic A&D record. This coupled with an electronic ATF Form 4473 is allowing the licensee's A&D record to be immediately amended to reflect the sale or transfer of a firearm. Mr. Hofman stated, "The electronic book is so much better."

Corrective Action: A&D record corrected immediately. Licensee completed ATF Form 3310.11 to report one firearm missing.

See **Worksheet 1** and **Exhibits 1 & 3**.

2. **27 CFR 478.102**

Nature of Violation: Failure to accept a valid NICS exemption document.

In (b)(3) - 112 Public instance, the licensee accepted an Iowa Peace Officer ID which was not issued within the last five years (b)(6). In one (1) instance, the licensee accepted a retired Iowa Peace Officer ID which is not a valid NICS exemption document ((b)(6)).

In (b)(3) - 112 Public instance, the licensee accepted an expired NICS exemption document (b)(3) - 112 Public Law 55 12).

Failure to document a background check.

In (b)(3) - 112 Public instance, the licensee failed to record a background check or NICS exemption document (b)(3) - 112 Public Law 55 12).

Licensee's Response: The licensee acknowledged the violation. Mr. Hofman stated, "We don't believe our son wrote down the number for the one background check where nothing was written. We found it on the videotape where we conducted it and I gave the buyer a thumbs up."

Corrective Action: For future transactions, slow down while completing the ATF Form 4473 and accurately record all required information relating to NICS exemption documents.

See **Worksheet 2** and **Exhibit 5**.

3. **27 CFR 478.99(a)**

Nature of Violation: Failure to follow state law.

In approximately (b)(3) - 112 Public instance, the licensee failed to follow Illinois state law relating to the transfer of a long gun (b)(3) - 112 Public).

Licensee's Response: The licensee acknowledged the violation.

Corrective Action: For future transactions, ensure out-of-state transfers abide by receiving State laws.

See **Worksheet 2** and **Exhibit 5**.

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

Nature of Violation: Failure to ensure the transferee/buyer accurately completes the Form 4473.

In approximately (b)(3) - 112 Public Law instances, the licensee failed to ensure the buyer accurately completed the ATF Form 4473 (b)(6).

Licensee's Response: The licensee acknowledged the violation. Mr. Hofman stated their electronic 4473 system now scans the buyer's driver's license and this section of the Form 4473 is completed automatically.

Corrective Action: Ensure the ATF Form 4473 is completed accurately and correctly by the buyer.

See **Worksheet 2** and **Exhibit 5**.

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

Nature of Violation: Failure to verify the identity of the transferee by examining the identification document presented and noting on the Form 4473 the additional documentation provided.

In approximately (b)(3) - 112 Public Law instance, the licensee failed to document the additional identification documentation in Item 20b (b)(3) - 112 Public Law.

Licensee's Response: The licensee acknowledged the violation.

Corrective Action: Ensure the buyer accurately and completely identifies themselves prior to the transfer of a firearm.

See **Worksheet 2** and **Exhibit 5**.

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

Nature of Violation: Failure to date the Form 4473.

In approximately (b)(3) - 112 Public Law instance, the licensee failed to date the Form 4473 in Item 36 (b)(3) - 112 Public Law 56-129.

Licensee's Response: The licensee acknowledged the violation.

Corrective Action: The licensee was instructed to ensure the ATF Form 4473 is completed per the instructions.

See **Worksheet 2** and **Exhibit 5**.



Industry Operations Investigator

Index of Worksheets and Exhibits

Worksheets:

1. A&D Review
2. Form 4473 Review

Exhibits:

1. Theft/Loss Report due to Inspection
2. Theft/Loss Report due to theft on 12/16/16
3. Example A&D pages
4. FFL Audit Log
5. ATF Forms 4473 with errors
6. VCAB Report
7. 4473s on suspicious purchasers
8. NFRTR
9. NFA Inventory Discrepancy worknote & Form 3
10. Signed Acknowledgement of Federal Firearms Regulations