

Assignment and Report

| | |
|---|--|
| 1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY) Crucible Armament LLC 3529 E. Nettleton, Suite J Jonesboro, AR 72401, Craighead | 2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) <p style="text-align: center;">777060-2017-0060-B1B</p> 3. PERMIT/LICENSE NUMBER 4a. TARGET DATE 4b. TARGET HOURS <p style="text-align: center;">571031078K03826 6/30/2017 40</p> 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, 10/03/2016

8. PURPOSE/SPECIAL INSTRUCTIONS
 Conduct a full FMI inspection of this manufacturer. Revoked SOS.

| 9. INSPECTION RESULTS | | <input type="checkbox"/> CHECK IF NO VIOLATIONS, ADJUSTMENTS, ETC | 10. TRAVEL EXPENSES (OPTIONAL) | |
|------------------------|----|---|--------------------------------|---------------------|
| NO. OF VIOLATIONS | 4 | NO. OF REFERRALS | | 2111 - PER DIEM |
| NO. OF TECS CHECKS | 22 | 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: 04/25/2017

 Viols WL ONLY and No Recall Inspection

| 12. TIME ACCOUNTING DATA | | | |
|---|---------|-------|-------------------------|
| ATF OFFICER'S NAME (MONTH, YEAR, HOURS) | (b) (6) | | |
| FEB 2017 | | 2.00 | |
| ATF OFFICER'S SUBTOTAL | | 2.00 | ATF OFFICER'S SIGNATURE |
| ATF OFFICER'S NAME (MONTH, YEAR, HOURS) | (b) (6) | | |
| NOV 2016 | | 1.00 | |
| FEB 2017 | | 2.00 | |
| MAR 2017 | | 3.00 | |
| APR 2017 | | 8.00 | |
| ATF OFFICER'S SUBTOTAL | | 14.00 | ATF OFFICER'S SIGNATURE |
| TOTAL HOURS | | 16.00 | |

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|---|---|

13. REVIEW AND ROUTING

REVIEW COMMENTS AND RECOMMENDATION

Inspection on 2/22/17 disclosed four violations. A Warning Letter is warranted due to one sale involving a non-qualifying permit in lieu of NICS. The WL was mailed on 5/9/17.

Viols WL ONLY and No Recall Inspection

REVIEWED
 CONCUR
 SEE COMMENTS
 FINAL DISPOSITION

| | |
|---|---|
| SIGNATURE AND TITLE (b) (6) - Area Supervisor (b) (6) | REVIEW DATE <p style="text-align: right;">05/09/2017</p> |
|---|---|

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 Crucible Armament LLC | Street Address 3529 Nettleton Ste J | City Jonesboro | State AR | Zip Code 72401- | County Craighead | Page 1 of 2 Pages |
| License/Permit/Registry Number (If any) 571031078K03826 | Expiration Date 11/1/2018 | Date(s) or Period of Inspection 02/22/2017 through 02/27/2017 | | | | |

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 record all information called for by the headings and instructions on the Form 4473. There were (b)(3) - Public Law forms with errors. (b)(3) - Public Law instances, the trade name, address, and FFL number was omitted. (b)(3) - Public Law instances the person transferring the firearm failed to print their name or record their title on the Form.

Citation: 27 CFR 478.21(a)

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

Corrective Action to be Taken: (If not corrected immediately) Ensure that all forms are completed properly and timely in the future. Licensee instructed to make corrections to all forms in the prescribed manner.

Number: 2

Nature of Violation:

Failure to record all information related to the NICS background check. There were (b)(3) - Public Law forms with errors. (b)(3) - Public Law instances, the date of NICS contact was omitted. (b)(3) - Public Law instances, the NICS response was omitted.

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

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

Corrective Action to be Taken: (If not corrected immediately) Ensure that all information related to the NICS background check is recorded as required.

Number: 3

Nature of Violation:

Failure by the transferor to sign and date ATF Form 4473 at the time of the firearm transfer in (b)(3) - Public Law instances.

Citation: 27 CFR 478.124(c)(5)

(b)(6) 5/4/17

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

Corrective Action to be Taken: (If not corrected immediately) Ensure that the person transferring the firearm signs and dates the Form at the time of the transfer.

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 Crucible Armament LLC | Street Address 3529 Nettleton Ste J | City Jonesboro | State AR | Zip Code 72401- | County Craighead | Page 2 of 2 Pages |
| License/Permit/Registry Number (if any) 571031078K03826 | Expiration Date 11/1/2018 | Date(s) or Period of Inspection 02/22/2017 through 02/22/2017 | | | | |

Inspection Results

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

Number: 4

Nature of Violation:

Acceptance of an out of state concealed carry permit in lieu of conducting a NICS background check in one instance.

Citation: 27 CFR 478.102(a)

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

Corrective Action to be Taken:
(If not corrected immediately)

Ensure that only a valid Arkansas Concealed Carry Permit is accepted as an exception to conducting a NICS background check.

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

 Owner

Date
4/8/17

Signature

Date
4/8/17

(b) (6)

For Office



U.S. Department of Justice

Bureau of Alcohol, Tobacco,
Firearms and Explosives
425 West Capitol Avenue, Suite 775
Little Rock, Arkansas 72201

www.atf.gov

May 9, 2017

777060 (b) (6)
5300

CERTIFIED MAIL

Mr. Hadley Owens
Member
Crucible Armament LLC
3529 East Nettleton Avenue, Suite J
Jonesboro, Arkansas 72401

Federal Firearms License 5-71-031-07-8K-03826

Dear Mr. Owens:

During a recent compliance inspection at your firearms business covering the period of February 22, 2016, until February 21, 2017, you were cited for violations of 27 Code of Federal Regulations, Part 478. A copy of the Report of Violations, Form 5030.5, issued at the time of the inspection is enclosed.

All violations were fully explained to you by the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) investigator. You indicated that you understood the requirements of the firearms laws and regulations. You further indicated 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 effort 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 ensure that criminals do not gain access to firearms. ATF appreciates the efforts you and other industry members make in this area, and 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.

Crucible Armament LLC

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

Sincerely yours,

(b) (6)

Area Supervisor

Enclosure

cc: Federal Firearms Licensing Center
Little Rock II Field Office

FIREARMS INSPECTION REPORT

Name: Crucible Armament LLC
Trade Name:

UI#: 777060-2017-0060-B1B
FFL#: 5-71-031-07-8K-03826

Address: 3529 Nettleton Ste J
Jonesboro, AR 72401 (Craighead County)

1 - Introduction

Inspection Profile:

Senior Industry Operations Investigators (b)(6) attempted to conduct a firearms manufacturer and importer compliance inspection with Crucible Armament, LLC on November 16, 2016. However, no one was at the licensed premises at that time. SIOI (b)(6) was granted permission from Area Supervisor (b)(6) to schedule the inspection and the inspection was conducted February 22, 2017. SIOIs (b)(6) and (b)(6) conducted the inspection according to the instructions on ATF Form 5700.14 and covered the timeframe February 22, 2016 – February 21, 2017. Hadley Owens, member of Crucible Armament LLC, was interviewed and assisted with the inspection.

Business Profile:

Crucible Armament LLC is a firearms retailer and manufacturer. The primary activity currently involves gunsmithing and coating of firearms for customers, as well as retail sales. The licensee did not manufacture any firearms during the inspection period. No other additional license/permits from ATF are required at this time.

The licensee acquired (b)(4) firearms in the last 12 months and disposed of (b)(4) firearms. Approximately (b)(4) of all firearms handled through the business are used guns belonging to customers seeking gunsmith services. New firearms are obtained from (b)(4)

The licensee does not conduct business at gun shows but does handle internet transfers. The business is in compliance with all known State and local licenses/permits. All required records are kept on the licensed premises, and no off-site storage is utilized for firearms.

The licensee operates the business from a leased space in a building in a commercial area of Jonesboro, Arkansas. The LLC holds a city business license and an Arkansas State Sales Tax permit. The business hours are listed as Friday 3pm-5pm. Hadley Owens works fulltime in (b)(6). He stated that he is often at the shop during the week during other day and evening hours but keeps the doors locked for security reasons.

FIREARMS INSPECTION REPORT

Name: Crucible Armament LLC
Trade Name:

UI#: 777060-2017-0060-B1B
FFL#: 5-71-031-07-8K-03826

Ownership and Control:

Crucible Armament, LLC is an Arkansas Limited Liability Company. When SIOI (b)(6) checked the Arkansas Secretary of State's Business and Commercial Services webpage, she disclosed that the LLC was in a revoked status. During the inspection, SIOI (b)(6) brought this to Mr. Owen's attention. Subsequent to the inspection, Mr. Owens paid the past due franchise tax and is now in good standing (**Exhibit 1**).

Hadley Owens is the only member of the LLC, owns all stock, and is the only responsible person on the license. This matches the information in the Federal Licensing System database. No additional responsible people were identified as a result of this inspection. An OpenFox query was conducted on Mr. Owens, which returned no prohibiting information. The licensee is engaged in the business, and no hidden ownership was disclosed.

Variance:

The licensee holds no variances with ATF.

2 - Recommendation

Warning Letter with no recall inspection.

3 - Inspection History

This is the first compliance inspection of the licensee.

| | |
|----------------------------|--------------------------|
| Date of Inspection: | September 2012 |
| Type of Inspection: | Qualification Inspection |
| UI#: | 777060-2012-0545-B1B |
| Inspection Results: | Issue License |
| Cited Violations: | N/A |

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

The licensee had 31 firearms in inventory (11 new guns and 20 used guns) which matched the number of open entries in the bound book. A complete inventory verification was conducted which disclosed no discrepancies. Entries in the hard copy book are in the proper format and appear timely made. The entries contain the required information.

There were no theft/loss reports filed during the inspection period, and none were filed as a result of this report. All firearms are accounted for. SIOI (b)(6) traced five firearms

FIREARMS INSPECTION REPORT

Name: Crucible Armament LLC
Trade Name:

UI#: 777060-2017-0060-B1B
FFL#: 5-71-031-07-8K-03826

through the records with no further discrepancies disclosed. Mr. Owens stated the he is solely responsible for all recordkeeping associated with the firearms business.

5 - ATF Forms 4473 – NICS & Other Dispositions

There were [REDACTED] ATF Forms 4473 on file for the inspection period and all were reviewed. The following discrepancies were disclosed (**Worksheet 2: ATF Form 4473 Review**):

- Failure to record all information required by the headings and instructions on the Form- [REDACTED] Forms (**Violation 1**)
- Failure to record required NICS check information – [REDACTED] Forms (**Violation 2**)
- Failure by transferor to complete Items 34 and 36 at the time of firearm transfer [REDACTED] Forms (**Violation 3**)
- Acceptance of an out-of-state concealed carry permit – [REDACTED] instance (**Violation 4**)

Transfers to other licensees appear to have been made correctly. The licensee files the Forms 4473 chronologically. There were no NICS checks to verify. The one individual who used an out of state concealed carry permit was queried in OpenFox. No prohibiting information was disclosed. Mr. Owens stated that he is the only person who completes Forms 4473.

6 - Multiple Sales

The licensee did not conduct any multiple handgun sales during the inspection period.

7 - Suspicious/Prohibited Purchasers

No traffickers, straw purchasers, prohibited persons, or any other suspicious purchasers were identified as a result of this inspection. All used firearms in inventory were queried through OpenFox with no hits noted.

8 - Trace Activity

The licensee was not involved in any firearms traces in the last 12 months.

9 - NFA/Importer/Collector/Manufacturer

Crucible Armament timely filed AFMERs for the calendar years 2013-2015 (**See Exhibit 2**). The licensee uses consolidated records for manufacturing recordkeeping. No firearms were manufactured during the inspection period. A cursory review of older manufacturing entries showed that the entries are correctly made.

FIREARMS INSPECTION REPORT

Name: Crucible Armament LLC
Trade Name:

UI#: 777060-2017-0060-B1B
FFL#: 5-71-031-07-8K-03826

10 - Referrals

There were no referrals of information generated based on information disclosed during this inspection.

11 - Other

The licensee is in compliance with the Youth Handgun Safety Act, having both the poster and applicable handouts available. Secure gun storage/safety devices were also available.

12 - Closing Actions

A closing conference was conducted February 22, 2017 with Hadley Owens. Regulatory requirements were discussed and reviewed. The Acknowledgement of Federal Firearms Regulations was reviewed and signed by Hadley Owens (**Exhibit 3**). Subsequent to the inspection, the Report of Violations (ROV) was emailed to Mr. Owens for his review and signature. Mr. Owens did not immediately return the signed ROV. After repeated attempts to get Mr. Owens to return the signed ROV, he did so via email on April 24, 2017. He stated that he made multiple attempts to email the signed ROV but that it kept getting hung up in his outbox. The signed ROV is attached to this report.

13 - Violations

1. 27 CFR 478.21(a)

Nature of Violation: Failure to record all information called for by the headings and instructions on the Form 4473. There were [REDACTED] Forms with errors. In [REDACTED] instances, the trade name, address, and FFL number was omitted. In [REDACTED] instances the person transferring the firearm failed to print their name or record their title on the Form.

Licensee's Response: Licensee stated that the omissions were oversights on his part due to rushing through completion of the Form.

Corrective Action: Ensure that all forms are completed properly and timely in the future. Licensee instructed to make corrections to all Forms in the prescribed manner

See Worksheet 2

FIREARMS INSPECTION REPORT

Name: Crucible Armament LLC
Trade Name:

UI#: 777060-2017-0060-B1B
FFL#: 5-71-031-07-8K-03826

2. **27 CFR 478.124(c)(3)(iv)**

Nature of Violation: Failure to record all information related to the NICS background check. There were three Forms with errors. In (b)(3) - 112 R instances, the date of NICS contact was omitted. In (b)(3) - 11 instances, the NICS response was omitted.

Licensee's Response: Licensee stated that omissions were due to getting in a hurry.

Corrective Action: Ensure that all information related to the NICS background check is recorded as required.

See Worksheet 2

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

Nature of Violation: Failure by the transferor to sign and date ATF Form 4473 at the time of the firearm transfer in (b)(3) - 112 instances.

Licensee's Response: Licensee stated that the omissions were oversights on his part.

Corrective Action: Ensure that the person transferring the firearm signs and dates the Form at the time of the transfer.

See Worksheet 2

4. **27 CFR 478.102(a)**

Nature of Violation: Acceptance of an out of state concealed carry permit in lieu of conducting a NICS background check in (b)(3) - 11 instance.

Licensee's Response: Licensee stated that he was not aware he could not accept an out of state permit. He stated that the individual in question was a student at the local university so he was an Arkansas resident but had a Tennessee carry permit.

Corrective Action: Ensure that only a valid Arkansas Concealed Carry Permit is accepted as an exception to conducting a NICS background check.

See Worksheet 2

FIREARMS INSPECTION REPORT

Name: Crucible Armament LLC
Trade Name:

UI#: 777060-2017-0060-B1B
FFL#: 5-71-031-07-8K-03826

X

Senior Industry Operations Investigator

Index of Worksheets and Exhibits

Worksheet 1 – Inventory and A&D Review Worksheet

Worksheet 2 – ATF Form 4473 Review Worksheet

Exhibit 1 – Copy of receipt from payment of franchise tax

Exhibit 2 – AFMERs 2013-2015

Exhibit 3 – Acknowledgement of Federal Firearms Regulations