

Assignment and Report

1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY) JKR INC DAD'S SUPER PAWN 3125 25TH AVE GULFPORT,MS 39501, HARRISON		2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) 777040-2016-0207-B1B		
		3. PERMIT/LICENSE NUMBER 164047026L02567	4a. TARGET DATE 9/30/2016	4b. TARGET HOURS
		5. REQUESTED BY (SIGNATURE, TITLE AND DATE)		
6. ATF OFFICER(S) ASSIGNED				
(b)(6) - Assigned Investigator				
(b)(6) - Assigned Investigator				
(b)(6) - Assigned Investigator				
(b)(6) - Assigned Investigator				
(b)(6) - Assigned Investigator				
(b)(6) - Lead Investigator				
(b)(6) - Assigned Investigator				
7. ASSIGNED BY (SIGNATURE, TITLE AND DATE)				
(b)(6), Area Supervisor, 01/21/2016				
8. PURPOSE/SPECIAL INSTRUCTIONS				
CONDUCT ONSITE FIREARMS DISPOSITION EMPHASIS (DE) INSPECTION PER GUIDELINES SET FORTH IN IOI MANUAL.				
9. INSPECTION RESULTS <input type="checkbox"/> CHECK IF NO VIOLATIONS, ADJUSTMENTS, ETC				
NO. OF VIOLATIONS		3	NO. OF REFERRALS	2
NO. OF TECS CHECKS		249	NO. OF TECS HITS	1
NO. OF TAX ADJUSTMENTS		\$ VALUE OF TAX INCREASES		2111 - PER DIEM
		\$ VALUE OF TAX DECREASES		2112 - P.O.A.
NO. OF ASSESSMENTS		\$ VALUE OF ASSESSMENTS		2113 - COMM. AIR
NO. OF CLAIMS		\$ VALUE OF CLAIMS		2114 - RENTAL CAR
NO. OF TAX PERIODS		\$ VALUE OF TAXES VERIFIED		2115 - GPV EXPENSES
				2116 - MISC.
				TOTAL \$ FOR INSP.
11. ATF OFFICER'S RECOMMENDATION				
Submitted by (b)(6) - Industry Operations Investigator				
Submitted on: 08/30/2016				
Alternate Recommendation to a Warning Conference (See Narrative).				
Viols WL ONLY and No Recall Inspection				
12. TIME ACCOUNTING DATA				
ATF OFFICER'S NAME (MONTH, YEAR, HOURS)		(b)(6)		
JUL 2016		45.00		
ATF OFFICER'S SUBTOTAL		45.00		ATF OFFICER'S SIGNATURE
ATF OFFICER'S NAME (MONTH, YEAR, HOURS)		(b)(6)		
JUL 2016		75.00		
ATF OFFICER'S SUBTOTAL		75.00		ATF OFFICER'S SIGNATURE
ATF OFFICER'S NAME (MONTH, YEAR, HOURS)		(b)(6)		
JUL 2016		68.00		
ATF OFFICER'S SUBTOTAL		68.00		ATF OFFICER'S SIGNATURE
ATF OFFICER'S NAME (MONTH, YEAR, HOURS)		(b)(6)		
JUL 2016		72.00		
ATF OFFICER'S SUBTOTAL		72.00		ATF OFFICER'S SIGNATURE

Assignment and Report

1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY) JKR INC DAD'S SUPER PAWN 3125 25TH AVE GULFPORT, MS 39501, HARRISON	2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) 777040-2016-0207-B1B		
	3. PERMIT/LICENSE NUMBER 164047026L02567	4a. TARGET DATE 9/30/2016	4b. TARGET HOURS
	5. REQUESTED BY (SIGNATURE, TITLE AND DATE)		

12. TIME ACCOUNTING DATA		
ATF OFFICER'S NAME (MONTH, YEAR, HOURS) (b)(6)		
JUL 2016	80.00	
ATF OFFICER'S SUBTOTAL	80.00	ATF OFFICER'S SIGNATURE
ATF OFFICER'S NAME (MONTH, YEAR, HOURS) (b)(6)		
JUL 2016	81.00	
AUG 2016	78.00	
ATF OFFICER'S SUBTOTAL	159.00	ATF OFFICER'S SIGNATURE
ATF OFFICER'S NAME (MONTH, YEAR, HOURS) (b)(6)		
JUL 2016	115.00	
AUG 2016	9.00	
ATF OFFICER'S SUBTOTAL	124.00	ATF OFFICER'S SIGNATURE
TOTAL HOURS	623.00	

13. REVIEW AND ROUTING	
REVIEW COMMENTS AND RECOMMENDATION Viols WL ONLY and No Recall Inspection	
<input checked="" type="checkbox"/> REVIEWED	<input checked="" type="checkbox"/> CONCUR
<input type="checkbox"/> SEE COMMENTS	<input checked="" type="checkbox"/> FINAL DISPOSITION
SIGNATURE AND TITLE (b)(6) - Area Supervisor	REVIEW DATE 09/01/2016
REVIEW COMMENTS AND RECOMMENDATION See PII dated 9/1/16 MDWREN Viols WL ONLY and No Recall Inspection	

<input checked="" type="checkbox"/> REVIEWED	<input checked="" type="checkbox"/> CONCUR	<input checked="" type="checkbox"/> SEE COMMENTS	<input type="checkbox"/> FINAL DISPOSITION
SIGNATURE AND TITLE MDWREN - DIO			REVIEW DATE 09/01/2016
ROUTING SEQUENCE AND DATE			
<input type="checkbox"/> 1. _____			
<input type="checkbox"/> 2. _____			
<input type="checkbox"/> 3. _____			
<input type="checkbox"/> 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 JKR, Inc. d/b/a Dad's Super Pawn	Street Address 3125 25th Avenue	City Gulfport	State Mississippi	ZIP Code 39501	County Harrison	Page 1 of 2 Pages
License/Permit/Registry Number (if any) 1-64-047-02-6L-02567		Expiration Date 11/01/2016	Date(s) or Period of Inspection July 11th, 2015 to July 11th, 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)	<p>The Licensee failed to properly maintain the Acquisition and Disposition records per ATF regulations.</p> <ul style="list-style-type: none">- After Inventory reconciliation, (b)(3) 112 Public L firearms were missing from inventory- The Licensee failed to record the "Acquisition" of (b)(3) - Pub Lc Law 111 firearms within the time frame required per ATF regulations.- The Licensee failed to record the "Disposition" of (b)(3) 112 Public Law 55 125 51A1 firearms within the time frame required per ATF regulations.- There was (b)(3) 112 Public double entry within the A & D Record.- There were (b)(3) 112 Public incorrect serial numbers within the A & D Record.	<p>Properly record the acquisition and disposition of all firearms within seven (7) business days of receipt or completion of an ATF Form 4473 and completion of the transfer.</p> <p>Report all theft or loss of Inventory to the local Police and ATF within 48 hours of discovery.</p> <p>Investigator (b)(6) instructed the FFL to always conduct a NICS criminal background check on each individual purchaser prior to the transfer of a firearm.</p>	<p>A Police Report #: 16-018885 and an ATF Form 3310.11 "FFL Firearms Inventory Theft / Loss Report" ATF (b)(3) - Pub Lc Law 112-55 (125 St) was completed on August 2nd, 2016 and sent to the NTC by the FFL.</p> <p>All firearms previously "not acquired" were entered into the A & D record. All firearm dispositions previously "not reported" were located on a ATF F 4473 or invoice and logged out of the A & D record. All incorrect serial numbers were corrected. (CORRECTED)</p> <p>The FFL now has a review system in place to verify that a NICS criminal background check was conducted on the purchaser prior to the transfer of a firearm.</p>

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

Signature and Title of ATF Officer

(b)(6)

IOI

Date
24 August 2016

Date
24 August 2016

ATF E-Form 5030.5
Revised April 2005

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 JKR, Inc. d/b/a Dad's Super Pawn	Street Address 3125 25th Avenue	City Gulfport	State Mississippi	ZIP Code 39501	County Harrison	Page <u>2</u> of <u>2</u> Pages
License/Permit/Registry Number (if any) 1-64-047-02-6L-02567		Expiration Date 11/01/2016	Date(s) or Period of Inspection July 11th, 2015 to July 11th, 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)
2	27 CFR 478.102(a)	<p>The Licensee failed to conduct a NICS criminal background check on a purchaser.</p> <ul style="list-style-type: none">On (b)(3) 112 Public form the licensee failed to conduct a NICS criminal background check prior to the transfer of a firearm.On (b)(3) - Public Law forms, the FFL allowed a purchaser to utilize a State issued firearms permit issued more than five (5) years earlier as a valid NICS exemption for the purchase of a firearm. <p>(CORRECTED) from Original ROV dated 2 August 2016</p>	<p>Investigator (b)(6) instructed the FFL to always conduct a NICS criminal background check on each individual purchaser prior to the transfer of a firearm.</p> <p>Investigator (b)(6) instructed the FFL that any State issued Firearms Permit utilized for an NICS exemption to the criminal background check must have been issued not more than five (5) years earlier by the state where the transfer is to take place.</p> <p>On July 29th, 2016, Investigator (b)(6) conducted a MS JUST / NICS check on each individual purchaser which showed no prohibiting information.</p>	<p>The FFL now has a review system in place to verify that a NICS criminal background check was conducted on the purchaser prior to the transfer of a firearm.</p> <p>The FFL now has a review system in place to verify that all State issued firearms permit utilized as a NICS exemption to the criminal background checks were issued prior to five (5) years ago and that this information is properly recorded on the ATF F 4473 form prior to the transfer of a firearm.</p>
3	27 CFR 478.124(c)(3)(iv)	<p>The Licensee failed to record valid NICS information on the ATF F 4473 form prior to transfer of a firearm.</p> <ul style="list-style-type: none">On (b)(3) 112 Public form, Item # 21a had an error.On (b)(3) - Public Law form, Item # 21b was blank.On (b)(3) 112 Public form, Item # 21c was blank.On (b)(3) - Public Law form, Item # 21 b and Item # 21c were blank.	<p>Investigator (b)(6) instructed the FFL to always review the ATF F 4473 to verify that all NICS information is properly recorded in Section B of the ATF F 4473 form.</p>	<p>The FFL now has a review system in place to verify that all NICS information is properly recorded on the ATF F 4473 form prior to the transfer of a firearm.</p>



U.S. Department of Justice
Bureau of Alcohol, Tobacco,
Firearms and Explosives
One Galleria Blvd., Suite 1700
Metairie, LA 70001

www.atf.gov

September 8, 2016

777040 (b)(6)
5373

CERTIFIED MAIL – RETURN RECEIPT REQUIRED

JKR, Inc.
Dad's Super Pawn
3125 25th Avenue
Gulfport, MS 39501
Re: 1-64-047-02-6L-02567

Dear Mr. Riley:

During a recent compliance inspection at your firearms business covering the period of July 11, 2015 thru July 11, 2016, you were cited for violations of Title 27, Code of Federal Regulations, Part 478. A copy of the Report of Violations, ATF Form 5030.5, issued at time the inspection is enclosed.

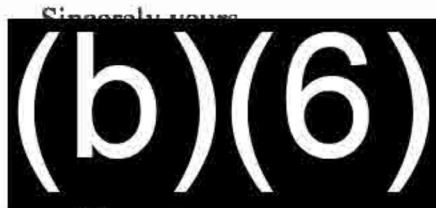
All violations were fully explained to you by the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) Industry Operations Investigator(s). You indicated that you understood the requirements of the Federal firearms laws and regulations and that corrective actions would be taken to eliminate future 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.

JKR, Inc.
Dad's Super Pawn

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

Sincerely yours

Area Supervisor

Enclosure

cc: Federal Firearms Licensing Center
New Orleans III (IO) Field Office

FIREARMS INSPECTION REPORT

Name: JKR, Inc.
Trade Name: Dad's Super Pawn

UI#: 777040-2016-0207-B1B
FFL#: 1-64-047-02-6L-02567

Address: 3125 25th Avenue
Gulfport, MS 39501, Harrison

1 - Introduction

Inspection Profile:

An onsite compliance inspection was conducted by Industry Operations

Investigators (b)(6)

(b)(6)

(b)(6) from July 11th to August 2nd, 2016.

The following Responsible Person was identified by his MS Driver's license and interviewed during the course of the inspection:

- 1) Mr. J. Kevin Riley, President / Responsible Person, W/M, DOB (b)(6), MS DL (b)(6), Expires: 2/4/2017.

The following Store Employees were identified by their MS Driver's license and interviewed during the course of the inspection:

- 2) (b)(6), NFA Sales Mgr., W/M, DOB (b)(6), MS DL (b)(6), Expires: 09/09/2016.
- 3) (b)(6), Firearms Compliance Mgr., W/M, DOB (b)(6), MS DL # (b)(6), Expires: 10/12/2023.

The inspection was started on July 11th, 2016 with a closing conference conducted on August 2nd, 2016.

This was a DE compliance inspection which covered a period from July 11th, 2015 to July 11th, 2016. Advance notice of the inspection was not given.

Business Profile:

JKR, Inc. operates a retail firearm and pawn shop under the name Dad's Super Pawn. Dad's Super Pawn sells new and used handguns and long guns as well as pawns firearms and other merchandise to include tools, electronic devices, jewelry, and other electronic goods.

In addition, Dad's Super Pawn is active with regard to the sale of NFA Firearms.

FIREARMS INSPECTION REPORT

Name: JKR, Inc.
Trade Name: Dad's Super Pawn

UI#: 777040-2016-0207-B1B
FFL#: 1-64-047-02-6L-02567

A query of the MS Secretary of State business services list Mr. J. Kevin Riley as President, Secretary and Treasurer for JKR, Inc.

A query of FLS lists Mr. J. Kevin Riley as a Responsible Person on FFL #: 1-64-047-02-6L-02567 under the name JKR, Inc. Mr. J. Kevin Riley is not affiliated with any other "active" ATF license.

During the past twelve months, the Licensee acquired (b)(4) - (b)(4)) firearms and disposed of approximately (b)(4) (b)(4)) firearms.

The total numbers acquired include approximately (b)(4) long guns, (b)(4) % handguns and (b)(4) receivers.

The primary supplies for Dad's Pawn Store are (b)(4), (b)(4) and other manufacturer's for new firearms.

Dad's Super Pawn does take used or wholesale firearms in on trade and sells these wholesale or used firearms as part of its business. Approximately (b)(4) (b)(4) of the store inventory is composed of used or wholesale firearms.

Firearms sales are not conducted at gun shows at this time. Regulations for the sale of firearms at gun shows were discussed with Mr. Riley.

Dad's Super Pawn is active with regard to internet purchases from the website www.gunbroker.com for individuals, and accepts these transfers from licensed FFL dealers as well as individuals. Dad's Super Pawn "does not" currently utilize the internet for individual firearm sales, but does utilize the internet for advertising purposes. Website is <http://www.dadssuperpawn.com>.

Dad's Super Pawn has no current government contracts and no other ATF licenses are affiliated with the business premise.

All firearms are currently being stored on the business premises including some of Mr. J. Kevin Riley's personal firearms. All personal firearms were tagged and marked "Personal- Not for Sale". There are no other off site storage locations for firearms.

The business premise is a store front located in the commercial business area within the city limits of Gulfport, MS located at 3125 25th Ave., Gulfport, MS 39501.

FIREARMS INSPECTION REPORT

Name: JKR, Inc.
Trade Name: Dad's Super Pawn

UI#: 777040-2016-0207-B1B
FFL#: 1-64-047-02-6L-02567

The business premises are owned by (b)(6), Manager of VJ Properties of Gulfport, MS. (b)(6) and is aware firearms are being stored and sold on the business premise. There is a valid written lease agreement in affect (**Reference Exhibit # 1- "Written Lease Agreement"**).

JKR, Inc. d/b/a Dad's Super Pawn has IRS EIN #: (b)(3) - 26 USC 6103, MS State Tax ID #: (b)(3) - 26 USC 6103, MS Pawnbrokers License #: PB/000066/2016 and City of Gulfport Privilege License #: 1789. In addition, JKR, Inc. has a valid ATF SOT# (b)(3) - 26 USC 6103.

All Licenses and Permits are valid and JKR, Inc. is in compliance with all other State and local laws.

Ownership and Control:

JKR, Inc. is currently operating as a "Corporation" under the trade name Dad's Super Pawn as listed with the MS Secretary of State's website. Officers of the Corporation are listed as Mr. J. Kevin Riley. Mr. J. Kevin Riley- President currently holds 100 % majority stock ownership of the corporation (**Reference Exhibit # 2- "MS Secretary of State Results"**).

Investigator (b)(6) informed Mr. Riley that if he ever changed his business structure to a Partnership or Limited Liability Company (LLC), that this would constitute a change of control in the company and would require him to apply for a new FFL. Mr. J. Kevin Riley "verbally" acknowledged that he understood.

Mr. J. Kevin Riley is the only "active" responsible person listed on the license within FLS. There have been no other changes to responsible persons and there is no indication of hidden ownership.

Variance:

JKR, Inc. d/b/a Dad's Super Pawn has no current "active" variance and none were requested.

2 - Recommendation

Viols WL ONLY and NO Recall Inspection

Pursuant to ATF O 5370.1B, National Firearms Licensee Adverse Action Policy, and New Orleans Field Division policy, the following is being tendered in support of an alternate recommendation.

FIREARMS INSPECTION REPORT

Name: JKR, Inc.
Trade Name: Dad's Super Pawn

UI#: 777040-2016-0207-B1B
FFL#: 1-64-047-02-6L-02567

SIGNIFICANT FINDINGS:

The following violation warrants a Warning Conference:

27 CFR 478.102(a): The Licensee failed to conduct a NICS background check on a purchaser in (b)(3) - 112 Public Law 55 125 instances. Acceptance of a non-qualifying State permit as substitute for a NICS check occurred in (b)(3) - 112 Public Law 55 125 Stat 552 instances.

JUSTIFICATION FOR ALTERNATE RECOMMENDATION:

- Mr. Riley failed to conduct a NICS check on (b)(3) - 112 Public Law 55 125 of the purchasers because he stated that they had possession of a "valid" MS Firearms permit issued within the past ten (10) years and that he properly recorded this information on the ATF Form 4473 form. Mr. Riley further stated that he was unaware of the requirement per 27 CFR 478.102(d)(ii) that the "valid" state issued MS firearms permit had to have been issued within five (5) years of the purchase date. With regard to the other instance, this individual was a Military member and Mr. Riley stated that a background check was conducted, but that the employee filling out the form just forgot to record the NICS information on the ATF Form 4473.
- Mr. Riley immediately completed and held an internal training class for all his employees about the requirements of 27 CFR 478.102(a) and 102(d) (ii) and also the importance of recording all NICS background check information on the ATF F 4473 form. Mr. Riley stated that in the future he would have his firearms compliance manager review all ATF Form 4473's to verify compliance. Mr. Riley stated that he will comply with all regulatory requirements in the future now that he is aware of the proper procedures for executing the regulations.
- On July 29th, 2016, Investigator (b)(6) conducted a MS JUST / NICS check on each of the individual purchasers which showed no prohibiting information.
- Mr. Riley has only held this ATF license for 6 years and this was his first ever compliance inspection under this license.
- Mr. Riley was cooperative during the investigation and was responsible for turning over information to the investigator in discovering a possible internal theft of firearms by former employees of his company. This information subsequently led to a referral to an ATF agent on possible criminal activity. This investigator believes that the continued operation of this business will not pose a threat to public safety or contribute to the likelihood of violent crime, and that a warning letter would be sufficient to ensure future compliance.

FIREARMS INSPECTION REPORT

Name: JKR, Inc.
Trade Name: Dad's Super Pawn

UI#: 777040-2016-0207-B1B
FFL#: 1-64-047-02-6L-02567

3 - Inspection History

Investigator (b)(6) conducted a B1B qualification inspection of JKR, Inc. d/b/a Dad's Super Pawn in Gulfport, MS on September 2nd, 2010. Results of the inspection resulted in the FFL application being amended and a license being issued.

Date of Inspection: 9/2/2010
Type of Inspection: B1B Qualification
UI#: 777070-2010-0284
Inspection Results: Amended application, FFL issued
Cited Violations: None

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

A full inventory was conducted. The physical count revealed that there were (b)(3) - 112 Pub firearms in physical inventory. The current inventory of firearms was composed of approximately (b)(3) - 112 Public Law 55 125 Stat 552 (b)(3) - 112 Pub % handguns, (b)(3) - 112 Pub percent (b)(3) - 112 Public long guns and (b)(3) - 112 Public Law 55 125 Stat 552 % Receivers and NFA registerable weapons.

The A & D books showed (b)(4) open spaces in the acquisition and disposition records.

Four-hundred and Forty-four (444) firearms accounting for 5 % of dispositions were traced through the FFL required records from Acquisition through Disposition with no criminal or adverse findings.

There were zero (0) firearms examined during inventory inspection which contained obliterated serial numbers. There was no theft or loss reported for this FFL during the inspection period.

The licensee saves all invoices for new firearm acquisitions but "fails" to log all firearms in the A & D record by close of the next business day. Firearm dispositions are "not" logged out of the A & D record within seven (7) business days from the date of transfer. There were no trafficking issues disclosed during review of the A & D record.

The A & D record was accurate and in the proper format, but was not being maintained as required by regulations. A review of the A & D record revealed the following discrepancies:

27 CFR 478.125(e) - The Licensee failed to properly maintain the Acquisition and Disposition records per ATF regulations.

FIREARMS INSPECTION REPORT

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FFL#: 1-64-047-02-6L-02567

- After Inventory reconciliation (b)(3) - 112 Public Law 55 12 firearms were missing from inventory. **(Exhibit # 3)**
- The Licensee failed to record the "Acquisition" of (b)(3) - 112 Public Law 55 firearms within the time frame required per ATF regulations **(Exhibit # 3)**.
- The Licensee failed to record the "Disposition" of (b)(3) - 112 Public Law 55 125 Stat 552 firearms within the time frame required per ATF regulations **(Exhibit # 4)**.
- There was (b)(3) - 112 Public Law 55 125 Stat 552 entry within the A & D Record **(Exhibit # 3)**.
- There were (b)(3) - 112 Public Law incorrect serial numbers within the A & D Record **(Exhibit #3)**.

CORRECTED IMMEDIATELY. Investigator (b)(6) instructed the FFL to Properly record the acquisition and disposition of all firearms within seven (7) business days of receipt or completion of an ATF Form 4473 and completion of transfer. Investigator (b)(6) also instructed the FFL to Report all theft or loss of Inventory to the local Police and ATF within 48 hours of discovery.

A City of Gulfport MS Police Report (Report#: 16-018885) and an ATF Form 3310.11 "FFL Firearms Inventory Theft / Loss Report" (Report#: (b)(3) - 112 Public Law 55 125 Stat 552) were completed on August 2nd, 2016 for all missing firearms and sent to the NTC by the FFL.

All firearms previously "not acquired" were entered into the A & D record. All firearm dispositions previously "not reported" were located on paperwork and logged out of the A & D record. All "incorrect" Serial numbers were corrected within the A & D record **(Reference Violation #1, Exhibit #3 and Exhibit #4, & Worksheet #1)**.

5 - ATF Forms 4473 – NICS & Other Dispositions

There were (b)(3) - 112 Public Law 55 125 Stat 552 forms on file for the review period.
There was (b)(3) - 112 Public Law 55 125 Stat 552 denied forms for the time period examined.

All forms for the first three months were reviewed along with a Twenty percent (20 %) sample of all the remaining nine (9) months for a total of (b)(3) - 112 Public Law 55 125 Stat 552 (b)(3) - 112 Public Law 55 125 Stat 552 forms being examined for the review period. The 20 % sampling of the forms was requested by Investigator (b)(6) on July 13th, 2016 and approved by Director of Industry Operations (DIO) Matthew Wren on July 14th, 2016.

The Licensee did have the proper filing system in place for all ATF Form 4473's. The forms were filed in numerical order utilizing a unique serial number on each form.

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All denied and no transfer forms are kept in a separate file per ATF regulations.

The licensee stated they have an ATF Form 4473 review system in place for all firearms transactions prior to the customer and the firearm leaving the business premise.

A review of (b)(3) - 112 Public Law 55 125 Stat 552 forms on file for the review period revealed the following discrepancies:

27 CFR 478.102(a)- On (b)(3) - 112 Public Law 55 125 Stat 552 forms, the licensee failed to conduct a NICS criminal background check on a purchaser prior to the transfer of a firearm. **(Reference Violation #2, Exhibit #5, & Worksheet #2).**

27 CFR 478.124(c)(3)(iv)- On (b)(3) - 112 Public Law 55 125 Stat 552 forms, the Licensee failed to record required NICS Information on the ATF Form 4473 form prior to the transfer of a firearm **(Reference Violation #3, Exhibit #6, & Worksheet #2).**

Transfers to other licensees were recorded and documented correctly within the A & D book and copies of licenses for all FFL transfers are on file.

(b)(3) - 112 Public Law 55 125 Stat 552 NICS transaction numbers were verified by comparing them to the FFL NICS audit log. There were no discrepancies with the audit log.

6 - Multiple Sales

There were (b)(3) - 112 Public Law 55 125 Stat 552 multiple sales involving (b)(3) - 112 Public Law 55 125 Stat 552 handguns reported to the Violent Crimes Analysis Branch (VCAB) by this licensee according to the Trace History Report received from the VCAB dated July 1st, 2016.

During the review of (b)(3) - 112 Public Law 55 125 Stat 552 forms from the review period for this licensee, no unreported multiple sales were disclosed.

Investigator (b)(6) reminded the FFL that it is a requirement to report the sale of two or more handguns or revolvers within five business days to ATF by completing an ATF Form 3310.4 and either mail it or fax it in to the ATF National Tracing Center by close of the business day.

Investigator (b)(6) reminded the Licensee to fax or send the second copy of the Multiple sale form to local LEO officials. Mr. J. Kevin Riley "verbally" acknowledged that he understood these requirements per 27 CFR 478.126a.

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7 - Suspicious/Prohibited Purchasers

There were ^{(b)(3) - 112 Public Law 55} suspicious purchasers, possible traffickers or prohibited persons in possession of a firearm identified during this inspection.

(b)(3) - 112 Public Law 55 125 Stat 552, (b)(6)

(b)(3) - 112 Public Law 55 125 Stat 552, (b)(6), (b)(7)(C)

^{(b)(3) - 112 Public Law 55 125 Stat 55} MS Firearm permit holders with a permit issued more than two (2) years prior to the inspection were identified and queried in the MS JUST and E-Trace databases. There was no negative or prohibiting information disclosed.

8 - Trace Activity

According to the Violent Crime Analysis Branch Trace report for JKR, Inc. there were ^{(b)(3) - 112 Public Law 55 125 Stat 552} traces associated with this Licensee within the past 12 Months. There were no "un-resolved" traces associated with this licensee.

Due to the short time to crime of some of the traces associated with this FFL, Dad's Super Pawn in Gulfport, MS is currently operating under a demand letter from ATF

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

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

There were Three-hundred and seventy-six (376) used firearms in inventory. A fifty percent (50 %) secondary market analysis was conducted by Investigator (b)(6) on July 24th, 2016 for One-hundred and ninety-six (196) used or wholesale firearms in inventory.

Serial numbers for these secondary market firearms were queried in the NCIC / MS JUST system by Investigator (b)(6) with no negative results indicated.

9 - NFA/Importer/Collector/Manufacturer

The Licensee "does not" conduct firearms or ammunition manufacturing activity at this time. In addition, the licensee has never held an FFL as a "Collector" of curio's and relic firearms.

In addition to being licensed as a Type 02 "Pawnbroker", JKR, Inc. d/b/a Dad's Super Pawn handles and conducts transfers and sales of NFA Registerable Firearms. All Three-hundred and twenty-seven (327) NFA Firearms in inventory were examined during the inspection and there were no discrepancies found with the NFRTR.

All required NFA Forms were on file for the review period with a copy of the ATF Form 3 and ATF Form 4 on file for each corresponding NFA transaction.

Regulations under 27 CFR 479 for the manufacture, sale and transfer of firearms under the National Firearms Act (NFA) were reviewed by Investigator (b)(6) and Mr. J. Kevin Riley- Responsible Person was instructed on the Form 1 through Form 5 record keeping requirements with regard to NFA firearm transactions.

10 - Referrals

Two (2) referrals for possible criminal activity involving the theft of firearms and possession of a firearm by a prohibited person were made to CGIC Supervisor (b)(6) in the New Orleans Division Office as a result of this inspection (**Reference Referral #: 2016-0040 and Referral #: 2016-0044**).

During a recent Compliance Inspection from July 11th to August 2nd, 2016 of JKR, Inc. d/b/a Dad's Super Pawn (FFL #: 1-64-047-02-6L-02806) in Gulfport, MS, one (1) referral for possible criminal activity as potential traffickers and theft of firearms was made to the New Orleans Field Division CGIC Supervisor (b)(6). The following suspects were identified for a possible internal theft of firearms:

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(b)(3) - 112 Public Law 55 125 Stat 552, (b)(6)

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(b)(3) - 112 Public Law 55 125 Stat 552, (b)(6), (b)(7)(C)

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(b)(3) - 112 Public Law 55 125 Stat 552, (b)(6), (b)(7)(C)



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



During a recent Compliance Inspection of JKR, Inc. (FFL #: 1-64-047-02-6L-02567) in Gulfport, MS, one (1) referral for possible criminal activity as a prohibited purchaser and possessor of firearms was made to the New Orleans Field Division CGIC Supervisor (b)(6)

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(b)(3) - 112 Public Law 55 125 Stat 552, (b)(6), (b)(7)(C)



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(b)(3) - 112 Public Law 55 125 Stat 552, (b)(6), (b)(7)(C)

11 - Other

JKR, Inc. d/b/a Dad's Super Pawn did have the ATF I 5300.1 Youth Handgun Safety Act Poster for display in his business. IOI (b)(3) - 112 Public Law 55 instructed Mr. Riley- Responsible Person to provide Youth Handgun Safety Act Notices, ATF I 5300.2 for all handgun transfers.

Secure gun storage and safety devices will be available to customers and all firearms in inventory will be in a secure location at all times.

Investigator (b)(3) - 112 Public Law 55 125 Stat 552, (b)(6), (b)(7)(C) conducted MSJUST NCIC checks on One (1) responsible person, Two (2) store employees, Two (2) former store employees (**See Referral 2016-0040**), Fifteen (15) individuals with delayed responses, Three (3) suspicious purchasers, Eleven (11) individual purchasers with no prior NICS check (**27 CFR 102(a) violation**) and Nineteen (19) MS Firearms permit holders for a total of Fifty-three (53) individual NICS / MSJUST checks.

Prohibiting information was disclosed on One (1) individual purchaser with an initial "Delayed" response from NICS- (b)(3) - 112 Public Law 55 125 Stat 552, (b)(6) as a possible prohibited person in possession of a firearm (**Reference Section 10- Referral #: 2016-0044**).

The business premises of Dad's Super Pawn are "not" located within One-thousand (1000) feet of a school zone and he is in compliance with the Gun Free School Zone law as stated in 18 U.S.C. 922 (q) (1).

JKR, Inc. d/b/a Dad's Super Pawn was provided ATF P 5380.1 "Loss Prevention for Firearms Retailers" and advised as to the importance of Loss Prevention controls and measures for his firearms business.

GPS coordinates for the store location were obtained and recorded in decimal format and are as follows: N30.38891 / W089.09376.

12 - Closing Actions

On August 2nd, 2016, a closing conference was held with the Licensee and the rules and regulations for firearms were reviewed.

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An overview of standard operating procedures with regard to firearms records and transactions were provided by Investigator (b)(6)

Investigator (b)(6) reviewed the instructions as to the proper completion and filing of the required ATF Form 4473's. In addition, Mr. J. Kevin Riley- Responsible Person was instructed on the record keeping requirements per 27 CFR 478.125(e) with regard to all firearm transactions.

The signature of Mr. J. Kevin Riley- Responsible Person was obtained on the "Acknowledgement of Federal Firearms Regulations" (**Reference Exhibit # 7- "Acknowledgement of Federal Firearms Regulations" dated August 2nd, 2016**).

13 - Violations

1. 27 CFR 478.125(e)

Nature of violation:

The Licensee failed to properly maintain the Acquisition and Disposition records per ATF Regulations.

- After Inventory reconciliation, (b)(3) - 112 Public Law 55 firearms were missing from inventory. (**Reference Exhibit #3- "Copy of ATF Form 3310.11 FFL Firearms Inventory Theft / Loss Report dated August 2nd, 2016 / Copies of Firearms A & D pages"**)
- The Licensee failed to record the "Acquisition" of (b)(3) - 112 Public Law 55 firearms within the time frame required per ATF regulations (**See Exhibit # 3**).
- The Licensee failed to record the "Disposition" of (b)(3) - 112 Public Law 55 125 Stat 552 firearms within the time frame required per ATF regulations (**Reference Exhibit #4- "Copies of A & D pages / Copies of ATF Form 4473's for sales and dispositions / Copies of FFL Transfers"**).
- There was (b)(3) - 112 Public double entry within the A & D Record (**See Exhibit # 3**).
- There were (b)(3) - 112 Public Law incorrect serial numbers within the A & D Record (**See Exhibit #3**).

Licensee's Response:

The Licensee stated that he did not know how these errors occurred within his A & D book and that he was not aware he had missing firearms. Licensee further stated that the large portion of these errors occurred due to negligence of his employees.

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Corrective Action:

Investigator (b)(6) instructed the FFL to properly record the acquisition and disposition of all firearms within seven (7) business days of receipt or completion of an ATF Form 4473 and completion of the transfer. Investigator (b)(6) also instructed the FFL to Report all theft or loss of Inventory to the local Police and ATF within 48 hours of discovery.

CORRECTED IMMEDIATELY. A City of Gulfport MS Police Report #: 16-018885 and an ATF Form 3310.11 "FFL Firearms Inventory Theft / Loss Report" (b)(3) - 112 Public Law 55 125 Stat 552 were completed on August 2nd, 2016 and submitted via fax to the NTC by the FFL. All firearms previously "not acquired" were entered into the A & D record. All firearms dispositions previously "not reported" were located and logged out of the A & D record. All "incorrect" serial numbers were corrected within the A & D record.

2. 27 CFR 478.102(a)

Nature of violation:

The Licensee failed to conduct a NICS criminal background check on a purchaser prior to the transfer of a firearm.

- On (b)(3) - 112 Public Law form, the licensee failed to conduct a NICS criminal background check prior to the transfer of a firearm (Reference Exhibit # (b)(3) - 112 Public Law 55 125 Stat 552)
- On (b)(3) - 112 Public Law forms, the FFL allowed a purchaser to utilize a State issued firearms permit issued more than five (5) years earlier as a valid NICS exemption for the purchase of a firearm (Reference Exhibit # 5-(b)(3) - 112 Public Law 55 125 Stat 552)

Licensee's Response:

The licensee stated that he just forgot to record the NICS information on the form with regard to one (1) of the forms. With regard to the other ten (10) forms, the FFL stated that he had obtained a "valid" state issued MS Firearms Permit and recorded the information on the ATF Form 4473 and was unaware of the requirement per ATF regulations that the permit must have been issued within the past five (5) years prior to the purchase of the firearm to be valid per 27 CFR 478.102(d) (ii).

Corrective Action:

Investigator (b)(6) instructed the FFL to always conduct a NICS criminal background check on each individual purchaser prior to the transfer of a firearm. Investigator (b)(6) instructed the FFL that any State issued Firearms Permit utilized for an NICS exemption to the criminal background check must have been issued not more than five (5) years earlier by the state where the transfer is to take place.

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On July 29th, 2016, Investigator (b)(6) conducted a MS JUST / NICS check on each individual purchaser which showed no prohibiting information.

The FFL now has a review system in place to verify that a NICS criminal background check was conducted on the purchaser prior to the transfer of a firearm. The FFL now has a review system in place to verify that all State issued firearms permit utilized as a NICS exemption to the criminal background checks were issued prior to five (5) years ago and that this information is properly recorded on the ATF Form 4473 prior to the transfer of a firearm.

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

Nature of violation:

The licensee failed to record required NICS information on ATF Form 4473 prior to the transfer of a firearm.

- On (b)(3) - 112 Public Law 55 125 Stat 552 form, Item # 21a (Date of NICS Check) had an error.
(Reference Exhibit # 6- (b)(3) - 112 Public Law 55 125 Stat 552)
- On (b)(3) - 112 Public Law 55 125 Stat 552 form, Item # 21b (NTN Number) was blank.
(Reference Exhibit # 6- (b)(3) - 112 Public Law 55 125 Stat 552)
- On (b)(3) - 112 Public Law 55 125 Stat 552 forms, Item # 21c (NICS Response) was blank.
(Reference Exhibit # 6- (b)(3) - 112 Public Law 55 125 Stat 552)
- On (b)(3) - 112 Public Law 55 125 Stat 552 form, Item # 21b (NTN Number) and Item # 21c (NICS Response) were blank (Reference Exhibit # 6- (b)(3) - 112 Public Law 55 125 Stat 552)

Licensee's Response:

The FFL stated that he just missed seeing these errors on the forms during the form review and would do a better job at reviewing the form for any errors prior to transfer of the firearm.

Corrective Action:

Investigator (b)(6) instructed the FFL to review each ATF Form 4473 to make sure NICS information has been recorded prior to the transfer of a firearm. The FFL now has a review system in place to verify that all required NICS information is correct and properly recorded on the ATF Form 4473 form prior to the transfer of the firearm.

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X

Industry Operations Investigator

Index of Worksheets and Exhibits

- 1- Firearms Inspection- 'Informational Page'
- 2- Worksheet # 1- "Inventory and A & D Worksheet"
- 3- Worksheet # 2- "ATF Form 4473 Worksheets"
- 4- **Exhibit # 1-** "Written Lease Agreement"
- 5- **Exhibit # 2-** "MS Secretary of State Results"
- 6- **Exhibit # 3-** "Copy of ATF Form 3310.11 FFL Firearms Inventory Theft / Loss Report dated August 2nd, 2016 / Copies of A & D pages"
- 7- **Exhibit # 4-** "Copies of A & D pages / Copies of ATF Form 4473's for sales and dispositions / Copies of FFL Transfers"
- 8- **Exhibit # 5-** "Copies of (b)(3) - 112 Public Law 55 125 Stat 552) ATF Form 4473's (b)(3) - 112 Public Law 55 125 Stat 552 / (b)(3) - 112 Public Law 55 125 Stat 552"
- 9- **Exhibit # 6-** "Copies of (b)(3) - 112 Public Law 55 125 Stat 552 ATF Form 4473's #: (b)(3) - 112 Public Law 55 125 Stat 552 / (b)(3) - 112 Public Law 55 125 Stat 552"
- 10- **Exhibit # 7-** "Acknowledgement of Federal Firearms Regulations dated 2 August 2016"