

Assignment and Report

1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY) KELLY, THOMAS MARSHALL KELLY FIREARMS AND AMMUNITION 72 HWY 607 PICAYUNE, MS 39466, PEARL RIVER	2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) 777040-2016-0061-B1B
	3. PERMIT/LICENSE NUMBER 4a. TARGET DATE 4b. TARGET HOURS 164109078L03198 12/31/2015
	5. REQUESTED BY (SIGNATURE, TITLE AND DATE)

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

7. ASSIGNED BY (SIGNATURE, TITLE AND DATE)
(b)(6), Area Supervisor, 10/15/2015

8. PURPOSE/SPECIAL INSTRUCTIONS
 CONDUCT MANUFACTURER & IMPORTER FULL INSPECTION USING CURRENT GUIDELINES SET FORTH IN IOI MANUAL. ADDITIONALLY, MISSING AFMER REPORTS SHOULD BE DOCUMENTED IN NARRATIVE REPORT AND FORWARDED TO ATF HEADQUARTERS.

9. INSPECTION RESULTS		<input type="checkbox"/> CHECK IF NO VIOLATIONS, ADJUSTMENTS, ETC	10. TRAVEL EXPENSES (OPTIONAL)	
NO. OF VIOLATIONS	5	NO. OF REFERRALS		2111 - PER DIEM
NO. OF TECS CHECKS	9	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: 01/25/2016
 Alternate Recommendation (See Narrative)
 Viols WL ONLY and Recall Inspection

12. TIME ACCOUNTING DATA	
ATF OFFICER'S NAME (MONTH, YEAR, HOURS)	(b)(6)
NOV 2015	1.00
DEC 2015	34.00
JAN 2016	7.00
ATF OFFICER'S SUBTOTAL	42.00
TOTAL HOURS	42.00
ATF OFFICER'S SIGNATURE	

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) - Area Supervisor	REVIEW DATE 01/29/2016
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Assignment and Report

1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY) KELLY, THOMAS MARSHALL KELLY FIREARMS AND AMMUNITION 72 HWY 607 PICAYUNE, MS 39466, PEARL RIVER	2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) 777040-2016-0061-B1B		
	3. PERMIT/LICENSE NUMBER 164109078L03198	4a. TARGET DATE 12/31/2015	4b. TARGET HOURS
	5. REQUESTED BY (SIGNATURE, TITLE AND DATE)		

13. REVIEW AND ROUTING

REVIEW COMMENTS AND RECOMMENDATION
see PII dated 2/01/16 MDWREN

Viols WL ONLY and No Recall Inspection

REVIEWED CONCUR SEE COMMENTS FINAL DISPOSITION

SIGNATURE AND TITLE MDWREN - DIO	REVIEW DATE 02/01/2016
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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 KELLY, THOMAS MARSHALL KELLY FIREARMS AND AMMUNITION	Street Address 72 HWY 607	City PICAYUNE	State MS	Zip Code 39466-	County PEARL RIVER	Page 1 of 4 Pages
License/Permit/Registry Number <i>(If any)</i> 164109095L03198	Expiration Date 11/1/2018	Date(s) or Period of Inspection 12/02/2015 through 12/09/2015				

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:

The Licensee failed to properly maintain the Acquisition and Disposition records for a Manufacturer per ATF regulations.

(b) (3) - Public Law 112-55 (125 Stat. 552), (b) (3) - (26 USC § 6103) within the time frame required.

(b) (3) - Public Law 112-55 (125 Stat. 552), (b) (3) - (26 USC § 6103) within the time frame required.

(b) (3) - Public Law 112-55 (125 Stat. 552), (b) (3) - (26 USC § 6103) without first recording either the Acquisition or Disposition within the required A & D records.

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

Investigator (b)(6) instructed the FFL to properly record the acquisition and disposition of (b) (3) - (26 USC § 6103) firearms within seven (7) business days of receipt or completion of an ATF Form 4473 and completion of the transfer.

(b) (3) - (26 USC § 6103) were entered into the A & D record (b) (3) - (26 USC § 6103) firearm dispositions previously "not reported" were located on a ATF F 4473 and ATF Form 4 and logged out of the A & D record. Corrected immediately.

Citation: 27 CFR 478.123(d)

Tom S 12/9/15

(b)(6)

12-9-15

Report of Violations

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Name of Proprietor KELLY, THOMAS MARSHALL KELLY FIREARMS AND AMMUNITION	Street Address 72 HWY 607	City PICAYUNE	State MS	Zip Code 39466-	County PEARL RIVER	Page 2 of 4 Pages
License/Permit/Registry Number (If any) 164109095L03198	Expiration Date 11/1/2018	Date(s) or Period of Inspection 12/02/2015 through 12/09/2015				

Inspection Results

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

Number: 2

Nature of Violation:

The licensee failed to report the Multiple Sale of handguns and file an ATF F 3310.4 within the required time frame.

- In ^{(b)(3) 112 Public Law 55} instances involving ^{(b)(3) 112 Public Law 55 125 9} handguns the FFL failed to complete an ATF F 3310.4 and report the Multiple sale of pistols or revolvers to ATF NTC within the required time frame.

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

Investigator ^{(b)(6)} instructed the FFL to always fill out an ATF F 3310.4 "Report of Multiple Sale or other Dispositions of Pistols and Revolvers" and report the sale of two (2) or more firearms within five (5) business days to ATF.

Investigator ^{(b)(6)} also instructed the FFL to be sure and send a copy of the multiple sale form to the local LEO agency by the close of the business day in which the sale took place.

Corrected Immediately. On December 3rd, 2015, the FFL completed an ATF F 3310.4 for each multiple sale and faxed a copy to both ATF NTC and the local LEO agency.

Citation: 27 CFR 478.126a

[Handwritten Signature] 12/9/15

(b)(6) 12-9-15

Report of Violations

Instructions

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Name of Proprietor KELLY, THOMAS MARSHALL KELLY FIREARMS AND AMMUNITION	Street Address 72 HWY 607	City PICAYUNE	State MS	Zip Code 39466-	County PEARL RIVER	Page 3 of 4 Pages
License/Permit/Registry Number (If any) 164109095L03198	Expiration Date 11/1/2018	Date(s) or Period of Inspection 12/02/2015 through 12/09/2015				

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:

The Licensee failed to obtain correct information and certification on Section "A" of ATF F 4473 from the purchaser prior to the transfer of a firearm.

- On (b)(3) 112 Public forms, Item # 17 was blank.
- Or (b)(3) 112 Public form, Item # 17 had errors.

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

Investigator (b)(6) instructed the FFL to always review the answers of the purchaser in "Section A" of ATF F 4473 prior to completion of the form and the transfer of the firearm for accuracy and to always make sure the purchaser properly signs and dates the ATF Form 4473.

The FFL now has a review system in place to verify that the purchaser enters all required information and properly signs and certifies the ATF F 4473 form in Section "A" prior to the transfer of the firearm.

Citation: 27 CFR 478.124(c)(1)

Amis 12/9/15

(b)(6)

12-9-15

Report of Violations

Instructions

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Name of Proprietor KELLY, THOMAS MARSHALL KELLY FIREARMS AND AMMUNITION	Street Address 72 HWY 607	City PICAYUNE	State MS	Zip Code 39466-	County PEARL RIVER	Page 4 of 4 Pages
License/Permit/Registry Number (If any) 164109095L03198	Expiration Date 11/1/2018	Date(s) or Period of Inspection 12/02/2015 through 12/09/2015				

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:

The Licensee failed to follow the headings and directions on ATF F 4473 and record required information on the form prior to the transfer of a firearm.

- On (b)(3) 112 Public form, Item # 11a had an error.
- On (b)(3) 112 Public form, Item # 24 and Item # 25 were blank.

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

Investigator (b)(6) instructed the FFL to always follow the headings and directions on the ATF F 4473 and record the required information on the form prior to transfer of a firearm.

The FFL now has a review system in place to verify that all required information is recorded on ATF F 4473 forms.

Citation: 27 CFR 478.21(a)

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

Date 12/9/15

Signature and Title of ATF Officer

(b)(6)

Date 12/9/15



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

www.atf.gov

February 2, 2016

777040 (b)(6)
5373

CERTIFIED MAIL – RETURN RECEIPT REQUIRED

Thomas Marshall Kelly
Kelly Firearms and Ammunition
72 Highway 607
Picayune, MS 39466
Re: 1-64-109-07-8L-03198

Dear Mr. Kelly:

During a recent compliance inspection at your firearms business covering the period of December 2, 2014 thru December 2, 2015, 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 of 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.

Thomas Marshall Kelly
Kelly Firearms and Ammunition

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

Sincerely yours

(b)(6)

Area Supervisor

Enclosure

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

FIREARMS INSPECTION REPORT

Name: Thomas Marshall Kelly
Trade Name: Kelly Firearms and Ammunition

UI#: 777040-2016-0061-B1B
FFL#: 1-64-109-07-8L-03198

Address: 72 Highway 607
Picayune, MS 39466, Pearl River

1 - Introduction

Inspection Profile:

An onsite compliance inspection was conducted by Industry Operations Investigator (b)(6) from December 2nd to December 9th, 2015. Mr. Thomas Marshall Kelly- Sole Proprietor / Responsible Person was identified by his MS Driver's license and interviewed during the course of the inspection. In addition to Mr. Kelly, the following family members who are also store employees were interviewed during the inspection:

(b)(6) / Employee, W/M, DOB: (b)(6), MS DL #: (b)(6)
(b)(6) Exp: 10/12/2016.

(b)(6) / Employee, W/M, DOB: (b)(6), MS DL #: (b)(6)
(b)(6), Exp: 08/04/2016.

The inspection was started on December 2nd, 2015 with a closing conference conducted on December 9th, 2015.

This was a DE FMI manufacturer inspection which covered a period from December 2nd, 2014 to December 2nd, 2015. Advance notice of the inspection was not given.

Business Profile:

Mr. Thomas Marshall Kelly operates a retail firearm shop under the name Kelly Firearms and Ammunition. Kelly Firearms and Ammunition sells new handguns and long guns, ammunition, firearms accessories and NFA firearms. In addition, Kelly Firearms and Ammunition also manufactures NFA silencers and rifles as well as gunsmithing repairs on individual customer's firearms.

A query of the MS Secretary of State business services website has no listings for Mr. Thomas Marshall Kelly as an officer for a corporation or LLC. A query of FLS has no other listings for Mr. Thomas Marshall Kelly as a Responsible Person on any other ATF license.

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

FIREARMS INSPECTION REPORT

Name: Thomas Marshall Kelly
Trade Name: Kelly Firearms and Ammunition

UI#: 777040-2016-0061-B1B
FFL#: 1-64-109-07-8L-03198

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

The primary supplier for Kelly Firearms and Ammunition is (b)(4) (b)(4) for new firearms. Kelly Firearms and Ammunition does not take used or wholesale firearms in on trade nor sale wholesale or used 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. Kelly.

Kelly Firearms and Ammunition is active with regard to internet purchases from www.gunbroker.com for individuals, and accepts these transfers from licensed FFL dealers as well as individuals.

Kelly Firearms and Ammunition does not currently utilize the internet to sale firearms or conduct their business. Kelly Firearms and Ammunition 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 Mr. Thomas Marshall Kelly'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 downstairs residential home office located in a rural area of Pearl River County MS located at 72 Highway 607, Picayune, MS 39466. The business premises are owned by Mr. Thomas Marshall Kelly therefore no valid lease is in effect.

Kelly Firearms and Ammunition has IRS EIN (b)(3) - 26 USC 6103 MS State Tax ID (b)(3) - 26 USC 6103 -1 and Pearl River County Privilege License #: 12262. In addition, Kelly Firearms and Ammunition has a valid ATF SOT#: (b)(3) - 26 USC 6103 (b)(3) - 26 USC 6103. All Licenses and Permits are valid and is in compliance with all other State and local laws.

Ownership and Control:

Thomas Marshall Kelly is currently operating as a "Sole-Proprietorship" under the name Kelly Firearms and Ammunition.

Investigator (b)(6) informed Mr. Kelly that if he ever changed his business structure to a Partnership, Corporation or Limited Liability Company (LLC), that this would constitute a change of control in the company and would require

FIREARMS INSPECTION REPORT

Name: Thomas Marshall Kelly
Trade Name: Kelly Firearms and Ammunition

UI#: 777040-2016-0061-B1B
FFL#: 1-64-109-07-8L-03198

him to apply for a new FFL. Mr. Thomas Marshall Kelly “verbally” acknowledged that he understood.

Mr. Thomas Marshall Kelly is the only “active” responsible persons listed on the license within FLS. There have been no other changes to responsible persons and there is no indication of hidden ownership.

Variance:

Kelly Firearms and Ammunition has no current “active” variance and none were requested.

2 - Recommendation

Viols WL ONLY and NO Recall Inspection

Pursuant to ATF B 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.

SIGNIFICANT FINDINGS:

The following violation warrants a Warning Conference:

27 CFR 478.126a: Failure to report the multiple sale of handguns and file an ATF Form 3310.4 within the time frame required in (b)(3) - 112 FRONIC LAW 55-125 instances.

JUSTIFICATION FOR ALTERNATE RECOMMENDATION:

- Mr. Kelly failed to report the multiple sale of handguns because he stated that he thought that filling out the ATF Form 3310.4 and attaching it to the ATF Form 4473 constituted completing the required paperwork for reporting. Mr. Kelly further stated that he hand delivered all reports to the local LEO office and that he had also been mailing them to ATF. Mr. Kelly had no fax confirmations or certified postal receipts to support his claim of sending them to ATF NTC.
- Mr. Kelly immediately completed and “faxed” all ATF Form 3310.4 “Multiple handgun sale” forms to both ATF and the local LEO and printed a fax confirmation for these reports. Mr. Kelly stated that in the future he will attach fax confirmations on all multiple handgun sales to the ATF Form 4473 forms. Mr. Kelly 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.

FIREARMS INSPECTION REPORT

Name: Thomas Marshall Kelly
Trade Name: Kelly Firearms and Ammunition

UI#: 777040-2016-0061-B1B
FFL#: 1-64-109-07-8L-03198

- Mr. Kelly has only held an ATF license for 3 years and this was his first ever compliance inspection.
- Mr. Kelly is a lower volume dealer of firearms who mainly transfers firearms to MS Firearms Permit Holders and military personnel. 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.

3 - Inspection History

Investigator (b)(6) conducted a B1B qualification inspection of Thomas Marshall Kelly d/b/a Kelly Firearms and Ammunition in Picayune, MS on September 25th, 2012. Results of the inspection resulted in the FFL application being amended and a license being issued.

Date and Type of Inspection: 09/25/2012, B1B Qualification
UI#: 777040-2012-0496
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 Eighty-eight (88) firearms in physical inventory. The current inventory of firearms was composed of approximately Ten (10) handguns, Sixteen (16) long guns, twenty-five (25) receivers and Thirty-seven (37) NFA registerable weapons.

The A & D books showed (b)(6) open spaces in the acquisition and disposition records.

Five (5) firearms 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 by close of the next business day. There were no trafficking issues disclosed during review of the A & D record.

FIREARMS INSPECTION REPORT

Name: Thomas Marshall Kelly
Trade Name: Kelly Firearms and Ammunition

UI#: 777040-2016-0061-B1B
FFL#: 1-64-109-07-8L-03198

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 478.123(a) - The Licensee failed to properly record the Acquisition of NFA firearms within the A & D records for a Manufacturer per ATF regulations.

- In ^{(b)(3) - 112 Public Law} instance, the FFL failed to record the Acquisition of an NFA Silencer within the time frame required.
- In ^{(b)(3) - 112 Public Law} instance, the FFL transferred a NFA Silencer without first recording the Acquisition within the required manufacturing A & D records

27 CFR 478.123(d) - The Licensee failed to properly record the Disposition of NFA firearms within the A & D records for a Manufacturer per ATF regulations.

- In ^{(b)(3) - 112 Public Law} instances, the FFL failed to record the Disposition of an NFA Silencer within the time frame required.
- In ^{(b)(3) - 112 Public Law} instance, the FFL transferred a NFA Silencer without first recording the Disposition within the required manufacturing A & D records

CORRECTED IMMEDIATELY. Investigator ^{(b)(6)} instructed the FFL to properly record the acquisition and disposition of all NFA registerable firearms within seven (7) business days of receipt or completion of an ATF Form 4473 and completion of the transfer.

All NFA firearms previously "not acquired" were entered into the A & D record. All NFA firearm dispositions previously "not reported" were located on an ATF Form 4473 and ATF Form 4 and logged out of the A & D record (**Reference Violation #1 and #2, Exhibit #1 & 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} denied form for the time period examined. All ATF Form 4473 forms for the review period were examined.

The Licensee did have the proper filing system in place for all ATF Form 4473 forms. The Forms were filed in numerical order utilizing a unique serial number on each form and then filed monthly. All denied and no transfer forms are kept in a separate file by month.

FIREARMS INSPECTION REPORT

Name: Thomas Marshall Kelly
Trade Name: Kelly Firearms and Ammunition

UI#: 777040-2016-0061-B1B
FFL#: 1-64-109-07-8L-03198

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 478.124(c)(1)- On (b)(3) - 112 Public Law 55 125) forms, the Licensee failed to obtain correct information and certification on Section "A" of the ATF Form 4473 form from the purchaser prior to the transfer of a firearm (**Reference Violation #4, Exhibit #3, & Worksheet #2**).

27 CFR 478.21(a)- On (b)(3) - 112 Public Law 55 125) forms, the Licensee failed to follow the headings and directions on ATF Form 4473 and record required information on the form prior to transfer of the firearm (**Reference Violation #5, Exhibit #4, & 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.

Seventeen (17) 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 No (0) reported multiple sales reported to the Violent Crimes Analysis Branch (VCAB) by this licensee as stated in an email response received from the VCAB dated November 30th, 2015.

During the review of (b)(3) - 112 Public Law 55 125 Stat 552) forms from the review period for this licensee, (b)(3) - 112 Public Law 55 125) unreported multiple sales were disclosed.

27 CFR 478.126a- In (b)(3) - 112 Public Law 55 125) instances involving (b)(3) - 112 Public Law 55 125 Stat 552) firearms, the Licensee failed to report the Multiple Sale of Pistols or Revolvers within the required time frame (**Reference Violation #3, Exhibit #2, & Worksheet #2**).

The licensee stated that he had filled out the ATF Form 3310.4 for each multiple sale and had it attached to the ATF Form 4473 form. FFL stated that he had sent them in to the local LEO office within the county and stated that he thought he had mailed all the forms to the ATF address on the form.

The FFL had no records of where he mailed the form and no records where he had faxed them to ATF NTC. An email received from the VCAB shows no activity with regard to the reporting of these required multiple sales.

FIREARMS INSPECTION REPORT

Name: Thomas Marshall Kelly
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The FFL stated that he would now fax them to the ATF NTC and have a fax confirmation printed off and attached to the corresponding ATF Form 4473 forms.

CORRECTED IMMEDIATELY. Per Investigator (b)(6) instructions, Mr. Thomas Marshall Kelly- Responsible Person completed an ATF Form 3310.4 "Report of Multiple Sale or other Disposition of Pistols and Revolvers Report" for each multiple sale and faxed them to NTC and the local LEO on December 3rd, 2015.

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. Thomas Marshall Kelly "verbally" acknowledged that he understood these requirements per 27 CFR 478.126a.

7 - Suspicious/Prohibited Purchasers

There were no (0) suspicious purchasers, straw purchasers or possible traffickers identified during this inspection.

There were (b)(3) - 112 Public Law 55 126 Stat 552 Mississippi Firearm Permits holders identified through review of the ATF 4473 forms affiliated with this licensee. Six (6) MS Firearm permit holders with multiple purchases were queried in the MS JUST and E-Trace databases.

There was no negative or prohibiting information disclosed.

8 - Trace Activity

According to an e-mail from the Violent Crime Analysis Branch (VCAB) dated November 30th, 2015 for Thomas Marshall Kelly d/b/a Kelly Firearms and Ammunition there were No (0) traces associated with this Licensee within the past 12 Months.

There were no used or wholesale firearms within inventory so a secondary market analysis was not conducted.

9 - NFA/Importer/Collector/Manufacturer

The Licensee is currently licensed as a Type 07 "Manufacturer" of firearms and has performed manufacturing activity during this inspection period.

FIREARMS INSPECTION REPORT

Name: Thomas Marshall Kelly
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Thomas Marshall Kelly d/b/a Kelly Firearms and Ammunition did have the 2014 ATF E-Form 5300.11 "Annual Firearms Manufacturing and Exportation Report" completed and on file with their other business records (**Reference Exhibit # 5- ATF E-form 5300.11 "Annual Firearms Manufacturing and Exportation Report" dated April 4th, 2015**).

An overview of standard operating procedures regarding firearms manufacturing activity to include marking requirements under 27 CFR 478.92 was provided by Investigator (b)(6)

In addition to Manufacturing activity, Thomas Marshall Kelly d/b/a Kelly Firearms and ammunition handles NFA Registerable Firearms. All NFA Firearms in inventory were examined during the inspection and there were no discrepancies found with the NFRTR.

All required NFA Forms were correct and on file for the review period with a copy of the ATF Form 4 being attached to the ATF Form 4473 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. Thomas Marshall Kelly- Member was instructed on the Form 1 through Form 5 record keeping requirements with regard to NFA firearm transactions.

10 - Referrals

No referrals were generated as a result of this inspection.

11 - Other

Thomas Marshall Kelly d/b/a Kelly Firearms and Ammunition did have the ATF I 5300.1 Youth Handgun Safety Act Poster for display in his business. IOI (b)(6) instructed Mr. Kelly- 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)(6) conducted MSJUST NCIC checks on one (1) responsible person, two (2) family / store employees and six (6) MS Firearms permit holders with no prohibiting information being disclosed.

GPS coordinates for the store location were obtained and recorded in decimal format and are as follows: N30.46484 / W089.68462.

FIREARMS INSPECTION REPORT

Name: Thomas Marshall Kelly
Trade Name: Kelly Firearms and Ammunition

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FFL#: 1-64-109-07-8L-03198

Mr. Thomas Marshall Kelly asked Investigator (b)(6) about the process of adding his two (2) son's to his firearms license as responsible people. Investigator (b)(6) instructed Mr. Kelly on the process and regulations per 27 CFR 478.47.

Two (2) sets of FD-258 fingerprint cards, Two (2) copies of ATF Form 5330.20 "Certificate of Compliance" and the two (2) pages from ATF Form 7 necessary for adding responsible persons to an FFL were given to Mr. Kelly by Investigator Frederick with instructions on how to complete and mail the forms to the Federal Firearms Licensing Center (FFLC). Mr. Thomas Marshall Kelly "verbally" acknowledged that he understood.

12 - Closing Actions

On December 9th, 2015, a closing conference was held with the Licensee and the rules and regulations for firearms were reviewed. 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 forms. In addition, Mr. Thomas Marshall Kelly-Responsible Person was instructed on the record keeping requirements per 27 CFR 478.123 and 27 CFR 478.125(e) with regard to all firearm transactions.

The signature of Mr. Thomas Marshall Kelly- Responsible Person was obtained on the "Acknowledgement of Federal Firearms Regulations" (**Reference Exhibit # 6- "Acknowledgement of Federal Firearms Regulations" dated December 9th, 2015**).

13 - Violations

1. 27 CFR 478.123(a)

Nature of violation:

The Licensee failed to properly record the Acquisition of NFA firearms within the A & D records for a Manufacturer per ATF regulations.

- In (b)(3) - 112 Public Lc instance, the FFL failed to record the Acquisition of an NFA Silencer within the time frame required.
- In (b)(3) - 112 Public Lc instance, the FFL transferred a NFA Silencer without first recording the Acquisition within the required manufacturing A & D records (**Reference Exhibit # 1- "Copies of One (1) approved ATF Form 2 dated 3 June 2015 / A & D pages / Two (2) approved ATF Form 4's dated 11 Sept 2015 and 10 October 2015 / (b)(3) - 112 Public Law 95 125 Stat 552**).

FIREARMS INSPECTION REPORT

Name: Thomas Marshall Kelly
Trade Name: Kelly Firearms and Ammunition

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Licensee's Response:

The Licensee stated that he was not aware that he had made these mistakes within the manufacturing A & D book and would do a better job of recording the Acquisitions of NFA firearms within the time frame required. The ATF Form 2 records for these firearms were correct, available and on file.

Corrective Action:

CORRECTED IMMEDIATELY. Investigator (b)(6) instructed the FFL to properly record the acquisition of all NFA registerable firearms by close of the next business day after receipt.

All NFA firearms previously "not acquired" were entered into the A & D record.

2. 27 CFR 478.123(d)

Nature of violation:

The Licensee failed to properly record the Disposition of NFA firearms within the A & D records for a Manufacturer per ATF regulations.

- In (b)(3) - 112 Public Law 55 instances, the FFL failed to record the Disposition of an NFA Silencer within the time frame required.
- In (b)(3) - 112 Public Law 55 instance, the FFL transferred a NFA Silencer without first recording the Disposition within the required manufacturing A & D records (**Reference Exhibit # 1- "Copies of One approved ATF Form 2 dated 3 June 2015 / A & D pages / Two (2) approved ATF Form 4's dated 11 Sept 2015 and 10 October 2015 / (b)(3) - 112 Public Law 55 125 Stat 552"**)

Licensee's Response:

The Licensee stated that he was not aware that he had made these mistakes within the A & D book and would do a better job of recording the Dispositions of NFA firearms within the time frame required. The ATF Form 2 and ATF Form 4 records for these firearms were correct, available and on file.

Corrective Action:

CORRECTED IMMEDIATELY. Investigator (b)(6) instructed the FFL to properly record the disposition of all NFA registerable firearms within seven (7) business days of completion of an ATF Form 4473 and completion of the transfer.

All NFA firearm dispositions previously "not reported" were located on an ATF Form 4473 and ATF Form 4 and logged out of the A & D record.

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Trade Name: Kelly Firearms and Ammunition

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3. 27 CFR 478.126a

Nature of violation:

The licensee failed to report the Multiple Sale of handguns and file an ATF Form 3310.4 within the required time frame.

- In ^{(b)(3) - 112 Public Law 55 125 Stat 552} instances involving ^{(b)(3) - 112 Public Law 55 125 Stat 552} handguns the FFL failed to complete an ATF Form 3310.4 and report the multiple sale of pistols or revolvers to ATF NTC within the required time frame ^{(b)(3) - 112 Public Law 55 125 Stat 552} **(Reference Exhibit # 2- “Copies of [REDACTED] with completed ATF Form 3310.4 Report of Multiple Sale forms / Fax confirmations to ATF NTC and local LEO with each form”)**.

Licensee’s Response:

The licensee stated that he had filled out the ATF Form 3310.4 for each multiple sale and had it attached to the ATF Form 4473 form. FFL stated that he had sent them in to the local LEO office within the county and stated that he thought he had mailed all the forms to the ATF address on the form.

The FFL had no records of where he mailed the form and no records where he had faxed them to ATF NTC. An email received from the VCAB shows no activity with regard to the reporting of these required multiple sales. The FFL stated that he would now fax them to the ATF NTC and have a fax confirmation printed off and attached to the corresponding ATF Form 4473 forms.

Corrective Action:

CORRECTED IMMEDIATELY. Investigator ^{(b)(6)} instructed the FFL to always fill out an ATF Form 3310.4 "Report of Multiple Sale or other Dispositions of Pistols and Revolvers" and report the sale of two (2) or more firearms within five (5) business days to ATF.

Investigator ^{(b)(6)} also instructed the FFL to be sure and send a copy of the multiple sale form to the local LEO agency by the close of the business day in which the sale took place. On December 3rd, 2015, the FFL completed an ATF Form 3310.4 for each multiple sale and faxed a copy to both ATF NTC and the local LEO agency.

4. 27 CFR 478.124(c)(1)

Nature of violation:

The licensee failed to obtain correct information and certification on Section “A” of ATF Form 4473 from the purchaser prior to the transfer of a firearm.

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- On (b)(3) - 112 Public Law forms, Item # 17 was blank.
(Reference Exhibit # 3- (b)(3) - 112 Public Law 55 125 Stat 552
- On (b)(3) - 112 Public Law form, Item # 17 had errors.
(Reference Exhibit # 3- (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 always review the answers of the purchaser in 'Section A' of ATF Form 4473 prior to completion of the form and the transfer of the firearm for accuracy and to always make sure the purchaser properly signs and dates the ATF Form 4473.

The FFL now has a review system in place to verify that the purchaser enters all required information and properly signs and certifies the ATF Form 4473 form in Section "A" prior to the transfer of the firearm.

5. 27 CFR 478.21(a)

Nature of violation:

The licensee failed to follow the headings and directions on ATF Form 4473 and record required information on the form prior to the transfer of a firearm.

- On (b)(3) - 112 Public Law form, Item # 11a had an error.
(Reference Exhibit # 4- (b)(3) - 112 Public Law 55 125 Stat 552
- On (b)(3) - 112 Public Law form, Item # 24 and Item # 25 were blank.
(Reference Exhibit # 4- (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 always follow the headings and directions on the ATF Form 4473 and record the required information on the form prior to transfer of a firearm.

FIREARMS INSPECTION REPORT

Name: Thomas Marshall Kelly
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The FFL now has a review system in place to verify that all required information is recorded on ATF Form 4473 forms.

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-** ‘Copies of One (1) approved ATF Form 2 dated 3 June 2015 / A & D pages / Two (2) approved ATF Form 4’s dated 11 Sept 2015 and 10 October 2015 / (b)(3) - 112 Public Law 55 125 Stat 552
- 5- **Exhibit # 2-** ‘Copies of (b)(3) - 112 Public Law 55 125 Stat 552) ATF Form 4473 Form #: (b)(3) - 112 Public Law 55 125 Stat 552
completed ATF Form 3310.4 Report of Multiple Sale forms / Fax confirmations to ATF NTC and local LEO with each form’
- 6- **Exhibit # 3-** ‘Copies of (b)(3) - 112 Public Law 55 125 Stat 552
- 7- **Exhibit # 4-** ‘Copies of (b)(3) - 112 Public Law 55 125 Stat 552
- 8- **Exhibit # 5-** ‘ATF E-form 5300.11 ‘Annual Firearms Manufacturing and Exportation Report’ dated April 4th, 2015’
- 9- **Exhibit # 6-** ‘Acknowledgement of Federal Firearms Regulations dated 9 December 2015’