

Assignment and Report

1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY) PENCOEVILLE, LLC POPS ARMORY 405 COUNTY ROAD 52 JEMISON, AL 35085, CHILTON	2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) 776085-2016-0028-B1B		
	3. PERMIT/LICENSE NUMBER 163021078F02100	4a. TARGET DATE 6/1/2016	4b. TARGET HOURS
	5. REQUESTED BY (SIGNATURE, TITLE AND DATE) 10/01/2015		

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

7. ASSIGNED BY (SIGNATURE, TITLE AND DATE)
(b)(6), Area Supervisor, 10/01/2015

8. PURPOSE/SPECIAL INSTRUCTIONS
Conduct a full compliance inspection, obtain onsite GPS coordinates, and verify ownership and zoning.

9. INSPECTION RESULTS		<input type="checkbox"/> CHECK IF NO VIOLATIONS, ADJUSTMENTS, ETC		10. TRAVEL EXPENSES (OPTIONAL)	
NO. OF VIOLATIONS	2	NO. OF REFERRALS		2111 - PER DIEM	
NO. OF TECS CHECKS	1	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: 12/08/2015
A full Manufacturer of Firearms compliance inspection was conducted November 20-27, 2015. Ownership and zoning verified and GPS coordinates obtained. The following violations were cited: 27 CFR 478.125(e) and 27 CFR 478.126(a).
Violts WL ONLY and No Recall Inspection

12. TIME ACCOUNTING DATA			
ATF OFFICER'S NAME (MONTH, YEAR, HOURS)		(b)(6)	
OCT 2015	2.00		
NOV 2015	20.00		
DEC 2015	7.00		
ATF OFFICER'S SUBTOTAL	29.00	ATF OFFICER'S SIGNATURE	
TOTAL HOURS	29.00		

13. REVIEW AND ROUTING

REVIEW COMMENTS AND RECOMMENDATION
WL, ROV and no recall: A compliance inspection was initiated by Lead IOI (b)(6) on 11/20/2015, and completed on 11/27/2015 in Jemison, AL. The inspection disclosed 2 violations: 27 CFR 478.126a - 1 instances involving ^{ROV} handguns; and 27 CFR 478.125(e) - 1 instance failed to record the acquisition of ^{ROV} firearm timely. No missing forms or firearms were disclosed. A ROV was issued. The licensee corrected the A&D record by adding the repair firearm, and submitted the multiple handgun reports (ATF F 3310.4s) during the inspection as directed. Additional reviews, such as double checking the records and forms, have been also implemented to ensure the violations are not repeated in the future. A Warning Letter was mailed to the licensee on 12/11/2015. No further field action is required.

E-mailed to: A/S (b)(6), (b)(6), DIO Kevin Boydston, FFL Actions-Nashville, (b)(6) on 12/11/15

Violts WL ONLY and No Recall Inspection

<input checked="" type="checkbox"/> REVIEWED	<input checked="" type="checkbox"/> CONCUR	<input checked="" type="checkbox"/> SEE COMMENTS	<input checked="" type="checkbox"/> FINAL DISPOSITION
SIGNATURE AND TITLE (b)(6) - Area Supervisor		REVIEW DATE 12/11/2015	

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	3. PERMIT/LICENSE NUMBER 163021078F02100	4a. TARGET DATE 6/1/2016	4b. TARGET HOURS
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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 PENCOEVILLE LLC POPS ARMORY	Street Address 405 COUNTY ROAD 52	City JEMISON	State AL	Zip Code 35085-	County CHILTON	Page 1 of 2 Pages
License/Permit/Registry Number <i>(If any)</i> 163021078F02100	Expiration Date 6/1/2018	Date(s) or Period of Inspection 11/20/2015 through 11/27/2015				

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:

27 CFR 478.125(e) - Failed to timely log in a total of (b)(3) 112 Public I firearm in the Acquisition and Disposition Repair bound book.

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

Citation: 27 CFR 478.125(e)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

The licensee immediately logged the firearm into the Repair Acquisition and Disposition records. The licensee was instructed that a firearm taken in for repair must be recorded in the bound records not later than close of the next business day following the date of acquisition.

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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 PENCOEVILLE LLC POPS ARMORY	Street Address 405 COUNTY ROAD 52	City JEMISON	State AL	Zip Code 35085-	County CHILTON	Page 2 of 2 Pages
License/Permit/Registry Number (If any) 163021075F02100	Expiration Date 6/1/2018	Date(s) or Period of Inspection 11/20/2015 through 11/27/2015				

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:

27 CFR 478.126(a) - Failed in (b)(3) 112 Public instances to prepare and submit a Report of Multiple Sale (Form 3310.4) on the disposition of (b)(3) 112 Public handguns each on (b)(3) 112 Public occasions, involving a total of (b)(3) 112 Public handguns by the close of the business day upon which each multiple sale occurred.

(b)(3) 112 Public Law 55 125 STAT 552 (b)(6)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

The licensee immediately completed an ATF Form 3310.4 (Report of Multiple Sale) for each of the (b)(3) 112 Public unreported multiple sales and submitted via fax to the ATF National Tracing Center. A copy was also forwarded to the local Sheriff's office. The licensee was instructed on the regulation requiring that the licensee who sells or otherwise disposes of, at one time or during any five consecutive business days, two or more handguns to an unlicensed person must prepare and submit a Report of Multiple Sale not later than the close of the business day on which the multiple sale occurs.

Citation: 27 CFR 478.126a

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

Signature (b)(6)

Industry Operations Investigator

Date
27 Nov 2015

Date
11/27/2015



U.S. Department of Justice

Bureau of Alcohol, Tobacco,
Firearms and Explosives

41 West I-65 Service Road North, Suite 350, Mobile, AL 36602

www.atf.gov

December 11, 2015

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Pencoeville LLC.
d/b/a Pops Armory
405 County Rd. 52
Jemison, AL 35805

Dear Mr. Pencoe:

During a recent compliance inspection at your firearms business covering the period of November 2014 through November 2015, 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 (b)(6). It has been documented that you understand the requirements of the firearms laws and regulations and 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.

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

Sincerely yours,

(b)(6)

Area Supervisor Mobile II Field Office

Enclosure

c: National Licensing Center
Mobile II Field Office

FIREARMS INSPECTION REPORT

Name: Pencoeville LLC
Trade Name: Pops Armory

UI#: 776085-2016-0028-B1B
FFL#: 1-63-021-07-8F-02100

Address: 405 County Road 52
Jemison, AL 35085 (Chilton County)

1 - Introduction

Inspection Profile:

On November 20, 2015 IOI (b)(6) initiated a compliance inspection at the business premises of Pencoeville LLC d/b/a Pops Armory (EIN No. (b)(3) 28) in Jemison, Alabama. The inspection was concluded on November 27, 2015. Present for the inspection was Glenn Louis Pencoe, member of the LLC and responsible person on the Type 07 Federal Firearms License (Manufacturer.)

Prior to the inspection, the licensee was queried in N-Force and NCIC with no prohibiting information or cases discovered. The Resident Agent in Charge, (b)(6) was notified of the pending inspection via **RAC Letter (Exhibit 1)** and consent to inspect was implied.

Advance notification of the inspection was provided since the licensee only maintains regular business hours after 12:00 PM on Fridays. IOI (b)(6) requested a full Friday to begin the inspection and was accommodated by the licensee. The period of this inspection is for the dates November 20, 2014 through November 20, 2015.

Business Profile:

Pencoeville, LLC dba Pops Armory maintains a Type 07/Manufacturer of Firearms License. Pencoeville, LLC also pays the Special Occupational Tax (SOT) as a manufacturer/dealer of NFA firearms. Pops Armory is located at 405 County Road 52 in Jemison, Alabama. It is a large block building in a rural setting secured with metal doors, video surveillance and concrete barriers at the door entrance. There is also an outdoor target shooting area adjacent to the building secured by block walls.

During the last twelve month period, a total of (b)(4) firearms were acquired by the licensee. A total of (b)(4) (b)(4) firearms were disposed by the licensee during the last twelve months. Of the acquisitions and dispositions, approximately (b)(4) were handguns and (b)(4) long guns. Approximately (b)(4) of the licensee's acquisitions and dispositions are new firearms with about (b)(4) percent being (b)(4) used firearms.

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The licensee does not conduct business via the internet or at gun shows and no other types of business are conducted on the premises. Mr. Pencoe estimates about (b)(4) of his business is in repair work (gunsmith.) The licensee has not manufactured any firearms during the last twelve months. The last date of manufacture was 3/29/2014 which was reported on the last required AFMER (**Annual Firearms Manufacture and Exportation Report, Exhibit 2.**)

The licensee has maintained a Federal Firearms License for approximately nine (9) years. The licensee's primary supplier of firearms is (b)(4). The licensee is in compliance with all State and local licensing and zoning requirements. There are no off-site storage locations.

Ownership and Control:

Louis Glenn Pencoe is the sole member of Pencoeville, LLC and the only responsible person on the Federal Firearms License (**Exhibit 3, Business Entity Detail.**) Hidden ownership is not suspected.

Variance:

The licensee maintains no variances and none are requested.

2 - Recommendation

Violations, Warning Letter Only, No Recall Inspection.

3 - Inspection History

The licensee has one prior full manufacturer of firearms compliance inspection.

Date of Inspection:	11/24/2008
Type of Inspection:	Full Manufacturer of Firearms compliance
UI#:	776015-2009-0031
Inspection Results:	No violations, no further action, no referrals.
Cited Violations:	None

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

The licensee maintains separate bound books for dealer records, repair records, manufacturer records and NFA records.

FIREARMS INSPECTION REPORT

Name: Pencoeville LLC
Trade Name: Pops Armory

UI#: 776085-2016-0028-B1B
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During the last twelve month period, a total of (b)(4) firearms were acquired by the licensee. A total of (b)(4) firearms were disposed by the licensee during the last twelve months. Of the acquisitions and dispositions, approximately (b)(4) were handguns and (b)(4) long guns. Approximately (b)(4) of the licensee's acquisitions and dispositions are new firearms with about (b)(4) used firearms.

A full inventory of firearms was conducted. A total of one-hundred thirty-four (134) firearms were in the physical inventory. The bound records revealed a total of (b)(3) 112 Public L open dispositions. (b)(3) 112 Public L repair handgun acquired on November 6, 2015 was located in the inventory and had not been logged into the repair bound book as of the beginning date of this inspection (November 20, 2015.) Upon discovery, the licensee logged the firearm into his repair books as an acquisition **(Exhibit 4, A & D Repair Book Acquisition.)** Other than (b)(3) 112 Public L instance where a firearm was not logged into the A & D Records, the remaining A & D information was in the proper format and entries were timely made. The licensee is the sole custodian of the A & D Records. Firearms are recorded in the A & D records by Mr. Pencoe.

Twenty-five (25) firearms were checked from the A&D to the corresponding ATF F 4473 and all were verified.

5 - ATF Forms 4473 – NICS & Other Dispositions

A total of (b)(3) - 112 ATF Forms 4473 were on file for the inspection period and all were reviewed. ATF Forms 4473 are maintained in numerical order. The ATF Forms 4473 were completed accurately, however, IOI (b)(6) discovered (b)(3) 112 Public L Forms 4473 which contained multiple handgun dispositions with no corresponding Report of Multiple Sale-Form 3310.4 **(Exhibit 5, ATF Forms 4473.)**

The FFL Audit Report shows a total of twenty-five (25) proceed transactions for the 60 day period prior to 10/19/2015. All proceed NICS numbers were verified with an ATF Form 4473. There were no denied transactions for the last twelve month period.

Mr. Pencoe conducts the majority of ATF Form 4473 transactions, however, he does have one (1) additional individual, (b)(6) who also assists with ATF Forms 4473 transactions. (b)(6) is also a Federal Firearms Licensee (FFL No. 1-06-04693) who has a separate business premises in Jemison, Alabama (Freedom Tactical Firearms.) Mr. Johnson helps Mr. Pencoe on Friday afternoons.

6 - Multiple Sales

A Firearm Trace History provided by the Violent Crime Analysis Branch revealed a total of (b)(3) - 112 Public L multiple sale involving (b)(3) - 112 Public L handguns for the inspection period. IOI

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(b)(6) discovered there were an additional (b)(3) 112 Public Law multiple sale transactions involving a total of (b)(3) 112 Public handguns which were unreported (See Exhibit 5, ATF Forms 4473.) The licensee submitted a Report of Multiple Sale to ATF and to the local authorities for each transaction on November 20, 2015 (Exhibit 6, Reports of Multiple Sale.)

7 - Suspicious/Prohibited Purchasers

No suspicious or prohibited purchases or purchasers were discovered.

8 - Trace Activity

A Firearm Trace History provided by the Violent Crime Analysis Branch reveals no traces during the inspection period.

9 - NFA/Importer/Collector/Manufacturer

The licensee is a Type 07/Manufacturer of Firearms and holds a Class 2 Special Occupational Tax (SOT.) The licensee is not a collector or importer of firearms.

An NFRTR (National Firearm Registration and Transfer Record) Report provided by the NFA Branch showed a total of (b)(3) 112 Public Law 55 125 STAT NFA items associated with the licensee, however, (b)(3) 112 Public L of those items is a personal NFA firearm registered to Mr. Pencoe as an individual and (b)(3) 112 Public L firearm was showing as part of the licensee's inventory but was not received in inventory at the time of the inspection. (b)(3) 112 Public Law 55 125 S

Mr. Pencoe called the manufacturer who he believed to be DHM (b)(6) and (b)(6) confirmed he was still in possession of the NFA weapon and had not shipped to Pencoeville, LLC. As of November 27, 2015 the firearm was shipped and received into the inventory of Pencoeville, LLC along with a Form 3 (Exhibit 7) from the Manufacturer (b)(3) 112 Public (Exhibit 8, (b)(3) 112 Public Silencer ser. No. 9366-photo.)

Additionally, there were (b)(3) NFA items in the licensee's inventory that were not listed on the NFRTR dated 18 November 2015:

(b)(3) 112 Public Law 55 125 STAT 552 (b)(6)

These (b)(3) items do not show in the licensee's NFRTR report because the firearms were approved for transfer on Forms 4 to individuals. The individuals have not yet acquired the weapons from the licensee so the licensee is still in possession of the items. After

FIREARMS INSPECTION REPORT

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speaking with a representative of the NFA Branch, this is the normal procedure in which firearms show as part of a licensee's inventory. Once a form is approved, it no longer shows as part of the licensee's inventory in the NFRTR. Mr. Pencoe was instructed to contact the individuals in order to complete the transactions as soon as possible.

The (b)(3) 112 P firearm above did not cause any discrepancies with the NFA A & D records. All NFA items in inventory at the time of this inspection were logged into the bound records. Any discrepancy was with the NFRTR report which has been reconciled. The licensee is in possession of all associated NFA Forms 2, 3 and 4.

10 - Referrals

No referrals were generated.

11 - Other

The licensee was in compliance with the Youth Handgun Safety Act, as evidenced by the required sign being posted and handouts available for customers. The licensee was also in compliance with the Secure Gun Storage Provisions by having firearm safety devices available on the business premises.

Mr. Louis Glenn Pencoe was queried in NCIC and N-Force prior to submission of this assignment. No prohibiting information was discovered.

12 - Closing Actions

On November 27, 2015 a closing conference was held with Mr. Louis Glenn Pencoe. IOI (b)(6) reviewed the Report of Violations with Mr. Pencoe. Mr. Pencoe signed and dated the Report of Violations and was provided a copy for his company records. The **Acknowledgement of Federal Firearms Regulations (Exhibit 9)** was also reviewed with Mr. Pencoe. Mr. Pencoe initialed each item, signed, dated and was provided a copy for the company records.

13 - Violations

1. 27 CFR 478.125(e)

Nature of Violation - Failed to timely log in a total of (b)(3) 112 Public L firearm in the Acquisition and Disposition Repair bound book.

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(b)(3) 112 Public Law 55 125 STAT 552

Licensee's Response – The licensee said he tagged the firearm as a repair gun but does not know why he failed to go ahead and log it in the A & D Repair book. He will not fail to do this in the future.

Corrective Action – The licensee immediately logged the firearm into the Repair Acquisition and Disposition records. The licensee was instructed that a firearm taken in for repair must be recorded in the bound records not later than close of the next business day following the date of acquisition. (See Report of Violations, No. 1; A & D Inventory Review Worksheet and Exhibit 4, A & D Repair Book Acquisition.)

2. 27 CFR 478.126(a)

Nature of Violation - Failed in (b)(3) 112 Public Law instances to prepare and submit a Report of Multiple Sale (Form 3310.4) on the disposition of (b)(3) 112 Public Law handguns each on (b)(3) 112 Public Law occasions, involving a total of (b)(3) 112 Public Law handguns by the close of the business day upon which each multiple sale occurred.

(b)(3) 112 Public Law 55 125 STAT 552 (b)(6)

Licensee's Response – The licensee admitted it was his own error and does not know why he let that occur without submitting the multiple sales reports. He will prevent this from occurring again in the future.

Corrective Action - The licensee immediately completed an ATF Form 3310.4 (Report of Multiple Sale) for each of the (b)(3) 112 Public Law unreported multiple sales and submitted via fax to the ATF National Tracing Center. A copy was also forwarded to the local Sheriff's office. The licensee was instructed on the regulation requiring that the licensee who sells or otherwise disposes of, at one time or during any five consecutive business days, two or more handguns to an unlicensed person must prepare and submit a Report of Multiple Sale not later than the close of the business day on which the multiple sale occurs. (See Report of Violations No. 2; ATF Forms 4473 Review Worksheet; Exhibit 5, ATF Forms 4473 & Exhibit 5, Reports of Multiple Sales.)

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X

Industry Operations Investigator

Index of Worksheets and Exhibits

Report of Violations

Worksheets

Exhibits:

1. Exhibit 1, RAC Letter
2. Exhibit 2, AFMER
3. Exhibit 3, Business Entity Detail
4. Exhibit 4, A & D Repair Acquisition
5. Exhibit 5, ATF Forms 4473
6. Exhibit 6, Reports of Multiple Sale
7. Exhibit 7, Form 3 on DHM Silencer Ser. No. (b)(3) 112 PG
8. Exhibit 8, DHM Silencer, Ser. No. (b)(3) 112 PG-photo
9. Exhibit 9, Acknowledgement of Federal Firearms Regulations

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