

Assignment and Report

1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY) Kline, Donald Joseph Hot Shot / Smoking Gun Gunsmithing 2105 N US 31 Highway Petoskey, MI 49770, Emmet	2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) 774050-2017-0036-B1B		
	3. PERMIT/LICENSE NUMBER 438047079G05437	4a. TARGET DATE 9/30/2017	4b. TARGET HOURS 40
	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, 10/03/2016

8. PURPOSE/SPECIAL INSTRUCTIONS
Conduct a Full Manufacturer/Importer Compliance Inspection to determine compliance with Federal firearms laws and regulations and applicable State, County or local laws and regulations. Complete required N-Spect fields. Verify compliance with zoning requirements. Check tax information on firearms manufactured and review FLS report with licensee for accuracy and completeness. Contact the FTB to determine if the licensee has any active marking variances on file. For Importers, verify any approved Form 6's with the A & D records. For Manufacturers, determine that the licensee has submitted, as required, ATF Form 5300.11 containing all the required information annually. If the licensee has failed to submit, these should be submitted prior to closing out the inspection. Inform Licensee of his responsibility of registering for ITAR under the US State Department.

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	3	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: 11/07/2016
Report of Violations, Warning Letter, No Recall Inspection

Viols WL ONLY and No Recall Inspection

12. TIME ACCOUNTING DATA			
ATF OFFICER'S NAME (MONTH, YEAR, HOURS)		(b)(6)	
OCT 2016	34.00		
NOV 2016	11.00		
ATF OFFICER'S SUBTOTAL	45.00	ATF OFFICER'S SIGNATURE	
TOTAL HOURS	45.00		

13. REVIEW AND ROUTING

REVIEW COMMENTS AND RECOMMENDATION
Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) Industry Operations Investigator (IOI) (b)(6) conducted an onsite compliance inspection of Donald Joseph Kline on October 20, 2016.

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 11/09/2016	

Assignment and Report

1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY) Kline, Donald Joseph Hot Shot / Smoking Gun Gunsmithing 2105 N US 31 Highway Petoskey, MI 49770, Emmet	2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) 774050-2017-0036-B1B		
	3. PERMIT/LICENSE NUMBER 438047079G05437	4a. TARGET DATE 9/30/2017	4b. TARGET HOURS 40
	5. REQUESTED BY (SIGNATURE, TITLE AND DATE)		

ROUTING SEQUENCE AND DATE

- ☐ 1. _____
☐ 2. _____
☐ 3. _____
☐ 4. _____

CONTROL FILE POSTED DATE _____



U.S. Department of Justice

Bureau of Alcohol, Tobacco,
Firearms and Explosives

Grand Rapids, MI

November 14, 2016

www.atf.gov

774050-(b)(6)
5300

Mr. Donald Kline
Hot Shot
2015 N US 31 Highway
Petoskey, MI 49770

RE: FFL #4-38-047-07-9G-05437

Dear Mr. Kline:

During a recent compliance inspection at your firearms business covering the period October 20, 2015, through October 20, 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 the time of the inspection is enclosed.

The violations were fully explained to you by the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) Industry Operations Investigator (b)(6). You indicated that you understood the requirements of the firearms laws and regulations. You further indicated that corrective action would be taken to eliminate future violations.

The records you are required to maintain and the business operations you conduct are important to law enforcement in our continuing efforts to reduce violent crime and protect the public. It is essential that you comply with all Federal laws and regulations that govern your firearms business. This is critical to carrying out our mission to protect the public and to ensure that criminals do not gain access to firearms. ATF appreciates the efforts you and other industry members make in this area, 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.

Donald Kline
FFL: 4-38-047-07-9G-05437

Should you have any questions regarding this matter, please contact me at (616) 301-6100.

Sincerely yours,

(b)(6)

Area Supervisor

Enclosure

c: Federal Firearms Licensing Center
Grand Rapids II Area Office

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	Street Address	City	State	ZIP Code	County	Page 1 of 3
Donald Joseph Kline	2105 N US 31	Petoskey	Michigan	49770	Emmet	3 of 3 Pages

License Permit/Registry Number (if any)

4-38-D47-07-9C-05437

Expiration Date

07/01/2019

Date(s) or Period of Inspection

Period of Inspection: October 20, 2015 through October 20, 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 478.123(d)	<p>27 CFR 478.123(d) states in part - The sale or other disposition of a firearm to a licensee shall be maintained in accordance with 27 CFR 478.123, specifically the licensee shall not later than 7 days following the date of disposition, show the date of the sale or other disposition of each firearm, the name and address of the person to whom the firearm is transferred.</p> <p>The licensee failed to record the disposition of (b)(3) firearms not later than the close of the next business day following the date of such purchase or acquisition.</p> <p>(b)(3) 112 Public Law 55 125 STAT 552 (b)(6)</p>	<p>The licensee will record the disposition of firearms in the A&D record and at all times in the future record the acquisition of a firearm not later than the close of the next business day and record the disposition of a firearm not later than 7 days following the date of the firearms transaction.</p>	October 17, 2016

I Have Received a Copy of This Report of Violations from the Proprietor's signature and title

(b)(6)

Digitally signed by **(b)(6)**

Date: 2016.11.03 12:34:22 -0400

Date

11/2/2016

Date

Copy 1 - Proprietor's Copy

ATF Form 510.3
AUGUST 2008
Revised April 2015

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	Street Address	City	State	ZIP Code	County	Page <u>2</u> of <u>3</u> Pages
Donald Joseph Kline	2105 N US 31	Petoskey	Michigan	49770	Emmet	
License/Permit/Registry Number (if any)		Expiration Date	Date(s) or Period of Inspection			
4-38-047-07-9G-05437		07/01/2019	Period of Inspection: October 20, 2015 through October 20, 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 478.21(a)	The licensee failed on (b)(3) ATF F 4473 to provide all of the information called for in each form as indicated by the headings on the form and the instructions on or pertaining to the form. Specifically on (b)(3) occasion the licensee did not complete the ATF F 4473 in Items 33 and 35. Items 33 & 35: (b)(3) - Public Law 112-55 (125 Stat. 552)	For all future transactions, the licensee will furnish all of the information called for in each form as indicated by the headings on the form and the instructions on or pertaining to the form prior to conducting an over-the-counter transfer of a firearm.	
3	27 CFR 478.124(c)(1)	Prior to making an over-the-counter transfer of a firearm, the licensee failed to obtain a complete ATF F 4473 from the transferee showing their name, sex, residence address, date and place of birth, height, weight, state of residence, and certification from the transferee that they are not prohibited from receiving or possessing a firearm. On (b)(3) occasions the purchaser failed to answer Item 11L, "Are you an alien admitted to the United States under a nonimmigrant visa?" and on (b)(3) occasions the purchaser failed to sign and date the ATF F 4473 in Items 16 & 17. (b) (3) - Public Law 112-55 (125 Stat. 552), (b) (6)	On all future transactions, prior to making an over-the-counter transfer of a firearm, the licensee will obtain a complete ATF F 4473 from the transferee showing their name, sex, residence address, date and place of birth, height, weight, state of residence, and certification from the transferee that they are not prohibited from receiving or possessing a firearm.	

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	Street Address	City	State	ZIP Code	County	Page <u>3</u> of <u>3</u> Pages
Donald Joseph Kline	2105 N US 31	Peckskey	Michigan	49770	Emmet	
License/Permit/Registry Number (if any)	Expiration Date	Date(s) or Period of Inspection				
4-38-047-07-9G-05437	07/01/2019	Period of Inspection: October 20, 2015 through October 20, 2016				

Inspection Results

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

Number	USC or CFR Citation	Nature of Violation	Corrective Action to be Taken (If not corrected immediately)	Date Corrections to be Made (If not corrected immediately)
4	27 CFR 478.124(c)(3)(i)	The licensee failed on ^{(b)(3)} occasion to verify the purchaser's identity by examining the identification document (as defined in 478.11) presented, and noting on the ATF F 4473 the type of identification used, the number of the identification, and the expiration date of the identification. Specifically on ^{(b)(3)} occasion the licensee failed to enter the ID in Item 20a, but did have a copy of the drivers license attached to the ATF F 4473. Item 20a: (b) (3) - Public Law 112-55 (126 Stat. 552), (b) (6)	On all future transactions, prior to making an over-the-counter transfer of a firearm, the licensee will verify the transferee's identity by examining the identification document (as defined in 478.11) presented, and shall note on the ATF F 4473 the type of identification used, the identification number, and expiration date, if any.	
5	27 CFR 478.124(c)(5)	Prior to making an over-the-counter transfer of a firearm, the licensee failed on ^{(b)(3)} occasion to sign the ATF F 4473 in Item 34 and to date (Item 36) the ATF F 4473 indicating that the licensee did not know or have reasonable cause to believe that the transferee was disqualified by law from receiving the firearm before transferring the firearm described on the Form 4473. (b) (3) - Public Law 112-55 (126 Stat. 552), (b) (6)	On all future transactions, prior to making an over-the-counter transfer of a firearm, the licensee will sign and date the ATF F 4473 indicating that the licensee does not know or have reasonable cause to believe that the transferee is disqualified by law from receiving the firearm.	

PLACE STICKER TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS FOR A RETURN RECEIPT

CERTIFIED MAIL



7015 0640 0005 6419 7225
7015 0640 0005 6419 7225

U.S. Postal Service
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.com

OFFICIAL USE

Certified Mail Fee \$ 3.30
Extra Services & Fees (check box, add fee as appropriate)
☒ Return Receipt (hardcopy) \$ 2.70
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$
Postage \$ 46
Total Postage and Fees \$ 6.46
Sent To
Street and Apt. No.
City, State, ZIP+4®
PS Form 3800, April 2015 PSN 7530-02-000-9053

Postmark
Here

NOV 15 2016

Mr. Donald Kline
Hot Shot
2015 N US 31 Highway
Petoskey, MI 49770

8402321

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Mr. Donald Kline
Hot Shot
2015 N US 31 Highway
Petoskey, MI 49770



2. Article Number (Transfer from service label)

7015 0640 0005 6419 7225

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Agent ☐ Addressee
B. Received by (Printed Name) C. Date of Delivery
D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below. ☐ No

3. Service Type
☐ Adult Signature
☐ Adult Signature Restricted Delivery
☒ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Insured Mail
☐ Insured Mail Restricted Delivery (over \$500)
☐ Priority Mail Express®
☐ Registered Mail™
☐ Registered Mail Restricted Delivery
☐ Return Receipt for Merchandise
☐ Signature Confirmation™
☐ Signature Confirmation Restricted Delivery

PS Form 3811, April 2015 PSN 7530-02-000-9053

Domestic Return Receipt

DEPARTMENT OF JUSTICE
ALCOHOL, TOBACCO, FIREARMS
AND EXPLOSIVES
Division, Suite 200
Petoskey, MI 49770
FOR PRIVATE USE \$300

UNITED STATES POSTAGE
U.S. OFFICIAL MAIL
PENALTY FOR
PRIVATE USE \$300
PITNEY BOWES
02 1P \$ 006.465
0001126406 NOV 15 2016
MAILED FROM ZIP CODE 49503

Mr. Donald Kline
Hot Shot
2015 N US 31 Highway
Petoskey, MI 49770

FIREARMS INSPECTION REPORT

Name: Donald Joseph Kline
Trade Name: Hot Shot/Smoking Gun Gunsmithing

UI#: 774050-2017-0036
FFL#: 4-38-047-07-9G-05437

Address: 2105 N US 31
Petoskey, Michigan 49770

1 - Introduction

Inspection Profile:

Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) Industry Operations Investigator (IOI) (b)(6) conducted an onsite compliance inspection of Donald Joseph Kline on October 20, 2016. The business premise is located at 2105 N US 31, Petoskey, Michigan. Donald Kline was present for the entire inspection. The inspection period was October 20, 2015 through October 20, 2016. No advanced notification was given. The closing conference was held on October 27, 2016 with Donald Kline. Mr. Kline works (b)(6) (b)(6), works in the store the entire day.

Business Profile:

The business premises is a store front on the north side of Petoskey. The premises is leased from Miller & Reed Services Inc. A copy of the lease agreement is in the area office file. See Exhibit 1, Property Details. The premises is located in an urban area of Emmet County. The premises is located in Bear Creek Township.

IOI (b)(6) contacted (b)(6) of Emmet County Planning, Zoning, & Ordinance (b)(6), who said a firearms business was permissible.

The business premises is not within 1,000 feet of a school zone. The licensee acquired (b)(4) firearms and disposed of (b)(4) during the last year. The licensee does not conduct business at gun shows. The licensee's main supplier is the general public for trades or repair. The licensee has held this license since 2010. The licensee was previously located in Midland, Michigan and under the jurisdiction of the Detroit Field Office. The licensee moved to the current location in March of 2016.

The licensee does not conduct internet sales. The licensee has a website but it has not been maintained since 2013.

The licensee is a gunsmith and also sells used and new firearms. No other businesses are conducted at this location.

Ownership and Control:

FIREARMS INSPECTION REPORT

Name: Donald Joseph Kline
Trade Name: Hot Shot/Smoking Gun Gunsmithing

UI#: 774050-2017-0036
FFL#: 4-38-047-07-9G-05437

The licensee is a sole proprietor with a valid trade name. See Exhibit 2, DBA Registration. The licensee has two employees other than himself. Donald Kline is the owner of the business and the gunsmith/manufacturer. (b)(6) works as an assistant as well as opens the store. Another employee occasionally works in the store as well when needed.

FLS accurately reflects one responsible person on this license. No changes are being made as a result of this inspection. A criminal background check was run through the OpenFox database on the responsible person and no prohibiting information/convictions were disclosed.

Variance:

The licensee does not have any variances and none were requested during this inspection.

2 - Recommendation

Report of Violations, Warning Letter, and No Recall Inspection.

3 - Inspection History

Date of Inspection: December 6, 2012
Type of Inspection: Recall Inspection
UI#: 774030-2012-0035
Inspection Results: No Violations, No Further Action, No Referrals
Cited Violations: None

Date of Inspection: April 29, 2011
Type of Inspection: Compliance Inspection
UI#: 774030-2010-0367
Inspection Results: Report of Violations, Warning Letter, Recall Inspection
Cited Violations: 27 CFR 478.125(e), 27 CFR 478.124(a), and 27 CFR 478.102(a)

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

A full physical inventory of firearms was taken. The licensee provided IOI (b)(6) with the A&D records. The open entries were compared to the physical inventory. The licensee had three discrepancies.

FIREARMS INSPECTION REPORT

Name: Donald Joseph Kline
Trade Name: Hot Shot/Smoking Gun Gunsmithing

UI#: 774050-2017-0036
FFL#: 4-38-047-07-9G-05437

The licensee failed to record the disposition of (b)(3) - 112 Public Law 55 125 Stat 552 firearms no later than 7 days following the date of the transaction.:

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

A violation of 27 CFR 478.123(d) was cited. See ATF E-Form 5030.5, Report of Violations, No. 1, #14 Violations section, No. 1, and Firearms Worksheet 1, A & D Inventory.

The licensee had 24 firearms on hand during the inspection. The A & D record showed (b)(3) open entries. The sale firearms are on racks and in cases at the front of the store. Gunsmith firearms are kept in the back room. All firearms are kept in a safe when the store is not open.

The licensee has not had any thefts or losses. No theft/loss reports were filed during the inspection period or as a result of the inspection.

A review of A&D records showed it contained the required information as prescribed by federal regulations and was in the proper format. The licensee uses a handwritten A & D record. The licensee used one A & D record during the inspection period. IOI (b)(6) suggested the licensee switch to two A & D records (a sale book and a gunsmith book). At the closing conference the licensee had adopted the two book system.

5 - ATF Forms 4473 – NICS & Other Dispositions

The licensee had (b)(3) ATF F 4473s on file for the review period. A review of all (b)(3) - 112 Public Law 55 125 Stat 552, (b)(6) F 4473s for proper completion was conducted. Four violations were cited as a result of this review.

The licensee failed on (b)(3) - 112 ATF F 4473 to provide all of the information called for in each form as indicated by the headings on the form and the instructions on or pertaining to the form. Specifically, on (b)(3) - 112 occasion the licensee did not complete the ATF F 4473 in Items 33 and 35. A violation of 27 CFR 478.21(a) was cited. See ATF E-Form 5030.5, Report of Violations, No. 2, #14 Violations section, No. 2, and Firearms Worksheet 2. Also see Exhibit 3. (b)(3) - 112 Public Law 55 125 Stat 552, (b)(6).

Prior to making an over-the-counter transfer of a firearm, the licensee failed to obtain a complete ATF F 4473 from the transferee showing their name, sex, residence address, date and place of birth, height, weight, state of residence, and certification from the transferee that they are not prohibited from receiving or possessing a firearm. On (b)(3) - 112 occasions the purchaser failed to answer Item 11L, " Are you an alien admitted to the

FIREARMS INSPECTION REPORT

Name: Donald Joseph Kline
Trade Name: Hot Shot/Smoking Gun Gunsmithing

UI#: 774050-2017-0036
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United States under a nonimmigrant visa?" and on (b)(3) - 112 occasions the purchaser failed to sign and date the ATF F 4473 in Items 16 & 17. A violation of 27 CFR 478.124(c)(1) was cited. See ATF E-Form 5030.5, Report of Violations, No. 3, #14 Violations section, No. 3, and Firearms Worksheet 2. Also see Exhibits 4-6 (b)(3) - 112 Public Law 55 125 Stat 552, (b)(6)

(b)(3) - 112 All persons who did not answer a prohibiting question were run through OpenFox and determined to not be prohibited.

The licensee failed on (b)(3) - 112 occasion to verify the purchaser's identity by examining the identification document (as defined in 478.11) presented, and noting on the ATF F 4473 the type of identification used, the number of the identification, and the expiration date of the identification. Specifically, on (b)(3) - 112 occasion the licensee failed to enter the ID in Item 20a, but did have a copy of the driver's license attached to the ATF F 4473. A violation of 27 CFR 478.124(c)(3)(i) was cited. See ATF E-Form 5030.5, Report of Violations, No. 4, #14 Violations section, No. 4, and Firearms Worksheet 2. Also see Exhibit 7 (b)(3) - 112 Public Law 55 125 Stat 552, (b)(6)

Prior to making an over-the-counter transfer of a firearm, the licensee failed on one occasion to sign the ATF F 4473 in Item 34 and to date (Item 36) the ATF F 4473 indicating that the licensee did not know or have reasonable cause to believe that the transferee was disqualified by law from receiving the firearm before transferring the firearm described on the Form 4473. A violation of 27 CFR 478.124(c)(5) was cited. See ATF E-Form 5030.5, Report of Violations, No. 5, #14 Violations section, No. 5, and Firearms Worksheet 2. Also see Exhibit 3 (b)(3) - 112 Public Law 55 125 Stat 552, (b)(6)

An FFL audit log was obtained on October 7, 2016. The report revealed the licensee had thirteen "proceed" responses for the Non-Denied Status Date Range of August 4, 2016, through October 5, 2016 and three denied transactions during the Denied Status Date Range of November 30, 1998, through October 5, 2016. Of the thirteen "proceed" transactions thirteen were verified. IOI (b)(6) verified the last 5 years of denied transactions (3 transactions).

The licensee retains the "denied" transaction ATF F 4473s and those where the licensee contacted NICS but the sale did not take place separate from the ATF F 4473s where the transaction occurred and in chronological order as prescribed by federal regulations.

6 - Multiple Sales

The licensee's Firearms Trace History report revealed no multiple sales of firearms in the past year. See Exhibit 8, Violent Crime Analysis Email. No unreported multiple sales were found.

7 - Suspicious/Prohibited Purchasers

FIREARMS INSPECTION REPORT

Name: Donald Joseph Kline
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UI#: 774050-2017-0036
FFL#: 4-38-047-07-9G-05437

All 37 ATF F 4473s were reviewed for repeat customers, large sales of firearms to the same individual and known names to ATF. The ATF F 4473s were also compared to the denied individuals and no suspected straw purchasers was found.

8 - Trace Activity

The licensee's Firearms Trace History report showed no traces in the last year. See Exhibit 8, Violent Crime Analysis Email.

9 - NFA/Importer/Collector/Manufacturer

The licensee does not conduct NFA, importing, or collecting activities.

The licensee is a manufacturer of firearms. The licensee has filed his Annual Firearms Manufacturing and Exportation Reports since he has been licensed. See Exhibit 9, AFMER Reports. The licensee did not manufacture any firearms in the past year. The licensee may assemble firearms in the future.

10 - Referrals

No referrals were generated as a result of this inspection.

11 - Other

The licensee had trigger locks available for sale and uses the State of Michigan trigger lock statement for each transaction. The licensee had a valid Michigan Sales Tax license.

The licensee had ATF I 5300.1, Youth Handgun Safety Act sign posted where customers could readily see it and provided customers who purchase a handgun the ATF I 5300.2, Youth Handgun Safety Act Notice.

12 - Closing Actions

A closing conference was held on October 27, 2016 with Donald Kline. A review of the regulation requirements was completed with Mr. Kline. Donald Kline signed the Acknowledgement of Federal Firearms Regulations, See Exhibit 10.

A review of the ATF E-Form 5030.5, Report of Violations, was conducted with Donald Kline. Mr. Kline signed three copies of the ATF E-Form 5030.5 (one copy was retained by the licensee and two copies were retained by ATF). IOI (b)(6) mistakenly cited the licensee for 27 CFR 478.125(e) on the original report of violations. IOI (b)(6) sent

FIREARMS INSPECTION REPORT

Name: Donald Joseph Kline
Trade Name: Hot Shot/Smoking Gun Gunsmithing

UI#: 774050-2017-0036
FFL#: 4-38-047-07-9G-05437

Mr. Kline a revised copy with the correct citation [27 CFR 478.123(d)], which he signed and returned to IOI (b)(6) on November 2, 2016.

13 - Violations

1. 27 CFR 478.123(d)

Repeat Violation of 2011 Inspection [Cited as 27 CFR 478.125(e)]

27 CFR 478.123(d) states in part – The sale or other disposition of a firearm to a nonlicensee shall be maintained in accordance with 27 CFR 478.125, specifically the licensee shall not later than 7 days following the date of disposition, show the date of the sale or other disposition of each firearm, the name and address of the person to whom the firearm is transferred.

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

Licensee Response:

Donald Kline did not dispute the violation. Mr. Kline stated there was no excuse and he needed to do a better job of logging firearms out.

Corrective Action:

The licensee will record the disposition of firearms in the A&D record and at all times in the future record the acquisition of a firearm not later than the close of the next business day and record the disposition of a firearm not later than 7 days following the date of the firearms transaction.

Reference: ATF F 5030.5, Report of Violations, No. 1, Firearms Worksheets

2. 27 CFR 478.21(a)

The licensee failed on (b)(3) - 112 ATF F 4473 to provide all of the information called for in each form as indicated by the headings on the form and the instructions on or pertaining to the form. Specifically, on (b)(3) - 112 occasion the licensee did not complete the ATF F 4473 in Items 33 and 35.

Items 33 & 35: (b)(3) - 112 Public Law 55 125 Stat

Licensee Response:

Donald Kline did not dispute the violation. Mr. Kline he needed to pay closer attention to the forms during the sale.

Corrective Action:

For all future transactions, the licensee will furnish all of the information called for in each form as indicated by the headings on the form and the instructions on or pertaining to the form prior to conducting an over-the-counter transfer of a firearm.

FIREARMS INSPECTION REPORT

Name: Donald Joseph Kline
Trade Name: Hot Shot/Smoking Gun Gunsmithing

UI#: 774050-2017-0036
FFL#: 4-38-047-07-9G-05437

Reference: ATF F 5030.5, Report of Violations, No. 2 and Firearms Worksheets, and Exhibit 3.

3. **27 CFR 478.124(c)(1)**

Prior to making an over-the-counter transfer of a firearm, the licensee failed to obtain a complete ATF F 4473 from the transferee showing their name, sex, residence address, date and place of birth, height, weight, state of residence, and certification from the transferee that they are not prohibited from receiving or possessing a firearm. On [REDACTED] occasions the purchaser failed to answer Item 11L, "Are you an alien admitted to the United States under a nonimmigrant visa?" and on [REDACTED] occasions the purchaser failed to sign and date the ATF F 4473 in Items 16 & 17.

Item 11L - (b)(3) - 112 Public Law 55 125 Stat 552, (b)(6)

Item 16 & 17 - (b)(3) - 112 Public Law 55 125 Stat 552, (b)(6)

Licensee Response:

Donald Kline did not dispute the violation. Mr. Kline he needed to pay closer attention to the forms during the sale.

Corrective Action:

On all future transactions, prior to making an over-the-counter transfer of a firearm, the licensee will obtain a complete ATF F 4473 from the transferee showing their name, sex, residence address, date and place of birth, height, weight, state of residence, and certification from the transferee that they are not prohibited from receiving or possessing a firearm.

Both persons who did not answer Item 11L were entered into OpenFox and did not show any prohibiting factors.

Reference: ATF F 5030.5, Report of Violations, No. 3 and Firearms Worksheets, and Exhibits 4-6.

4. **27 CFR 478.124(c)(3)(i)**

The licensee failed on one occasion to verify the purchaser's identity by examining the identification document (as defined in 478.11) presented, and noting on the ATF F 4473 the type of identification used, the number of the identification, and the expiration date of the identification. Specifically, on one occasion the licensee failed to enter the ID in Item 20a, but did have a copy of the driver's license attached to the ATF F 4473.

Item 20a:

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

Licensee Response:

Donald Kline did not dispute the violation. Mr. Kline he needed to pay closer attention to the forms during the sale but did take copies of all driver's licenses.

Corrective Action:

FIREARMS INSPECTION REPORT

Name: Donald Joseph Kline
Trade Name: Hot Shot/Smoking Gun Gunsmithing

UI#: 774050-2017-0036
FFL#: 4-38-047-07-9G-05437

On all future transactions, prior to making an over-the-counter transfer of a firearm, the licensee will verify the transferee's identity by examining the identification document (as defined in 478.11) presented, and shall note on the ATF F 4473 the type of identification used, the identification number, and expiration date, if any.

Reference: ATF F 5030.5, Report of Violations, No. 4 and Firearms Worksheets, and Exhibit 7.

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

Prior to making an over-the-counter transfer of a firearm, the licensee failed on (b)(3) - 11 occasion to sign the ATF F 4473 in Item 34 and to date (Item 36) the ATF F 4473 indicating that the licensee did not know or have reasonable cause to believe that the transferee was disqualified by law from receiving the firearm before transferring the firearm described on the Form 4473.

ATF F 4473 (b)(3) - 112 Public Law 55 125 Stat 552

Licensee Response:

Donald Kline did not dispute the violation. Mr. Kline he needed to pay closer attention to the forms during the sale.

Corrective Action:

On all future transactions, prior to making an over-the-counter transfer of a firearm, the licensee will sign and date the ATF F 4473 indicating that the licensee does not know or have reasonable cause to believe that the transferee is disqualified by law from receiving the firearm.

Reference: ATF F 5030.5, Report of Violations, No. 5 and Firearms Worksheets, and Exhibit 3.

X

(b)(6)

Industry Operations Investigator

Index of Worksheets and Exhibits

Firearms Inspection Worksheets

Report of Violations

FIREARMS INSPECTION REPORT

Name: Donald Joseph Kline
Trade Name: Hot Shot/Smoking Gun Gunsmithing

UI#: 774050-2017-0036
FFL#: 4-38-047-07-9G-05437

Exhibit 1, Property Details

Exhibit 2, DBA Registration

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

Exhibit 4,

Exhibit 5,

Exhibit 6,

Exhibit 7,

Exhibit 8, Violent Crime Analysis Branch Email

Exhibit 9, AFMER Reports

Exhibit 10, Acknowledgment of Federal Firearms Regulations