

Assignment and Report

| | |
|--|--|
| 1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY) Heartland Ranch, LLC None 26 South Sycamore Street North Lewisburg, OH 43060, Champaign | 2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) <p style="text-align: center;">773015-2016-0025-B1B</p> 3. PERMIT/LICENSE NUMBER 4a. TARGET DATE 4b. TARGET HOURS <p style="text-align: center;">431021077H03451 3/31/2016</p> 5. REQUESTED BY (SIGNATURE, TITLE AND DATE) |
|--|--|

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

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

8. PURPOSE/SPECIAL INSTRUCTIONS
 DO NOT INSPECT BEFORE NOVEMBER 29, 2015.

| 9. INSPECTION RESULTS | | <input type="checkbox"/> CHECK IF NO VIOLATIONS, ADJUSTMENTS, ETC | 10. TRAVEL EXPENSES (OPTIONAL) | |
|------------------------|----|---|--------------------------------|---------------------|
| NO. OF VIOLATIONS | 4 | NO. OF REFERRALS | | 2111 - PER DIEM |
| NO. OF TECS CHECKS | 50 | 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: 01/12/2016

 Viols WL ONLY and No Recall Inspection

| 12. TIME ACCOUNTING DATA | | |
|---|----------------|-------------------------|
| ATF OFFICER'S NAME (MONTH, YEAR, HOURS) | (b) (6) | |
| DEC 2015 | 9.00 | |
| ATF OFFICER'S SUBTOTAL | 9.00 | ATF OFFICER'S SIGNATURE |
| ATF OFFICER'S NAME (MONTH, YEAR, HOURS) | (b) (6) | |
| DEC 2015 | 56.00 | |
| ATF OFFICER'S SUBTOTAL | 56.00 | ATF OFFICER'S SIGNATURE |
| TOTAL HOURS | 65.00 | |

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 01/12/2016 |
|---|---------------------------|

Assignment and Report

| | | | |
|--|---|------------------------------|------------------|
| 1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY) Heartland Ranch, LLC None 26 South Sycamore Street North Lewisburg, OH 43060, Champaign | 2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) 773015-2016-0025-B1B | | |
| | 3. PERMIT/LICENSE NUMBER 431021077H03451 | 4a. TARGET DATE 3/31/2016 | 4b. TARGET HOURS |
| 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
550 Main Street, Room 8507
Cincinnati, Ohio 45202

JAN 12 2016

www.atf.gov

773015 (b) (6)
5373

Heartland Ranch LLC.
Mr. Earl Schrack
26 South Sycamore St,
North Lewisburg Ohio 43060
RE: 4-31-021-07-7H-03451

Dear Mr. Schrack,

During a recent inspection your firearms business located at 26 South Sycamore Street, North Lewisburg, Ohio, covering the period December, 2014, to December, 2015, was cited for violations of Title 27, Code of Federal Regulations, Part 478. A copy of the Report of Violations, ATF F 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. You indicated that you understood the requirements of the firearms laws and regulations and 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. We look forward to continuing to work with you in that regard.

You are reminded that retention of your Federal Firearms License (FFL) 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 FFL. Please ensure that future compliance is achieved.

Mark Grauwelman dba G & W Firearms
RE: 4-31-165-01-4D-03264

Should you have any questions regarding this matter, please contact (b) (6),
Cincinnati II Area Supervisor, at (b) (6).

Sincerely yours,

(b) (6)

Area Supervisor

Enclosure

Federal Firearms Licensing Center
Cincinnati II Field 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 Heartland Ranch, LLC None | Street Address 26 South Sycamore Street | City North Lewisburg | State OH | Zip Code 43060- | County Champaign | Page 1 of 2 Pages |
| License/Permit/Registry Number (If any) 431021077H03451 | Expiration Date | Date(s) or Period of Inspection 12/10/2014 through 12/10/2015 | | | | |

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:

Failure on ATF Form 4473's to obtain information required of the transferee prior to making an over-the-counter transfer. Item 11.i left blank, Item 16 left blank, & Item 13 left blank.

Citation: 27 CFR 478.124(c)(1)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

The licensee will obtain a complete ATF FORM 4473 from the purchaser before transferring a firearm showing their full name, sex, residence address, date and place of birth, height, weight, state of residence, and a dated certification signature from the transferee certifying they are not prohibited from receiving or possessing a firearm, on all future occasions.

Number: 2

Nature of Violation:

Failure on ATF Form 4473's to note the response from NICS. In instances Item 21.d was left blank.

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

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

The licensee will comply with the requirements of 478.102 and record on the ATF F 4473 the date on which the licensee contacted the NICS, as well as any response provided by the system, including any identification number provided by the system, on all future occasions.

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 Heartland Ranch, LLC None | Street Address 26 South Sycamore Street | City North Lewisburg | State OH | Zip Code 43060- | County Champaign | Page 2 of 2 Pages |
| License/Permit/Registry Number (If any) 431021077H03451 | Expiration Date | Date(s) or Period of Inspection 12/10/2014 through 12/10/2015 | | | | |

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:

Failure on ATF Form 4473's to recognize transferees indicated a "yes" answer to prohibitive questions on form. Both non-licensees indicating they were prohibited in Item 11 prior to transfer of firearm. (b)(3) 112 Public Law answered Yes to Item 11.i & (b)(3) 112 Public Law answered Yes to Item 11.c)

Citation: 27 CFR 478.99(c)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

The licensee will not transfer firearms to any person knowing or having reasonable cause to believe that such person is prohibited by law from possessing firearms, on all future occasions.

Number: 4

Nature of Violation:

Failure on ATF Form 4473 to retain completed Form with NICS check. (NICS # (b)(3) 112 Public Law)

Citation: 27 CFR 478.129(b)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

The licensee will record any transaction number on the ATF Form 4473, and retain the form for a period of not less than 5 years after the date of the NICS inquiry when the transfer does not occur and 20 years when the transfer does occur on all future occasions.

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

Date

Signature and Title of ATF Officer

Date

FIREARMS INSPECTION REPORT

Name: Heartland Ranch LLC
Trade Name:

UI#: 773015-2016-0025
FFL#: 4-31-021-07-7H-03451

Address: 26 South Sycamore Street North
Lewisburg Oh 43060 Champaign County

1 - Introduction

Inspection Profile:

An unannounced Compliance Inspection for a Type 07/Manufacturer Federal Firearms License was conducted December 10-24, 2015 at the business premises of Heartland Ranch LLC in Champaign County, OH. The inspection period was December 10, 2014 to December 10, 2015.

Investigator (b)(6) interviewed Owner Mr. Earl Schrack during the course of the inspection. Investigator Hall confirmed the identity of Mr. Schrack via his Ohio Driver's License (OH DL no. (b)(6) ex. 09-04-2018).

No other federal, state or local agencies participated on this inspection.

Business Profile:

Heartland Ranch, LLC is a firearms business run from a store front in the village of North Lewisburg, Ohio. At the time of the inspection (b)(4) firearms were in inventory (approximately (b)(4) handguns, (b)(4) long guns). In the past 12 months licensee has acquired (b)(4) firearms and disposed of (b)(4) firearms (b)(4)% handguns, (b)(4) long guns). Heartland Ranch is open to the General public and primary suppliers are (b)(4). Mr. Schrack runs the business co-located with (b)(6) antique shop. The two areas are in the same building and accessed by the entrance but separated within the building. The majority of firearms sold are new. Licensee has held this FFL since 2011. Though the business holds a Type 07 Manufacturer of Firearms license, Heartland Ranch, LLC does not plan to manufacture any firearms or gunsmith. Earl Schrack disclosed when he renews he will change the FFL to a Type 01 Dealer license. Licensee does not attend gun shows, does not conduct Internet sales however he dose conduct an occasional transfer. Investigator (b)(6) contacted (b)(6), North Lewisburg Administrator at (b)(6), stated, "No additional permits were required. No off- site storage is planned or conducted. Licensee holds appropriate vendor's license for the reporting of sales tax (b)(3) - 26 USC 6103

Ownership and Control:

The business is a limited liability company (LLC). Earl F. Schrack, Jr., CEO, is the sole responsible person. Though (b)(6) is a member in the LLC, her involvement in the firearms portion of the business is limited to assistance

FIREARMS INSPECTION REPORT

Name: Heartland Ranch LLC
Trade Name:

UI#: 773015-2016-0025
FFL#: 4-31-021-07-7H-03451

as she primarily runs her own antique store. No hidden ownership is suspected.

Variance:

N/A – the licensee does not hold any variances.

2 - Recommendation

Violations, WL Only, No Recall Inspection.

3 - Inspection History

Date of Inspection: November 21, 2014

Type of Inspection: Compliance Inspection

UI#: 773015-2015-0034

Inspection Results: Warning Letter and Recall Inspection

Cited Violations: 27 CFR 478.21(a), 27 CFR 478.124(c)(3)(i), 27 CFR 478.124(c)(3)(iv), 27 CFR 478.124(c)(4), 27 CFR 478.124(c)(5), 27 CFR 478.126a, 27 CFR 478.123(a), 27 CFR 478.123(b).

Date of Inspection: October 3, 2012,

Type of Inspection: Qualification Inspection (amended application)

UI#: 773015-2012-0663

Inspection Results: Application approved.

Cited Violations: N/A

Date of Inspection: July 22, 2011,

Type of Inspection: Qualification Inspection

UI#: 773015-2011-0600

Inspection Results: License issued.

Cited Violations: N/A

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

IOI (b)(6) examined licensee's A&D Record. The examination disclosed (b)(3)-(1) open firearm entries, and 762 firearms were accounted for in physical inventory. There was 762 firearms traced from bound book record to physical inventory. There were (b)(3) ATF Form 4473's traced to Acquisition and Disposition Record. A continued examination of licensee's A&D Record disclosed, within the last 12 months, licensee acquired (b)(4) firearms and disposed of (b)(4) firearms. As a result of the records examination, IOI (b)(6) determined licensee does record all firearms information accurately, properly, and timely into his A&D Records. There were no firearms theft/loss reports submitted, no obliterated serial numbers or illegal firearm activities detected during this inspection.

FIREARMS INSPECTION REPORT

Name: Heartland Ranch LLC
Trade Name:

UI#: 773015-2016-0025
FFL#: 4-31-021-07-7H-03451

5 - ATF Forms 4473 – NICS & Other Dispositions

At the date of inspection the licensee had, for the past 12 months, [REDACTED] ATF Form 4473's available for inspection. All 12 months of ATF Form 4473's were examined for errors and omissions. This examination disclosed [REDACTED] Form 4473's with errors and/or omissions (**Exhibit 1-8**) and [REDACTED] missing 4473. Licensee conducted all transfers to other licensee's properly and no sales to Law enforcement Officers were identified.

- Violation #1 - 27 CFR 478.124(c)(1), [REDACTED] Forms
- Violation #2 – 27 CFR 478.124(c)(3)(iv), [REDACTED] Forms (**Repeat Violation**)
- Violation #3 – 27 CFR 478.99(c), [REDACTED] Forms
- Violation #4 – 27 CFR 478.129(b), [REDACTED] Forms

Ninety one NICS Transaction Numbers (NTN) were contained in the NICS Audit Log (**Exhibit 9**) within the inspection period. There was one NICS transaction number (NICS # [REDACTED]) that could not be corroborated by ATF Form 4473.

ATF Forms with errors located in Section A, Item 11 [REDACTED] (b)(3) - 112 Public Law 55 125 Stat 552, (b)(6)) were checked for criminal history through the NCIC database. There was "No Record on File" for either person.+

Violation #'s 1-4; Worksheet # 2; Exhibits #'s 1-9

6 - Multiple Sales

The multiple sales history received from the Violent Crime Gun Analysis Branch disclosed [REDACTED] multiple sales involving [REDACTED] multiple sales for the past twelve months. All multiple sales on multiple sale history log were corroborated by licensee's records. (**Exhibit 10**)

Exhibit 10

7 - Suspicious/Prohibited Purchasers

No potential traffickers, straw purchasers or prohibited persons were discovered.

8 - Trace Activity

The multiple sales history received from the Violent Crime Gun Analysis Branch disclosed one completed firearms trace for the past twelve months. (**Exhibit 10**)

FIREARMS INSPECTION REPORT

Name: Heartland Ranch LLC
Trade Name:

UI#: 773015-2016-0025
FFL#: 4-31-021-07-7H-03451

Exhibit 10

9 - NFA/Importer/Collector/Manufacturer

Heartland Ranch, LLC does not import, deal/manufacture National Firearms Act (NFA) weapons, or collect firearms.

Heartland Ranch, LLC holds a Type 07 Manufacturer of Firearms license. Licensee submitted ATF Form 5300.11, Annual Firearms Manufacturing and Exportation Reports (AFMERs) timely for calendar years 2012 through 2014 (**Exhibit 11**). To date, no firearms have been manufactured by FFL. Licensee indicated that he will change to a Type 01 Dealer of Firearms license at time of renewal.

Exhibit 11

10 - Referrals

N/A – no referrals were made.

11 - Other

Licensee was in compliance with the Youth Handgun Safety Act (Posters and pamphlets) and secure gun storage/safety devices.

12 - Closing Actions

IOI (b)(6) conducted a closing conference with Mr. Schrack on Dec 24, 2015 at which time an Acknowledgement of Federal Firearms Regulation Review was conducted (**Exhibit 12**).

Exhibit # 12

13 - Violations

1. 27 CFR 478.124(c)(1)

Nature of Violation:

Failure on (b)(3) ATF Form 4473's to obtain information required of the transferee prior to making an over-the-counter transfer. (b)(3) - 112 Public Law 55 125 Stat 552, (b)(6)

Licensee Response:

FIREARMS INSPECTION REPORT

Name: Heartland Ranch LLC
Trade Name:

UI#: 773015-2016-0025
FFL#: 4-31-021-07-7H-03451

The Licensee acknowledged this violation should have not occurred. (b)(6) stated he believed these errors occurred due to inexperience. (b)(6) has instituted a two person review prior to transfer and a "Gun Sale Checklist" requiring initials of reviewing employees of each item on checklist. He is confident all forms will be completed as required on all future sales and he had his previous customers return and correct the errors on the Form 4473's.

Corrective Action:

The licensee will obtain a complete ATF FORM 4473 from the purchaser before transferring a firearm showing their full name, sex, residence address, date and place of birth, height, weight, state of residence, and a dated certification signature from the transferee certifying they are not prohibited from receiving or possessing a firearm, on all future occasions. (b)(6) were checked for criminal history through the NCIC database. There was "No Record on File" for either person.

Reference:

Report of Violations #1, Worksheet #2, and Exhibits #1, 5, 7 & 8.

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

REPEAT OF VIOLATION CITED ON NOVEMEBR 21, 2014

Nature of Violation:

Failure (b)(3) - 112 ATF Form 4473's to note the response from NICS. In all (b)(3) instances Item 21.d was left blank. (b)(3) - 112 Public Law 55 125 Stat 552, (b)(6)

Licensee Response:

The Licensee acknowledged this violation should have not occurred. Mr. Schrack stated he believed these errors occurred due to inexperience. Mr. Schrack has instituted a two person review prior to transfer and a "Gun Sale Checklist" requiring initials of reviewing employees of each item on checklist. He is confident all forms will be completed as required on all future sales.

Corrective Action:

The licensee will comply with the requirements of 478.102 and record on the ATF F 4473 the date on which the licensee contacted the NICS, as well as any response provided by the system, including any identification number provided by the system, on all future occasions.

Reference:

FIREARMS INSPECTION REPORT

Name: Heartland Ranch LLC
Trade Name:

UI#: 773015-2016-0025
FFL#: 4-31-021-07-7H-03451

Report of Violations #2, Worksheet #2, and Exhibits #1-3

3. 27 CFR 478.99(c)

Nature of Violation:

Failure on [REDACTED] ATF Form 4473's to recognize transferees indicated a "yes" answer to prohibitive questions on form. Both non-licensees indicating they were prohibited in Item 11 prior to transfer of firearm. (b)(3) - 112 Public Law 55 125 Stat 552, (b)(6)

Licensee Response:

The Licensee acknowledged this violation should have not occurred. Mr. Schrack stated he believed these errors occurred due to inexperience. Mr. Schrack has instituted a two person review prior to transfer and a "Gun Sale Checklist" requiring initials of reviewing employees of each item on checklist. He is confident all forms will be completed as required on all future sales and he had his previous customers return and correct the errors on the Form 4473's.

Corrective Action:

The licensee will not transfer firearms to any person knowing or having reasonable cause to believe that such person is prohibited by law from possessing firearms, on all future occasions.

Reference:

Report of Violations #3, Worksheet #2, and Exhibits #4 & 6

4. 27 CFR 478.129(b)

Nature of Violation:

Failure on [REDACTED] ATF Form 4473 to retain completed Form with NICS check. (NICS (b)(3) - 112 Public Law 55 125 Stat 552)

Licensee Response:

The Licensee acknowledged this violation should have not occurred. Mr. Schrack stated he believed these errors occurred due to inexperience. Mr. Schrack has instituted a two person review prior to transfer and a "Gun Sale Checklist" requiring initials of

FIREARMS INSPECTION REPORT

Name: Heartland Ranch LLC
Trade Name:

UI#: 773015-2016-0025
FFL#: 4-31-021-07-7H-03451

reviewing employees of each item on checklist. He also instituted a numbering system of each form to account for each form used regardless of a firearms transfer. He is confident all forms will be completed and accounted for as required on all future sales.

Corrective Action:

The licensee will record any transaction number on the ATF Form 4473, and retain the form for a period of not less than 5 years after the date of the NICS inquiry when the transfer does not occur and 20 years when the transfer does occur on all future occasions.

Reference:

Report of Violations #4, Worksheet #2, and Exhibit #9

X

Industry Operations Investigator

Index of Worksheets and Exhibits

Worksheet # 2 – ATF Form 4473 Review Worksheet

Exhibit # 1 (b)(3) - 112 Public Law 55 125 Stat 552, (b)(6)

Exhibit # 2

Exhibit # 3

Exhibit # 4

Exhibit # 5

Exhibit # 6

Exhibit # 7

Exhibit # 8

Exhibit # 9 - FFL Audit Report

Exhibit # 10 -Trace History/Multiple Sale Sheet

Exhibit # 11 – Heartland Ranch LLC AFMER 2011-2014

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Exhibit # 12 - Acknowledgement of Federal Firearms Regulations