

Assignment and Report

1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY) RS & Company Inc. Guns Priced Right 100 Bettis Road, Suite 1 Dravosburg, PA 15304, Allegheny	2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) <p style="text-align: center;">766060-2017-0204-B1B</p> 3. PERMIT/LICENSE NUMBER 4a. TARGET DATE 4b. TARGET HOURS <p style="text-align: center;">825003017D05602 5/1/2017</p> 5. REQUESTED BY (SIGNATURE, TITLE AND DATE)
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6. ATF OFFICER(S) ASSIGNED
 (b)(6) - Lead Investigator
 (b)(6) - Assigned Investigator

7. ASSIGNED BY (SIGNATURE, TITLE AND DATE)
 (b)(6), Area Supervisor, 10/03/2016

8. PURPOSE/SPECIAL INSTRUCTIONS
 FY2017 DA-TOP 100 INSPECTION (MANDATORY)

Please conduct an on-site DE Compliance Inspection. Please conduct the following activities:

- Obtain a business profile
- Explore ownership and control to include Deconfliction Queries of the corporation and all RPs
- Conduct a full physical inventory in conjunction with an A&D Records Review
- Conduct a comprehensive review of ATF Form 4473s with a focus on suspicious purchasers worthy of referral to CE for further investigation
- Ensure that all Multiple HG Sales were reported in a timely, accurate fashion
- Conduct a detailed trace analysis
- Issue a ROV documenting any violations (if applicable)
- Conduct a Federal Firearms Regulations Review with a RP

9. INSPECTION RESULTS		<input type="checkbox"/> CHECK IF NO VIOLATIONS, ADJUSTMENTS, ETC		10. TRAVEL EXPENSES (OPTIONAL)	
NO. OF VIOLATIONS	9	NO. OF REFERRALS	11	2111 - PER DIEM	
NO. OF TECS CHECKS	445	NO. OF TECS HITS	53	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: 04/13/2017
 Beginning on December 13, 2016, Industry Operations Investigator (IOI) (b)(6) conducted a firearms compliance inspection of RS & Company Inc dba Guns Priced Right located in Dravosburg, PA. Present for the inspection was Greg Carneal (PADL (b)(6) (b)(6), expiration (b)(6)), Manager. Also present at times were employees (b)(6) Special Agent (S/A) (b)(6) and IO (b)(6) intermittently assisted with the inspection.

Guns Priced Right (GPR) holds a type 01 Dealer of Firearms Federal firearms license (FFL). Due to (b)(3) - Public Law 112-55 (125 Stat. 552) with (b)(3) 112 Public Law 55 125 STAT 552, the licensee was identified in the 2017 Domain Assessment (b)(3) - Public Law 112-55 (125 Stat. 552) as a result, the inspection was conducted with a disposition emphasis to identify potential patterns of suspicious activity. The inspection covered a period of January 1, 2016 – December 12, 2016, although suspicious purchasers were identified through early 2017 during the course of the inspection. Advance notice was not given. IOI (b)(6) identified herself with Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) credentials.

Per ATF O 5370.1C, Warning Letter is merited due to transfer of a long gun to an out-of-state resident in violation of State law. The licensee does not meet thresholds based on volume to merit additional administrative action.
 Viols WL ONLY and No Recall Inspection

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12. TIME ACCOUNTING DATA

ATF OFFICER'S NAME (MONTH, YEAR, HOURS)	(b)(6)	
NOV 2016	5.00	
DEC 2016	126.00	
JAN 2017	104.50	
FEB 2017	32.00	
MAR 2017	44.00	
APR 2017	25.00	
ATF OFFICER'S SUBTOTAL	336.50	ATF OFFICER'S SIGNATURE
ATF OFFICER'S NAME (MONTH, YEAR, HOURS)	(b)(6)	
DEC 2016	16.00	
ATF OFFICER'S SUBTOTAL	16.00	ATF OFFICER'S SIGNATURE
TOTAL HOURS	352.50	

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13. REVIEW AND ROUTING

REVIEW COMMENTS AND RECOMMENDATION

UI# 766060-2017-0204-B1B
FFL# 8-25-05602
Licensee: RS & Company, Inc. dba Guns Priced Right
Dates of Inspection: 12/13/2016-03/21/2017
Scope of Inspection: Top 100 DE Compliance (Type 01 FFL)
Time Frame of Inspection: 01/01/2016-12/12/2016
Recommendation: Violations; ROV; WL; NO Recall
IOI: (b)(6)

A/S Comments: From 12/13/2016-03/21/2017, IOI (b)(6) conducted a DE Compliance Inspection at the licensed premises of RS & Company, Inc. dba Guns Priced Right. As a result of this inspection, IOI (b)(6) cited the following nine (9) violations:

- 1.) 27 CFR 478.21(a)
Nature of Violation: With regard to ATF F 4473, the licensee had (b)(3) 112 P instances of this violation on (b)(3) 112 P forms. On (b)(3) 112 P occasions, purchasers responded "No" to item 11a, "Are you the actual transferee/buyer of the firearm(s) listed on this form?" and the licensee failed to halt the transaction. On (b)(3) 112 P occasion each, the purchaser failed to complete item 24, "Transferee's/Buyer's Signature" and item 25, "Recertification Date," upon transfer of a firearm following a delayed PICS approval.
- 2.) 27 CFR 478.99(a)
Nature of Violation: With regard to ATF F 4473 and transfer to out-of-state residents, the licensee had (b)(3) 112 P instance of this violation. On (b)(3) 112 P occasion, the licensee transferred a long gun to an out of state resident in violation of the laws of the transferee's state of residence.
- 3.) 27 CFR 478.124(c)(1)
Nature of Violation: With regard to ATF F 4473, the licensee had (b)(3) instances of errors or omissions on (b)(3) 112 Public Law forms.
- 4.) 27 CFR 478.124(c)(3)(i)
Nature of Violation: With regard to ATF F 4473, the licensee had (b)(3) 112 P instances of this violation on (b)(3) 112 P (5) ATF F 4473. On (b)(3) 112 P occasion, the licensee failed to properly record the expiration date for the form of identification viewed. On (b)(3) 112 P occasions, the licensee failed to record/verify additional documentation required for identification purposes.
- 5.) 27 CFR 478.124(c)(3)(iii)
Nature of Violation: With regard to ATF F 4473, the licensee had (b)(3) 112 P instances of this violation on (b)(3) 112 P forms. On (b)(3) 112 P occasions, the licensee failed to document on ATF F 4473 the additional documentation (hunting license) required for nonimmigrant alien exception.
- 6.) 27 CFR 478.124(c)(3)(iv)
Nature of Violation: With regard to ATF F 4473, the licensee had (b)(3) 112 Public Law instances of this violation on (b)(3) 112 Public Law forms. On (b)(3) 112 Public Law occasions, the licensee made errors or omissions to Item 21c, initial PICS response. On (b)(3) 112 P instances, the licensee failed to correctly identify a response in Item 21d when the initial PICS response was "Delayed."
- 7.) 27 CFR 478.124(c)(4)
Nature of Violation: With regard to ATF F 4473, the licensee had (b)(3) 112 P instance of this violation on (b)(3) 112 P form. On (b)(3) 112 P occasion, the licensee listed (b)(3) 112 P firearm serial numbers in Item 28 with no indication of which was the correct serial number for the transfer.
- 8.) 27 CFR 478.124(c)(5)
Nature of Violation: With regard to ATF F 4473, the licensee had (b)(3) 112 P instance of this violation on (b)(3) 112 P form. On (b)(3) 112 P occasion, the licensee failed to indicate a date of transfer in Item 36.
- 9.) 27 CFR 478.125(e)
Nature of Violation: With regard to Acquisition & Disposition (A&D) records, the licensee had (b)(3) 112 P instances of this violation. On (b)(3) 112 P occasions, the licensee transferred firearms and failed to generate a corresponding disposition entry in the A&D record.

Based upon these violations and in accordance with the AA Policy, IOI (b)(6) has recommended a WL Only with NO Recall Inspection.

A/S Comments: WL With Recall Inspection is recommended based upon the following reasons:

- 1.) First Compliance Inspection since issuance of the Type 01 FFL in 2014
- 2.) No missing firearms. IOI (b)(6) inventoried over 670 firearms in inventory and reviewed almost 4000 acquisition entries and 4000 disposition entries with NO missing firearms identified.
- 3.) No unreported Multiple HG Sales. For Multiple HG Sales that were not recorded by ATF, IOI (b)(6) was able to obtain documentation demonstrating that said sales were correctly reported.
- 4.) Low Deficiency Ratings. All Deficiency Ratings pertaining to both the A&D Record Book and the ATF Form 4473s were less than 1%.
- 5.) No missed PICS background checks. The licensee conducted PICS Background Checks and completed the ATF F 4473 for all unlicensed purchasers.
- 6.) (b)(6) traces. However, the licensee was the subject of (b)(6) traces during the twelve (12) month inspection period which is cause for concern and warrants a Recall Inspection to determine if the Compliance Inspection raised awareness to detection of straw sales and firearms trafficking in general. Of note, the RPs made the immediate decision to cease selling Hi-Point Pistols, one of their most traced firearms.
- 7.) Internal policies & SOPs in place. The licensee appears to have internal policies and SOPs in place (i.e. use of a tag system, computerized back-up A&D Records, secondary reviews of ATF Form 4473s, copies of I.D. documents, etc.). However, errors and omissions continue to occur which would seem to indicate a lack of attention to details by the licensee. A Recall Inspection is needed to ensure that the licensee is strictly adhering to their internal policies and SOPs and have significantly reduced, or eliminated altogether, errors and omissions, specifically those related

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TO ATF Form 4473 completion.

The Narrative Report and all supporting documentation will be forwarded to the DIO for secondary review and final recommendation.

Viols WL ONLY and Recall Inspection

REVIEWED

SEE COMMENTS

FINAL DISPOSITION

SIGNATURE AND TITLE

(b)(6) - Area Supervisor

(b)(6)

Digitally signed by (b)(6)
Date: 2017.05.08 13:29:29 -04'00'
Adobe Acrobat version:
2017.009.20044

REVIEW DATE

04/18/2017

REVIEW COMMENTS AND RECOMMENDATION

In this 1st compliance investigation, 9 violations were found (i.e., ^{(b)(6)} unrecorded dispositions, ^{(b)(6)} deficient F 4473, ^{(b)(3) - Public Law 112-85 (125 Stat. 552)} in violation of State law), which by policy, subjects the license to a WL. Given that there were no missing guns, unresolved traces, unreported MSs or significant threat to public safety, concur with the AS's recommendation of a WL with Recall in order to ensure that the licensee's operations are conducted in compliance with regulations.

Viols WL ONLY and Recall Inspection

REVIEWED

CONCUR

SEE COMMENTS

FINAL DISPOSITION

SIGNATURE AND TITLE

JFORELLANA - Director, Industry Operations

REVIEW DATE

05/01/2017

ROUTING SEQUENCE AND DATE

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

CONTROL FILE POSTED DATE _____



U.S. Department of Justice
B
Bureau of Alcohol, Tobacco,
Firearms and Explosives
100 Liberty Avenue, Suite 1515
Pittsburgh, Pennsylvania 15222

www.atf.gov

May 8, 2017

766060: (b)(6)
5300

CERTIFIED MAIL - RETURN RECEIPT REQUESTED
WARNING LETTER

RS & Company, Inc.
Guns Priced Right
100 Bettis Rd., Suite 1
Dravosburg, PA 15304
ATTN: Gregory Carneal, Manager and Responsible Person
RE: 8-25-003-01-7D-05602

Dear Mr. Carneal:

During a recent Compliance Inspection at your firearms business covering the period of January 1, 2016 through December 12, 2016, 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.

As a result of this Compliance Inspection, your corporation was cited for the following nine (9) violations:

1.) 27 CFR 478.21(a)

Nature of Violation:

With regard to ATF F 4473, the licensee had (b)(3) 112 Public instances of this violation on (b)(3) 112 Public forms. On (b)(3) 112 Public occasions, purchasers responded "No" to item 11a, "Are you the actual transferee/buyer of the firearm(s) listed on this form?" and the licensee failed to halt the transaction. On (b)(3) 112 Public occasion each, the purchaser failed to complete item 24, "Transferee's/Buyer's Signature" and item 25, "Recertification Date," upon transfer of a firearm following a delayed PICS approval.

2.) 27 CFR 478.99(a)

Nature of Violation:

With regard to ATF F 4473 and transfer to out-of-state residents, the licensee had [REDACTED] instance of this violation. On [REDACTED] occasion, the licensee transferred a long gun to an out of state resident in violation of the laws of the transferee's state of residence.

3.) 27 CFR 478.124(c)(1)**Nature of Violation:**

With regard to ATF F 4473, the licensee had [REDACTED] instances of errors or omissions on [REDACTED] forms.

4.) 27 CFR 478.124(c)(3)(i)**Nature of Violation:**

With regard to ATF F 4473, the licensee had [REDACTED] instances of this violation on [REDACTED] ATF F 4473. On [REDACTED] occasion, the licensee failed to properly record the expiration date for the form of identification viewed. On [REDACTED] occasions, the licensee failed to record/verify additional documentation required for identification purposes.

5.) 27 CFR 478.124(c)(3)(iii)**Nature of Violation:**

With regard to ATF F 4473, the licensee had [REDACTED] instances of this violation on [REDACTED] forms. On [REDACTED] occasions, the licensee failed to document on ATF F 4473 the additional documentation (hunting license) required for nonimmigrant alien exception.

6.) 27 CFR 478.124(c)(3)(iv)**Nature of Violation:**

With regard to ATF F 4473, the licensee had [REDACTED] instances of this violation on [REDACTED] forms. On [REDACTED] occasions, the licensee made errors or omissions to Item 21c, initial PICS response. On [REDACTED] instances, the licensee failed to correctly identify a response in Item 21d when the initial PICS response was "Delayed."

7.) 27 CFR 478.124(c)(4)**Nature of Violation:**

With regard to ATF F 4473, the licensee had [REDACTED] instance of this violation on [REDACTED] form. On [REDACTED] occasion, the licensee listed [REDACTED] firearm serial numbers in Item 28 with no indication of which was the correct serial number for the transfer.

8.) 27 CFR 478.124(c)(5)**Nature of Violation:**

With regard to ATF F 4473, the licensee had [REDACTED] instance of this violation on [REDACTED] form. On [REDACTED] occasion, the licensee failed to indicate a date of transfer in Item 36.

9.) 27 CFR 478.125(e)**Nature of Violation:**

With regard to Acquisition & Disposition (A&D) records, the licensee had [REDACTED] instances of this violation. On [REDACTED] occasions, the licensee transferred firearms and failed to generate a corresponding disposition entry in the A&D record.

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

Regarding the incomplete/incorrect ATF Form 4473s (Violations #1, #3-8), you attributed these violations to oversights and lack of attention to details by yourself and/or your employees. IOI (b)(6) strongly recommended that you conduct frequent audits of your ATF Form 4473s to ensure completeness and accuracy. Specifically, IOI (b)(6) recommended that each ATF Form 4473 be reviewed by both the sales clerk and a second employee for completeness and accuracy prior to each customer leaving the licensed premises with the transferred firearm(s). Additionally, IOI (b)(6) recommended secondary audits of the ATF Form 4473s for completeness and accuracy prior to placing them to permanent file. IOI (b)(6) reminded you that frequent audits of the ATF Form 4473s are instrumental to identifying and correcting ATF Form 4473 errors.

Regarding Violation #2 where you (b) (3) - Public Law 112-55 (125 Stat. 552)

(b)(3) - Public Law 112 in violation of New Jersey State firearms regulations, the violation was attributed to a misunderstanding. You stated that you thought that, since PICS approved the transaction, the transfer was appropriate. IOI (b)(6) advised you that, going forward, you must ensure that all firearms transactions are compliant with both Federal and applicable State rules and regulations. If you are unsure as to whether a transaction is compliant, please contact your local ATF Field Office for guidance.

Regarding Violation #9 where you failed to properly log out (b)(3) 112 Public Law 55 firearms in your A&D Records Book, you, again, attributed this violation to a lack of attention to details by yourself and/or your employees. In order to prevent this violation from re-occurring in the future, IOI (b)(6) advised you to conduct more frequent, full physical inventories of the firearms on hand. IOI (b)(6) stated that these inventories should include a concurrent A&D Record Book Review to ensure that all firearms are properly accounted for and all A&D Record Book entries are complete and accurate. IOI (b)(6) stressed that frequent, full physical inventories with concurrent A&D Records reviews will assist you in identifying errors and omissions and provide you with the opportunity to make the necessary corrections.

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, 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 the Pittsburgh Area Office at 412-395-0600.

Sincerely yours,

(b)(6)

Area Supervisor, Industry Operations
Pittsburgh III, Philadelphia Field Division

Enclosure

cc: National Licensing Center
Pittsburgh III 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 RS & Company Inc. Guns Priced Right	Street Address 100 Bettis Road, Suite 1	City Dravosburg	State PA	Zip Code 15304-	County Allegheny	Page 1 of 4 Pages
License/Permit/Registry Number (If any) 825003017D05602	Expiration Date 4/1/2017	Date(s) or Period of Inspection 12/13/2016 through 02/02/2017				

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:

With regard to ATF F 4473, the licensee had (b)(3) 112 Pub instances of this violation on (b)(3) 112 Pub forms. On (b)(6) occasions, purchasers responded "No" to item 11a, "Are you the actual transferee/buyer of the firearm(s) listed on this form?" and the licensee failed to halt the transaction. On (b)(3) 112 Pub occasion each, the purchaser failed to complete item 24, "Transferee's/Buyer's Signature" and item 25, "Recertification Date," upon transfer of a firearm following a delayed PICS approval.

Citation: 27 CFR 478.21(a)

Date Corrections to be Made:
(If not corrected immediately)

Corrective Action to be Taken: The licensee will assure that forms are complete and accurate prior to concluding transfers of firearms to nonlicensees.
(If not corrected immediately)

Number: 2

Nature of Violation:

With regard to ATF F 4473 and transfer to out-of-state residents, the licensee had (b)(3) 112 Pub instance of this violation. On (b)(3) 112 Pub occasion, the licensee transferred (b)(3) - Public Law 112-55 to an out of (b)(3) - Public Law 112-55 (125 Stat 552), (b)(6) the transferee's state of residence. New Jersey resident (b)(3) - Public Law 112-55 from the licensee and the licensee failed to verify and document that the purchaser was in possession of a NJ Firearms Purchaser ID Card prior to transferring the firearm. Additionally, as the firearm's configuration at the time of transfer is unknown, the firearm type itself may have been in violation of State law.

Citation: 27 CFR 478.99(a)

Date Corrections to be Made:
(If not corrected immediately)

Corrective Action to be Taken: The licensee will assure that transfers to out of state residents are made in compliance with applicable Federal and State laws.
(If not corrected immediately)

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License/Permit/Registry Number (if any) 825003017DU5602		Expiration Date 4/1/2017	Date(s) or Period of Inspection 12/13/2016 through 02/02/2017			

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:

With regard to ATF F 4473, the licensee had (b)(3) instances of errors or omissions on (b)(3) 112 Public Law 5 forms. Purchasers made errors on Item 1, "Transferee's Full Name" (b)(3) occasions); Item 7, "Birth Date" (b)(3) occasion); Item 11c, "Have you ever been convicted in any court of a felony...?" (b)(3) occasion); Item 11d, "Are you a fugitive from justice?" (b)(3) occasions); Item 11h, "Are you subject to a court order restraining you...?" (b)(3) occasions); Item 11i, "Have you ever been convicted in any court of a misdemeanor crime of domestic violence?" (b)(3) instances); Item 11j, "Have you ever renounced your United States Citizenship?" (b)(3) instances); Item 11k, "Are you an alien illegally in the United States?" (b)(3) instances); Item 11L, "Are you... admitted under a nonimmigrant visa?" (b)(3) instances); Item 12, "If you are... admitted... under a nonimmigrant visa, do you fall within any of the exceptions...?" (b)(3) instance); Item 13, "State of Residence" (b)(3) instance); Item 14, "Country of citizenship" (b)(3) instance); and, Item 16, "Certification Date" (b)(3) instance).

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 assure that purchasers provide complete and accurate information on ATF F 4473 prior to transfer of firearms. The licensee will halt transactions in which the purchaser appears to be prohibited based upon information provided on ATF F 4473.

Number: 4

Nature of Violation:

With regard to ATF F 4473, the licensee had (b)(3) 112 Public instances of this violation on (b)(3) 112 Public ATF F 4473. On (b)(3) 112 Public occasion, the licensee failed to properly record the expiration date for the form of identification viewed. On (b)(3) 112 Public occasions, the licensee failed to record/verify additional documentation required for identification purposes.

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

The licensee will verify that purchasers provide identification documents as required by the regulations and that the identification will be properly recorded on ATF F 4473 prior to the transfer of all firearms to nonlicensees.

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License/Permit/Registry Number (If any) 825003017D05602	Expiration Date 4/1/2017	Date(s) or Period of Inspection 12/13/2016 through 02/02/2017				

Inspection Results

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

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

Number: 5

Nature of Violation:

With regard to ATF F 4473, the licensee had (b)(3) 112 Public instances of this violation on (b)(3) 112 Public forms. On (b)(3) 112 Public occasions, the licensee failed to document on ATF F 4473 (the additional documentation (hunting license) required for nonimmigrant alien exception.

Date Corrections to be Made:
(If not corrected immediately)

Corrective Action to be Taken: (If not corrected immediately) Of note, licensee had photocopies of the additional documents needed to facilitate the transfers. The licensee will assure that all required documentation is properly recorded on ATF F 4473.

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

Number: 6

Nature of Violation:

With regard to ATF F 4473, the licensee had (b)(3) 112 Public Law 65 instances of this violation on (b)(3) 112 Public forms. On (b)(3) 112 Public occasions, the licensee made errors or omissions to Item 21c, initial PICS response. On (b)(3) 112 Public instances, the licensee failed to correctly identify a response in Item 21d when the initial PICS response was "Delayed."

Date Corrections to be Made:
(If not corrected immediately)

Corrective Action to be Taken: (If not corrected immediately) Of note, the initial and final responses from PICS were documented on line 30c and recertification signatures and dates were obtained for transfers. The licensee will assure that PICS responses are accurately recorded on ATF F 4473.

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

Report of Violations

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Inspection Results

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

Number: 7

Nature of Violation:

With regard to ATF F 4473, the licensee had (b)(3) 112 Public instance of this violation on (b)(3) 112 Public form. On (b)(3) 112 Public occasion, the licensee listed (b)(3) 112 Public firearm serial numbers in Item 28 with no indication of which was the correct serial number for the transfer.

Citation: 27 CFR 478.124(c)(4)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

The licensee will assure that firearm information is correctly recorded on ATF F 4473 for transfers to nonlicensees.

Number: 8

Nature of Violation:

With regard to ATF F 4473, the licensee had (b)(3) 112 Public instance of this violation on (b)(3) 112 Public form. On (b)(3) 112 Public occasion, the licensee failed to indicate a date of transfer in Item 36.

Citation: 27 CFR 478.124(c)(5)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

The licensee will assure that firearm information is correctly recorded on ATF F 4473 for transfers to nonlicensees.

Number: 9

Nature of Violation:

With regard to Acquisition & Disposition (A&D) records, the licensee had (b)(3) 112 Public instances of this violation. On (b)(3) 112 Public occasions, the licensee transferred firearms and failed to generate a corresponding disposition entry in the A&D record.

Citation: 27 CFR 478.125(e)

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

Corrected immediately. The licensee will assure that all records of acquisition and disposition are made within the time limits prescribed by regulation.

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

Date

2-4-2017

Signature: (b)(6)

licensee

Date

2/3/17

FIREARMS INSPECTION REPORT

Name: RS & Company Inc
Trade Name: Guns Priced Right

UI#: 766060-2017-0204
FFL#: 8-25-003-01-7D-05602

Address: 100 Bettis Rd
Dravosburg, PA 15034

1 - Introduction

Inspection Profile:

Beginning on December 13, 2016, Industry Operations Investigator (IOI) (b)(6) conducted a firearms compliance inspection of RS & Company Inc dba Guns Priced Right located in Dravosburg, PA. Present for the inspection was Greg Carneal (PADL (b)(6), expiration 4/30/2017), Manager. Also present at times were employees (b)(6). Special Agent (S/A) (b)(6) and IOI (b)(6) intermittently assisted with the inspection.

Guns Priced Right (GPR) holds a type 01 Dealer of Firearms Federal firearms license (FFL). Due to a high volume of annual traces with short time to crime, the licensee was identified in the 2017 Domain Assessment as a “Top 100 Trace Inspection” and, as a result, the inspection was conducted with a disposition emphasis to identify potential patterns of suspicious activity. The inspection covered a period of January 1, 2016 – December 12, 2016, although suspicious purchasers were identified through early 2017 during the course of the inspection. Advance notice was not given. IOI (b)(6) identified herself with Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) credentials.

Business Profile:

RS & Company Inc dba Guns Priced Right (GPR) is a commercial storefront located in suburban Dravosburg, Allegheny County, PA. The business makes available firearms, ammunition, and related accessories for retail sale. In addition to retail sales, the licensee performs personal and FFL-to-FFL transfers on behalf of customers. Firearms available for purchase are listed for viewing on a website (www.gunspricedright.com); however, purchases cannot be made on the website. GPR does not utilize websites such as gunbroker.com.

The storefront is open to the public and contains visible signage. Handguns are displayed in showcases and long guns are displayed on racks behind the showcases. Extra inventory is stored in two back rooms, empty boxes for firearms on display are stored in another room, and layaway inventory is stored separately in another room. The facility is secured by video surveillance and a monitored alarm system with motion detection. Of note, the business is located adjacent to a nuclear research facility, the entire premises of which are highly secured with video surveillance and 24/7 on-site security guards. In case of

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emergency, Dravosburg, West Mifflin and/or McKeesport agencies respond to incidents in the area.

GPR sells new and used long guns and handguns. Per Mr. Carneal, the business sells an estimated 60 percent new vs. 40 percent used firearms and conducts approximately 50 percent retail vs 50 percent personal transfers. In 2016, the licensee transferred approximately [REDACTED] firearms. The licensee also sells ammunition appropriate to the firearms sold and transferred. The licensee utilizes an internal "SKU number" (e.g. GPR-0001) for inventory tracking which is assigned in order of acquisition; each firearm box and firearm are tagged with the number, which corresponds to a location in the bound Acquisition & Disposition (A&D) record and ultimately to the ATF Form 4473 for the transfer. The business does not sell or transfer National Firearms Act (NFA) firearms. GPR does not sell black powder.

Due to a high level of traces with short time to crime, the licensee must submit transfer records to ATF via the Demand Letter program. GPR had [REDACTED] traces in the inspection period, and [REDACTED] additional traces during the inspection, with an average time to crime of seven (7) months. The most traced firearms include (b) (4) [REDACTED] pistols. Recognizing the high volume of traced (b) (4) firearms, Mr. Carneal has voluntarily stopped stocking (b) (4) pistols for retail sale.

The licensee accepts consignments. GPR does not attend gun shows or participate in gun bashes. The licensee does not repair, manufacture, import, or export firearms or ammunition. GPR holds PA License to Sell Firearms #11009. The type 01 FFL held by the licensee is appropriate to the business conducted at the licensed premises. No additional licenses are needed at this time.

Business hours: Tuesday – Saturday, 10AM – 6PM, Sunday 12PM – 5PM

GPS N 40.35646 W 079.89622

Ownership and Control:

RS & Company Inc is a domestic business corporation registered in the Commonwealth of Pennsylvania and verified under UI **766060-2014-0182**. Richard C. Smith is the sole officer of the corporation. No changes of ownership have occurred in the inspection period. Mr. Smith is correctly identified as Responsible Person on the license, as is Manager Greg Carneal.

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No changes are needed at this time. No signs of hidden ownership were disclosed in the inspection.

Variance:

No variances requested.

2 - Recommendation

ROV with Warning Letter, no recall

Per ATF O 5370.1C, the licensee does not meet thresholds based on volume to merit additional administrative action.

3 - Inspection History

Date of Inspection: December 19, 2013
Type of Inspection: Qualification
UI#: 766060-2014-0182
Inspection Results: Approve original
Cited Violations: N/A

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

IOI (b)(6) and S/A (b)(6) conducted a full inventory of firearms on the premises. A total of (b)(3) 112 firearms were inventoried and verified to corresponding A&D entries. An additional (b)(3) 112 open entries were identified, the disposition of which were successfully reconciled to transfers, (b)(3) 112 of which occurred during the inventory. No missing firearms were disclosed in the inspection. The licensee was cited for violation of 27 CFR 478.125(e) on (b)(3) 112 occasions for failure to make timely disposition entry in the A&D record (**Section 13, Violation 9; Worksheet 1; Exhibit 1**).

GPR maintains a bound A&D record consisting, at the time of inspection, of eleven (11) books containing open entries. Books were found to be in the proper format and to contain required information. Additionally, the licensee maintains a computerized record which contains specific firearm and transfer information, which serves as a redundant backup to the bound record. On the day that firearms are brought into inventory, they are assigned a chronological "GPR number" which serves as an inventory number; that number is placed on the box or case in which the firearm is received as well as the display tag once utilized, and is entered into the A&D record for cross-referencing purposes. Once transferred, the licensee maintains a sheet containing purchaser information with a photocopy of the purchaser's ID, the GPR number and

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firearm description, PICS background check transaction information, and the ATF Form 4473 transaction number by which forms are filed.

The licensee has no theft/loss reports associated with the business. No indicators of firearms trafficking on the part of the FFL were identified in the inspection. IOI (b)(6) successfully verified 25 ATF F 4473 to A&D and 25 A&D entries to ATF F 4473. No discrepancies were identified.

5 - ATF Forms 4473 – NICS & Other Dispositions

IOI (b)(6) with the assistance of S/A (b)(6) and IOI (b)(6), reviewed 3554 ATF Forms 4473 on file for the inspection period. An additional (b)(6) forms associated with Denied transactions were examined. The following violations were identified (see also **Section 13, Violations 1-8; Worksheet 2(2012); Exhibit 2**):

27 CFR 478.21(a) – (b)(3) 112 Public L forms with errors or omissions

27 CFR 478.99(a) – (b)(3) 112 Public L instance of transfer to an out-of-state resident in violation of State law (**Section 10 – Referrals: LOUGHNEY; Worksheet 2 (2012)**)

27 CFR 478.124(c)(1) – (b)(3) forms with errors or omissions

27 CFR 478.124(c)(3)(i) – (b)(3) 112 Public L forms with errors or omissions

27 CFR 478.124(c)(3)(iii) – (b)(3) 112 Public L forms with omissions

27 CFR 478.124(c)(3)(iv) – (b)(3) 112 Public Law 55 forms with errors or omissions

27 CFR 478.124(c)(4) – (b)(3) 112 Public L form with errors

27 CFR 478.124(c)(5) – (b)(3) 112 Public L form with errors

IOI (b)(6) obtained a PICS audit log for the period of January 1, 2016 – November 29, 2016. A total of 3039 transactions were identified on that log which were successfully verified to forms (approved and denied transactions) on file. No violations cited.

Forms were filed in transaction number order, with a separate folder for voided/cancelled/denied transfers. Forms for completed transactions are placed in a suspense file until Mr. Carneal completes a final review of the form, verifies removal of the firearm from the A&D record and, if needed, verifies that multiple sales have been reported.

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The licensee retains copies of FFLs utilized for the shipment of firearms and any records relating to the acquisition of firearms (whether FFL or drivers' license information of transferors). All transactions made by GPR can be cross-referenced from acquisition-through-disposition via paper records as well as computerized records. No discrepancies were identified.

6 - Multiple Sales

IOI (b)(6) obtained a report of multiple sale and trace activity from ATF Violent Crimes Analysis Branch (VCAB) for the period of December 1, 2015 – November 20, 2016 (**Exhibit 3**). In the inspection period, 127 multiple sales involving 280 firearms were successfully received by the National Tracing Center (NTC). The inspection disclosed an additional (b)(3) 112 Public Law 55 125 multiple sales involving (b)(6) firearms for which the licensee had evidence that the multiple sales had been submitted via fax to the NTC but which had either not been received or not been recorded by NTC. IOI (b)(6) obtained copies of the completed multiple sale forms and resubmitted them to NTC for immediate entry (**Exhibit 4**). No unfiled multiple sales were identified in the inspection. No violations cited.

7 - Suspicious/Prohibited Purchasers

Due to the high number of traces associated with GPR, an intensive disposition emphasis inspection was conducted, which disclosed the following activity (see also **Section 10 – Referrals**):

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



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a referral from IO could be compiled; IO1 (b)(6) shared the information that she possessed and no formal referral was submitted.

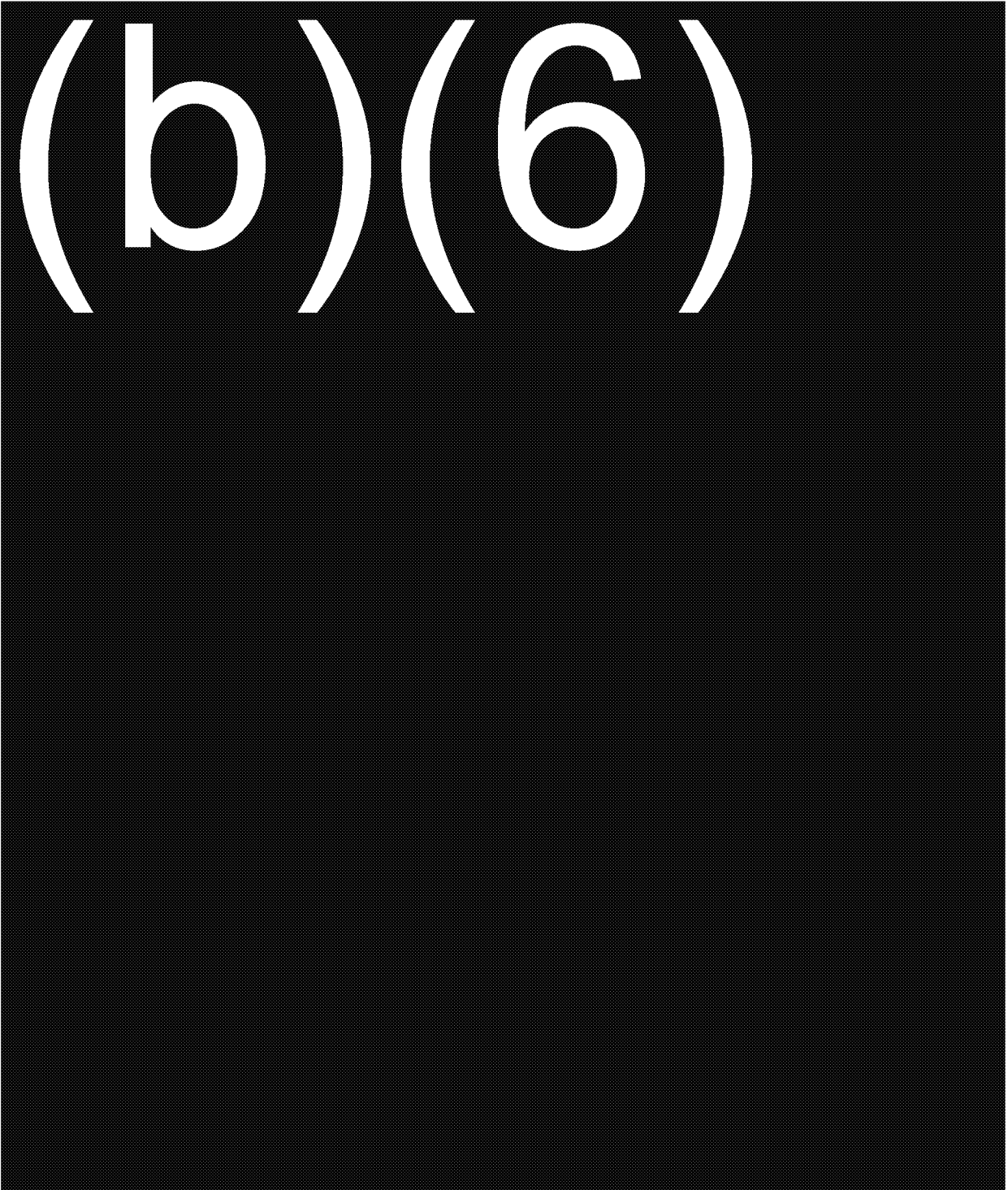
(b)(3) 112 Public Law 55 125 STAT 552 (b)(6)



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8 - Trace Activity

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IOI (b)(6) obtained a report of multiple sale and trace activity from ATF Violent Crimes Analysis Branch (VCAB) for the period of December 1, 2015 – November 20, 2016 (**Exhibit 3**). In the inspection period, GPR was associated with (b)(3) trace requests (of note, the licensee had an additional (b)(3) 112 Public Law completed traces during the on-site inspection). Per eTrace, the average time to crime for traces associated with the licensee is seven (7) months. In the inspection period, the licensee successfully completed all trace requests.

Due to the volume of short time to crime traces, IOI (b)(6) conducted secondary market analysis of the firearm types most frequently traced at GPR ((b) (4)) that were transferred used in the inspection period. IOI (b)(6) identified several transfers of used firearms which were traced and only returned an original purchaser despite the licensee's Demand Letter status. IOI (b)(6) forwarded updated information to the National Tracing Center (NTC) for the following transactions:

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



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

9 - NFA/Importer/Collector/Manufacturer

The licensee does not conduct NFA, importing, exporting, or manufacturing activities.

10 - Referrals

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

Review of ATF F 4473s and related records on file disclosed a potential straw purchase performed by GPR.

November 16, 2016, (b)(3) 112 Public Law 55 125 STAT 552 (b)(6) completed ATF F 4473 for the purchase of a AMD model 63 rifle. Upon successful background clearance, the firearm was transferred. Supplemental documents (purchase invoice from FFL (b)(4)) attached to the 4473 identify the actual customer for the firearm as (b)(6).

December 16, 2016, (b)(3) 112 Public Law 55 125 STAT 552 (b)(6) purchased (b)(3) 112 Public Law 55 125 STAT 552 (b)(6) rifles from Guns Priced Right, which were shipped from the same NC FFL as the previous firearm. IOI (b)(6) observed that (b)(6) had turned 18 years of age seven (7) days prior and, as a result, was under the age of 18 at the time of the initial purchase by (b)(6).

Social media inquiries disclosed that (b)(6) are in a relationship. Also identified in possession of a firearm on the Facebook page of (b)(6) was (b)(6) (b)(6), who is currently under indictment for a variety of Felony 1 charges in the Commonwealth of PA. Accurint disclosed (b)(6) were associated with the same residence address in 2015. The Facebook page of (b)(6) also displays (b)(6) in possession of a variety of handguns and long guns over the course of the previous 12 months while he was a minor, at least one of which he disclosed he no longer possessed.

The referral was submitted to ATF Pittsburgh Group I (**Referral #2017-0004**). ATF CE immediately acted upon the referral and determined that no straw purchase occurred. As a result, no violation was cited on GPR.

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

Review of ATF F 4473s disclosed the transfer of a long gun to a New Jersey resident in violation of State law.

February 7, 2016, (b)(6) (b)(6) DOB (b)(6), (b)(6) 35382 11952) of Maplewood, NJ purchased a (b)(6) 112 Public Law 55 model 4095 .40 carbine rifle with serial number (b)(6) from (b)(4). Examination of the ATF F 4473 for the transaction, including supporting documentation, indicated that the licensee failed to obtain proof of a Firearms Purchaser Identification Card, which is required of New Jersey residents for the purchase of firearms.

IOI (b)(6) contacted the New Jersey State Police Firearms Investigation Unit on 1/7/2017 to verify (b)(6) possession of a Firearms Purchaser ID Card. NJSP reported that the individual does not possess the permit and, as a result, is in possession of a firearm in violation of State law which was obtained in interstate commerce. Additionally, IOI (b)(6) is aware that NJ State law has restrictions on possession of certain enumerated firearms and “substantially identical” firearms, including alternate configurations. IOI (b)(6) is not aware of the configuration of the firearm as transferred and, as a result, it is possible the firearm itself is prohibited under State law.

IOI (b)(6) queried Accurant and found the individual is only associated with NJ addresses. Examination of available records for the 2016 calendar year disclosed no additional purchases of firearms from Guns Priced Right.

The referral was submitted to ATF Newark Field Division CGIC under referral number **2017-0007**.

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

IOI (b)(6) obtained a list of traces associated with the Federal firearms licensee (FFL) for the period of 12/1/15 to 11/30/16 (**Exhibit X**). Identified on that list was trace (b)(3) 112 Public Law 55 125 STAT 552 for a (b)(3) 112 Public Law (Haskell) JHP .45 caliber pistol, serial number (b)(3) 112 Public Law 55 125, which was purchased 3/13/16 by (b)(6) (DOB (b)(6)). Recovery information was not provided in the trace; however, Pittsburgh Police traced the firearm on 7/27/16, for a maximum time to crime of 136 days.

Further inquiry via eTrace into activity associated with (b)(3) 112 Public Law 55 125 STAT 552 disclosed (b)(3) 112 Public Law 55 125 STAT 552 for a (b)(3) 112 Public Law P380 .380 caliber pistol, serial number (b)(3) 112 Public Law 55 125 which was recovered with a time to crime (TTC) of 609 days in Washington, DC. IOI (b)(6) then obtained a PA Record of Sale query for firearms transferred to (b)(6) which disclosed (b)(3) 112 Public Law handguns transferred to (b)(6). One of those firearms was that disclosed in (b)(3) 112 Public Law (transferring dealer unknown, out of business). Query of the (b)(3) 112 Public Law remaining firearms in etrace disclosed

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that each firearm had been traced to an original purchaser which had later been transferred to (b)(6). The results are as follows:

(b)(3) 112 Public Law 55 125 STAT 552 (b)(3) 112 Public Law 55 125 STAT 552 (b)(3) 112 Public Law 55 125) JCP .40 caliber pistol, serial number (b)(3) 112 Public Law 55 125 . Recovered by Pittsburgh Police 1/17/13, acquired by (b)(6) 6/8/11 (589 day TTC). Transferring dealer unknown (out of business). Traced again 2/28/16 by Pittsburgh Police (b)(3) 112 Public Law 55 125 STAT 552).

(b)(3) 112 Public Law 55 125 STAT 552 (b)(3) 112 Public Law 55 125) P11 .9mm pistol, serial number (b)(3) 112 Public Law 55 125 . Recovered 8/21/15 by Prince George's County (MD) Police, acquired by (b)(3) 112 Public Law 55 125 3/13/14 (526 day TTC) from (b)(3) 112 Public Law 55 125 STAT 552).

(b)(3) 112 Public Law 55 125 STAT 552 (b)(3) 112 Public Law 55 125) .40 caliber pistol, serial number (b)(3) 112 Public Law 55 125 . Recovered 5/16/15 by Pittsburgh Police, acquired by (b)(3) 112 Public Law 55 125 2/20/15 (85 day TTC) from (b)(4) (b)(3) 112 Public Law 55 125).

The referral was submitted to ATF Pittsburgh Group I for consideration for potential straw purchasing/firearms trafficking under Referral #2017-0018.

(b)(6)

Review of multiple sale reports, ATF Forms 4473 and PA Record of Sale forms for completed transactions maintained by the Federal firearms licensee (FFL) disclosed purchaser (b)(6) acquired (b)(3) 112 Public Law 55 125 firearms from Guns Priced Right between September 21, 2016 and December 11, 2016. IOI (b)(6) obtained a PA Record of Sale query for (b)(6), which showed (b)(6) is associated with (b)(3) 112 Public Law 55 125 additional handgun, obtained 12/13/13 (dealer unknown) which was also found to have been reported stolen in NCIC 3/30/14 for a time to crime of 107 days. Firearms associated with (b)(6) are as follows:

(b)(3) 112 Public Law 55 125 model unknown, .380 caliber pistol, serial number (b)(3) 112 Public Law 55 125 (acquired 2013, reported stolen 2014)

(b)(3) 112 Public Law 55 125 P11 9mm pistol, serial number (b)(3) 112 Public Law 55 125 (used, acquired 9/21/16)

(b)(3) 112 Public Law 55 125 85 .38 revolver, serial number (b)(3) 112 Public Law 55 125 (used, acquired 9/25/16)

(b)(3) 112 Public Law 55 125 STAT 552 500 12g shotgun, serial number (b)(3) 112 Public Law 55 125 (new, acquired 11/29/16)

(b)(3) 112 Public Law 55 125 TCP .380 pistol, serial number (b)(3) 112 Public Law 55 125 (new, acquired 12/4/16)

(b)(3) 112 Public Law 55 125 PT111 9mm pistol, serial number (b)(3) 112 Public Law 55 125 (new, acquired 12/9/16)

(b)(3) 112 Public Law 55 125 85SS .38 revolver, serial number (b)(3) 112 Public Law 55 125 (new, acquired 12/11/16)

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Of note, (b)(6) identified on the PA Record of Sale forms on file for the transactions that she is Unemployed.

IOI (b)(6) queried Accurant for the address provided by (b)(6) and found (b)(6) POB (b)(6), citizenship unknown) to be associated with the address. (b)(6) NCIC information disclosed multiple prohibiting convictions and other arrests relating to DUI, aggravated assault, resisting arrest, disorderly conduct, unlawful possession of firearms, unlawful concealed carry of firearms, flight to avoid apprehension, trial or punishment, and receiving stolen property.

When querying (b)(6) in Accurant and NCIC, IOI (b)(6) found that she is currently pending charges from 2014 related to DUI and homicide by vehicle, Misdemeanor 1 and Felony 2 charges which should be prohibiting. It is unclear how (b)(6) was able to obtain firearms with PICS approval while under indictment for prohibiting offenses; however, she was in fact able to successfully obtain firearms with completion of ATF Form 4473, PA Record of Sale, and approved PICS background checks. Neither (b)(6) nor her possible housemate are eligible to possess firearms at the current time and may be in unlawful possession. IOI (b)(6) queried NICS denials and found no denied transfers associated with either individual. (Update: as of 4/3/17, (b)(6) is incarcerated in Westmoreland County Jail)

The referral was submitted to ATF Pittsburgh Group I for consideration under Referral #2017-0015.

(b)(6).
Review of trace data for the inspection period disclosed (b)(6) for a firearm purchased 12/5/15 by (b)(6) with a TTC of 191 days. Examination of the records maintained by the licensee revealed that the firearm had actually been transferred again on 1/5/16 at Guns Priced Right to (b)(6) (b)(6) DOB (b)(6)) for an actual TTC of 160 days. The firearm in question was recovered by Pittsburgh Police in the possession of (b)(6) of North Carolina. (b)(6) is a convicted felon, with charges ranging from fraud to breaking and entering to assault and, as such, she would not have passed a PICS background check for the purchase of a firearm. Accurant indicates that (b)(6) have shared at least one address in NC and one address in PA in recent years and despite what appears to be a typographical error, it appears that (b)(6) has identified her last known address as the same through PA courts.

Inquiry into the background of (b)(6) disclosed that (b)(6) is a multi-state offender, with arrests in Virginia, Washington D.C., Maryland, and North Carolina for charges that include drug possession, disorderly conduct, and assault; however,

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although over two dozen North Carolina criminal case numbers are found in Accurint associated with (b)(6), NCIC/NLETS contains no State Identification number (SID) or any other criminal history information related to North Carolina for the individual.

The charges found on the Virginia rap sheet included assault on family members (misdemeanor crimes of domestic violence) which were ultimately nolle prossed. Although North Carolina court information is not available online, IOI (b)(6) was able to query the North Carolina inmate search (includes inmates, parolees, and probationers) and found disposition for two (2) different misdemeanor assault charges and one (1) property damage misdemeanor for which (b)(6) was convicted. Based on the available criminal history on (b)(6) and the volume of missing information, there is reason to believe that he may be prohibited from possessing firearms and it is clear that the NICS criminal history record is incomplete.

This referral was submitted to ATF Philadelphia Field Division CGIC for consideration under Referral #2017-0022.

(b)(6)

Information combined from a 2016 inspection of FFL Pittsburgh Tactical Firearms (“PTF”) (8-25-04322) and the Guns Priced Right (“GPR”) inspection disclosed possible dealing and/or manufacturing without a license. An employee at PTF indicated during the compliance inspection that she believed (b)(6) to be dealing without a license due to his in-store purchasing and transfer activity as well as Facebook firearm sales activity (since that time, the site used has been pulled down by Facebook).

Between March 2015 and January 2016, (b)(6)) acquired twelve (12) firearms and disposed of seven (7) at PTF; additionally, between July 2015 and April 2016, (b)(6) acquired fourteen (14) firearms from GPR. Multiple sale reports and internet queries indicate that (b)(6) is a patron of at least several other area FFL’s including (b)(4)). Of the known firearms, eight (8) were AR-15 type receivers and at least one (1) of those was sold as a complete pistol. Of the firearms known to be transferred by (b)(6), none were long guns.

(b)(6) appears to be regularly and repetitively acquiring firearms for sale for profit or livelihood. This referral was submitted to ATF Philadelphia Field Division CGIC for consideration under Referral #2017-0019.

(b)(6)

Information combined from a 2016 inspection of FFL Pittsburgh Tactical Firearms (“PTF”) (8-25-04322) and the Guns Priced Right (“GPR”) inspection disclosed possible

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straw and/or prohibited purchasing by an individual. On 3/9/2016, (b)(6) was denied at GPR on an attempted purchase of a model PT111 9mm pistol. Several weeks later, on 3/26/2016, (b)(6) purchased a CPX-2 9mm pistol from PTF. May 17, 2016, that firearm was recovered by Munhall (PA) Police Department in the possession of prohibited person (b)(3) 112 Public Law 55 125 STAT 552).

IOI (b)(6) queried (b)(6) criminal history and handgun purchase history through PA Record of Sale. Regarding the denial of the firearm purchase at GPR, (b)(6) was arrested for possession of drugs and paraphernalia 12/8/15 and a bench warrant was issued 2/17/16 and another 2/25/16 for failure to appear to multiple scheduled court appearances. Some discrepancy exists on the outcome of those charges; a City of Pittsburgh Bureau of Police Supplemental Report associated with the case states, "On March 16 2016 co-defendant (b)(6) did not show up for her scheduled court appearance for the third time. A 443 Hearing was held in her absence in front of Magistrate Cooper whom found (b)(6) guilty of possession of paraphernalia, and vehicle violations. Maximum fines were issued by the magistrate." However, query of her criminal record through both NLETS and the Unified Judicial System of Pennsylvania (PA court dockets) state that the drug charges were withdrawn.

Query of PA Record of Sale disclosed two (2) handguns associated with (b)(6). Both of those firearms are identified in NICS as "stolen guns" with a short TTC of less than two (2) months on each firearm. Special Agent (b)(6), in contact with a Munhall PD detective on another case, received information that (b)(6) may have a history of straw purchasing firearms and ammunition. That information is undeveloped at this time.

IOI (b)(6) examined the Facebook pages of (b)(6) and found that they share multiple common associates, including another prohibited individual who attempted (and was denied) a firearm purchase at GPR ((b)(6), 2/4/16 attempt). (b)(6) criminal history disclosed prohibiting convictions dating to 2003 including criminal trespass, prohibited possession of firearms, drug possession and dealing, escape, and aggravated assault. Based upon the association between (b)(6), as well as (b)(6) firearm and criminal history, it appears (b)(6) is conducting straw purchasing activities and may have been a prohibited person at the time of transfer in violation of Federal law.

This referral has been forwarded to ATF Pittsburgh Group I for consideration under Referral #2017-0021.

(b)(6)

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3/24/16 – purchase of a used (b)(3) 112 Public L 336 30-30 caliber rifle, serial number (b)(3) 112 Public L

12/2/16 – purchase of a new (b)(3) 112 Public L 40 10mm pistol, serial number (b)(3) 112 Public Law 55 125

12/27/16 – purchase of a used (b)(3) 112 Pub NAA22 .22 caliber revolver, serial number (b)(3) 112 Public Law 55

1/3/17 – purchase of a used (b)(3) 112 Public Law 55 9mm pistol, serial number (b)(3) 112 Public L

1/11/17 – purchase of a (b)(3) 112 Public L PT111 9mm pistol, serial number (b)(3) 112 Public Law 55 125

In addition to purchases made at GPR, one (1) multiple sale was also identified from (b) (4) for purchase of the following:

11/26/16 – purchase of (b)(3) 112 Public L 17 9mm pistol, serial number (b)(3) 112 Public Law 55
Purchase of (b)(3) 112 Public Law 55 125 STAT 552 M&P9 9mm pistol, serial number (b)(3) 112 Public Law 55 125

A query of (b)(6) criminal history disclosed charges no higher than summary offense including criminal trespass and a variety of traffic citations. However, those offenses occurred in a wide geographic area, from Allegheny County, PA where he resides to Armstrong County, Somerset County, and Washington County PA.

Of note, (b)(6) identified himself as “Unemployed” on available PA Record of Sale forms through early 2017. Despite unemployed status, (b)(6) has acquired at least six (6) pistols in a six week period between December 2, 2016 and January 11, 2017. Due to the sudden change of purchasing habits and the unemployed status of (b)(6), it is possible that he is straw purchasing and/or trafficking firearms.

This referral has been forwarded to ATF Pittsburgh Group I for consideration under Referral #2017-0020.

(b)(6)
Examination of trace and purchase records at GPR disclosed firearms purchase activity with a possible relation to unlawful drugs and subsequent transfer to a prohibited person. (b)(3) 112 Public Law 55 125 STAT 552 traced a .40 caliber (b)(3) 112 Public Law 55 pistol to purchaser (b)(6) with a 544 day time to crime (TTC). That firearm was recovered by Whitehall Borough (PA) Police in the possession of (b)(6) on 3/30/16. When queried in eTrace, one additional traces is associated with (b)(6) (b)(3) 112 Public Law 55 125 STAT 552 for a .45 caliber (b)(3) 112 Public Law 55 125 pistol also recovered in his possession 3/30/16. The purchaser of that firearm was identified as (b)(6), who was identified with the same birthdate as (b)(6). That firearm was purchased at (b) (4)

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(b) (4). Investigation into the (b)(6) suggest that (b)(6) are the same person, with (b)(6) being the legal name of the individual. The recovery of both firearms traced indicates the crime code associated with the inquiry was the sale of narcotics, specifically heroin.

Query of eTrace disclosed (b)(3) 112 Public Law 55 125 STAT 552 additional short TTC trace associated with (b)(6) (b)(3) 112 Public Law 55 125 STAT 552, initiated by Pittsburgh Police, identified the recovery of a (b)(3) 112 Public Law .22 caliber pistol purchased by (b)(6) at (b) (4) with a 256 day TTC. The crime cited in the referral was robbery with the firearm in the possession of (b)(6) (aka per Facebook (b)(6)).

Pennsylvania Record of Sale associated (b)(6) with six (6) additional handguns. Included in that list was a (b)(3) 112 Public Law 55 125 STAT 552 .40 caliber pistol which was reported stolen with a short TTC. (b)(6) purchased that firearm on 4/28/14 and it was reported stolen to Penn Hills Police Department on 9/9/14 for a total of 134 days between purchase and theft.

Examination of purchase records at GPR disclosed that (b)(3) 112 Public Law 55 125 STAT 552 purchased at least (b)(3) 112 Public Law 55 125 STAT 552 firearm in addition to that identified in (b)(3) 112 Public Law 55 125 STAT 552. On 3/12/2016, (b)(6) acquired a (b)(3) 112 Public Law 55 125 STAT 552 .40 caliber pistol from GPR. Several days later, on 3/16/2016, an individual by the name of (b)(6) purchased a (b)(3) 112 Public Law 55 125 STAT 552 .40 caliber pistol from GPR. (b)(6) also acquired and subsequently traded in firearms on 4/19/16 and 6/10/16. Accurant identifies (b)(6) as possible relatives.

Inquiry into the criminal histories of (b)(6) disclosed the following:

(b)(6): criminal history disclosed no prohibiting charges at the time of arrest; however, he is currently under indictment for the felony offense of carrying a weapon without a license and, in 2016, he faced felony charges for criminal trespass which have since been withdrawn.

(b)(6): criminal history disclosed charges related to the above-discussed traces include carrying a firearm without a license and felony drug charges for which (b)(6) has since been convicted.

(b)(6): criminal history disclosed charges that include simple assault, endangering the welfare of a child, disorderly conduct, and drug charges from 2012 that were ultimately not prosecuted. However, query of the PA Courts disclosed additional drug charges in 2015 that were also not prosecuted, and which were not included in the NCIC record. Per FBI NICS policy, charges relating to drug use twice in a five year

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period when the most recent charge is within one year of the attempted purchase are prohibiting and, as a result, Leon Foster would have been Federally prohibited from acquiring firearms in 2016 as a result of his criminal history, had the record been complete in NCIC.

This referral was submitted to ATF Philadelphia Field Division CGIC for further investigation under Referral #2017-0017.

DENIALS REFERRAL

(b)(6) – On January 9, 2016, (b)(6) attempted to purchase a (b)(6) .380 caliber pistol at GPR. On the ATF Form 4473 related to the transaction, (b)(6) provided a “No” response to item 11a, “Are you the actual transferee/buyer of the firearm(s) listed on this form?”, “No” response to item 11b, “Are you under indictment or information in any court for a felony, or any other crime, for which the judge could imprison you for more than one year?” and “No” response to “Are you an unlawful of, or addicted to, marijuana or any depressant, stimulant, narcotic drug, or any other controlled substance?”. (b)(6) PICS background check was denied January 9, 2016. Inquiry into (b)(6) criminal record disclosed that, as of March 15, 2015, (b)(6) was under indictment for multiple drug charges and a potentially prohibiting Misdemeanor 1 for Possessing Instrument of Crime. (b)(6) lied in an attempt to purchase a firearm unlawfully by certifying that the answers he provided were true and correct when he signed item 16 and dated item 17 on the ATF Form 4473.

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

February 4, 2016, (b)(6) attempted to purchase a (b)(6) 24-7 9mm pistol at GPR. On the ATF Form 4473 related to the transaction, (b)(6) provided a “No” response to item 11c, “Have you ever been convicted in any court of a felony, or any other crime for which the judge could have imprisoned you for more than one year, even if you received a shorter sentence including probation?” (b)(6) PICS background check was denied February 4, 2016 for a prohibiting conviction. (b)(6) lied in an attempt to purchase a firearm by certifying that the answers he provided were true and correct when he signed item 16 and dated item 17 on the ATF Form 4473.

(b)(6)

February 7, 2017, (b)(6) attempted to purchase a (b)(6) 24-7 .45 caliber pistol at GPR. On the ATF Form 4473 related to the transaction, (b)(6) provided a “No” response to item 11c, “Have you ever been convicted in any court of a felony, or any other crime, for which the judge could have imprisoned you for more than one year, even if you received a shorter sentence including probation?” (b)(6) PICS background check was denied February 7, 2016. Inquiry into (b)(6) criminal history disclosed a prohibiting weapons offense

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conviction. (b)(6) lied in an attempt to purchase a firearm by certifying that the answers he provided were true and correct when he signed item 16 and dated item 17 on the ATF F 4473.

(b)(6)

February 16, 2016, (b)(6) attempted to purchase a (b)(3) 112 Public Law 55 125 STAT 552 9mm pistol at GPR. On the ATF Form 4473 related to the transaction, (b)(6) provided a “No” response to item 11c, “Have you ever been convicted in any court of a felony, or any other crime, for which the judge could have imprisoned you for more than one year, even if you received a shorter sentence including probation?” and a “No” response to item 11e, “Are you an unlawful user of, or addicted to, marijuana or any depressant, stimulant, narcotic drug, or any other controlled substance?” (b)(6) PICS background check was denied February 16, 2016. Inquiry into (b)(6) criminal history disclosed a felony conviction for drugs. (b)(6) lied in an attempt to purchase a firearm by certifying that the answers she provided were true and correct when he signed item 16 and dated item 17 on the ATF F 4473.

(b)(6)

February 20, 2016, (b)(6) attempted to purchase a (b)(3) 112 Public Law 55 125 STAT 552 9mm pistol at GPR. On the ATF Form 4473 related to the transaction, (b)(6) provided a “No” response to item 11c, “Have you ever been convicted in any court of a felony, or any other crime, for which the judge could have imprisoned you for more than one year?” (b)(6) PICS background check was denied on February 20, 2016. Inquiry into (b)(6) criminal history disclosed felony convictions. (b)(6) lied in an attempt to purchase a firearm by certifying that the answers he provided were true and correct when he signed item 16 and dated item 17 on the ATF F 4473. Of note, (b)(6) faced past charges for possession of a firearm with obliterated marks of identification.

(b)(6)

June 17, 2016, (b)(6) attempted to purchase a (b)(3) 112 Public PT111 9mm pistol at GPR. On the ATF Form 4473 related to the transaction, (b)(6) provided a “No” response to item 11b, “Are you under indictment or information in any court for a felony, or any other crime, for which the judge could imprison you for more than one year?”, a “No” response to item 11d, “Are you a fugitive from justice?”, and a “No” response to item 11e, “Are you an unlawful user of, or addicted to, marijuana or any depressant, stimulant, narcotic drug, or any other controlled substance?” (b)(6) PICS background check was denied on June 17, 2016 due to (b)(6) status as a fugitive from justice (of note, the Denial is incorrectly recorded in NICS under (b)(6)). Inquiry into (b)(6) criminal history disclosed he was, at the time of the attempted purchase, under indictment for felony drug charges. (b)(6) lied in an attempt to purchase a firearm

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by certifying that the answers he provided were true and correct when he signed item 16 and dated item 17 on the ATF F 4473.

This referral has been submitted to ATF Pittsburgh Group I for consideration under Referral #2017-0014.

11 - Other

Prior to the inspection, ATF Pittsburgh had received an informal complaint from local law enforcement that employees at GPR were non-cooperative in the course of a criminal investigation. IOI (b)(6) thoroughly discussed the interaction of GPR with law enforcement as well as the licensee's obligation to act as stewards of public safety with all employees of the store. IOI (b)(6) reminded employees that they may act as gatekeepers for the transfer of firearms and, at minimum, that suspicious activity may be reported immediately to ATF Pittsburgh if the transfers aren't denied outright. At the close of the inspection, employees had a clear understanding that the volume of trace activity occurring at GPR combined with a failure to cooperate with law enforcement would make likely that ATF would receive complaints about the business that would require additional follow-up, and IOI (b)(6) strongly recommended that business be conducted with reasonable discretion and cooperation with the community. To that end, the licensee stated that they have not been contacted by any specific law enforcement agency requesting a partnership or association for conducting future business. The licensee is compliant with all other requirements not discussed previously and identified in **Section 13** below.

IOI (b)(6) conducted deconfliction of the responsible persons and all known employees of the business. No prohibiting hits were generated. Mr. Carneal stated he only employs individuals who have previously purchased firearms at GPR so he is confident they are not prohibited from possessing firearms.

On December 20, 2016, during the course of the on-site inspection, a FFL burglary occurred in relatively close proximity to the GPR premises. Around the same time, ATF announced that it would begin utilizing a telephone notification to regional FFLs when a burglary occurs. IOI (b)(6) discussed FFL burglaries, FFL and ATF response, and proactive security measures with the licensee. Mr. Carneal stated the premises are secured with a monitored alarm system, which notifies him by cell phone in case of a breach; Mr. Carneal lives near the business and can respond on-site within minutes.

12 - Closing Actions

IOI (b)(6) conducted a closing conference with Manager Gregory Carneal on February 2, 2017 at the licensed premises. S/A Marc Wilner was also present. IOI (b)(6) conducted a review of the Acknowledgement of Federal Firearms Regulations and

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Notice of Discontinuance with Mr. Carneal, who certified the review by signing a copy of each (Exhibit 5). IOI (b)(6) provided Mr. Carneal with copies of each for his reference.

IOI (b)(6) reviewed the Report of Violations with Mr. Carneal. Upon discovering that a correction needed to be made, IOI (b)(6) mailed two (2) copies of the amended Report of Violations to Mr. Carneal following the inspection, one (1) of which he returned, signed, to IOI (b)(6). IOI (b)(6) extensively discussed suspicious purchasing and trace activity with Mr. Carneal and store employees and, to that end, provided contact information to each employee for ATF Pittsburgh in case of questions or suspicious activity to report. IOI (b)(6) also emphasized the procedures for transferring firearms to out-of-State residents and nonimmigrant aliens when additional paperwork or protocols may be required.

13 - Violations

1. 27 CFR 478.21(a)

Nature of Violation: With regard to ATF F 4473, the licensee had (b)(3) (1)(2) PUNCL instances of this violation on (b)(3) (1)(2) PUNCL forms. On (b)(3) (1)(2) PUNCL occasions, purchasers responded “No” to item 11a, “Are you the actual transferee/buyer of the firearm(s) listed on this form?” and the licensee failed to halt the transaction. On (b)(3) (1)(2) PUNCL occasion each, the purchaser failed to complete item 24, “Transferee’s/Buyer’s Signature” and item 25, “Recertification Date,” upon transfer of a firearm following a delayed PICS approval.

Licensee’s Response: The licensee acknowledged the violation and had no explanation for these specific instances.

Corrective Action: The licensee will assure that forms are complete and accurate prior to concluding transfers of firearms to nonlicensees.

Reference: Section 5; Worksheet 2 (2012); Exhibit 2

2. 27 CFR 478.99(a)

Nature of Violation: With regard to ATF F 4473 and transfer to out-of-state residents, the licensee had (b)(3) (1)(2) PUNCL instance of this violation. On (b)(3) (1)(2) PUNCL occasion, the licensee transferred a long gun to an out of state resident in violation of the laws of the transferee’s state of residence. New Jersey resident (b)(6) obtained a long gun from the licensee on 2/7/16 and the licensee failed to verify and document that the purchaser was in possession of a NJ Firearms Purchaser ID Card prior to transferring the firearm. Additionally, as the firearm’s configuration at the time of transfer is unknown, the firearm type itself may have been in violation of State law.

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Licensee's Response: The licensee acknowledged the violation. Mr. Carneal stated that he believed, since PICS approved the transfer, that it was permissible.

Corrective Action: The licensee will assure that transfers to out of state residents are made in compliance with applicable Federal and State laws.

Reference: Sections 5, 10; Exhibit 2

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

Nature of Violation: With regard to ATF F 4473, the licensee had (b)(3) instances of errors or omissions on (b)(3) 112 Public Law 35 1258 forms. Purchasers made errors on item 1, "Transferee's Full Name" (b)(3) occasions); Item 7, "Birth Date" (b)(3) occasion); Item 11c, "Have you ever been convicted in any court of a felony...?" (b)(3) occasion); Item 11d, "Are you a fugitive from justice?" (b)(3) occasions); Item 11h, "Are you subject to a court order restraining you...?" (b)(3) occasions); Item 11i, "Have you ever been convicted in any court of a misdemeanor crime of domestic violence?" (b)(3) instances); Item 11j, "Have you ever renounced your United States Citizenship?" (b)(3) instances); Item 11k, "Are you an alien illegally in the United States?" (b)(3) instances); Item 11l, "Are you... admitted under a nonimmigrant visa?" (b)(3) instances); Item 12, "If you are... admitted... under a nonimmigrant visa, do you fall within any of the exceptions...?" (b)(3) instance); Item 13, "State of Residence" (b)(3) instance); Item 14, "Country of citizenship" (b)(3) instance); and, Item 16, "Certification Date" (b)(3) instance).

Licensee's Response: The licensee acknowledged the violation and had no explanation for these specific instances.

Corrective Action: The licensee will assure that purchasers provide complete and accurate information on ATF F 4473 prior to transfer of firearms. The licensee will halt transactions in which the purchaser appears to be prohibited based upon information provided on ATF F 4473.

Reference: Section 5; Worksheet 2 (2012); Exhibit 2

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

Nature of Violation: With regard to ATF F 4473, the licensee had (b)(3) 112 Public Law instances of this violation on (b)(3) 112 Public Law ATF F 4473. On (b)(3) 112 Public Law occasion, the licensee failed to properly record the expiration date for the form of identification viewed. On (b)(3) 112 Public Law occasions, the licensee failed to record/verify additional documentation required for identification purposes.

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Licensee's Response: The licensee acknowledged the violation and had no explanation for these specific instances.

Corrective Action: The licensee will verify that purchasers provide identification documents as required by the regulations and that the identification will be properly recorded on ATF F 4473 prior to the transfer of all firearms to nonlicensees.

Reference: Section 5; Worksheet 2 (2012); Exhibit 2

5. **27 CFR 478.124(c)(3)(iii)**

Nature of Violation: With regard to ATF F 4473, the licensee had [REDACTED] instances of this violation on [REDACTED] forms. On [REDACTED] occasions, the licensee failed to document on ATF F 4473 the additional documentation (hunting license) required for nonimmigrant alien exception.

Licensee's Response: The licensee acknowledged the violation and stated that he did not realize the documentation needed to be written on the form since they had retained photocopies with the form.

Corrective Action: Of note, licensee had photocopies of the additional documents needed to facilitate the transfers. The licensee will assure that all required documentation is properly recorded on ATF F 4473.

Reference: Section 5; Worksheet 2 (2012); Exhibit 2

6. **27 CFR 478.124(c)(3)(iv)**

Nature of Violations: With regard to ATF F 4473, the licensee had [REDACTED] instances of this violation on [REDACTED] forms. On [REDACTED] occasions, the licensee made errors or omissions to Item 21c, initial PICS response. On [REDACTED] instances, the licensee failed to correctly identify a response in Item 21d when the initial PICS response was "Delayed."

Licensee's Response: The licensee acknowledged the violation and had no explanation for these specific instances.

Corrective Action: Of note, the initial and final responses from PICS were documented on line 30c and recertification signatures and dates were obtained for transfers. The licensee will assure that PICS responses are accurately recorded on ATF F 4473.

Reference: Section 5; Worksheet 2 (2012); Exhibit 2

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7. **27 CFR 478.124(c)(4)**

Nature of Violation: With regard to ATF F 4473, the licensee had (b)(3) 112 Public L instance of this violation on (b)(3) 112 Public L form. On (b)(3) 112 Public L occasion, the licensee listed (b)(3) 112 Public L firearm serial numbers in Item 28 with no indication of which was the correct serial number for the transfer.

Licensee's Response: The licensee acknowledged the violation and had no explanation for this specific instance.

Corrective Action: The licensee will assure that firearm information is correctly recorded on ATF F 4473 for transfers to nonlicensees.

Reference: Section 5; Worksheet 2 (2012); Exhibit 2

8. **27 CFR 478.124(c)(5)**

Nature of Violation: With regard to ATF F 4473, the licensee had (b)(3) 112 Public L instance of this violation on (b)(3) 112 Public L form. On (b)(3) 112 Public L occasion, the licensee failed to indicate a date of transfer in Item 36.

Licensee's Response: The licensee acknowledged the violation and had no explanation for this specific instance.

Corrective Action: The licensee will assure that firearm information is correctly recorded on ATF F 4473 for transfers to nonlicensees.

Reference: Section 5; Worksheet 2 (2012); Exhibit 2

9. **27 CFR 478.125(e)**

Nature of Violation: With regard to Acquisition & Disposition (A&D) records, the licensee had (b)(3) 112 Public L instances of this violation. On (b)(3) 112 Public L occasions, the licensee transferred firearms and failed to generate a corresponding disposition entry in the A&D record.

Licensee's Response: "With our volume, these just got away from us."

Corrective Action: Corrected immediately. The licensee will assure that all records of acquisition and disposition are made within the time limits prescribed by regulation.

Reference: Section 4; Worksheet 1; Exhibit 1

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X

Industry Operations Investigator

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Exhibit 3 – VCAB query re: multiple sales and traces

Exhibit 4 – Multiple sales submitted to NTC

Exhibit 5 – Acknowledgement of Federal Firearms Regulations and Notice of Selling Firearms After Revocation, Expiration, or Surrender of an FFL

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