

Assignment and Report

1. OPERATING NAME AND ADDRESS (INCLUDE ZIP CODE AND COUNTY) Hanover Jewelry & Pawn, Inc. Hanover Jewelry & Pawn 5601-A Carolina Beach Rd. Wilmington, NC 28412, NEW HANOVER		2. U.I. NUMBER (ORG. SEG. CODE, ASSIGNMENT NO., P.P.C.) 763050-2017-0108-B1B	
		3. PERMIT/LICENSE NUMBER 156129029E40966	4a. TARGET DATE 4b. TARGET HOURS
5. REQUESTED BY (SIGNATURE, TITLE AND DATE)			
6. ATF OFFICER(S) ASSIGNED			
(b)(6) - Lead Investigator			
(b)(6) - Assigned Investigator			
7. ASSIGNED BY (SIGNATURE, TITLE AND DATE)			
(b)(6), Area Supervisor, 11/07/2016			
8. PURPOSE/SPECIAL INSTRUCTIONS			
Conduct a full-scope compliance inspection.			
9. INSPECTION RESULTS <input type="checkbox"/> CHECK IF NO VIOLATIONS, ADJUSTMENTS, ETC			
NO. OF VIOLATIONS	5	NO. OF REFERRALS	
NO. OF TECS CHECKS	114	NO. OF TECS HITS	
NO. OF TAX ADJUSTMENTS		\$ VALUE OF TAX INCREASES	
		\$ VALUE OF TAX DECREASES	
NO. OF ASSESSMENTS		\$ VALUE OF ASSESSMENTS	
NO. OF CLAIMS		\$ VALUE OF CLAIMS	
NO. OF TAX PERIODS		\$ VALUE OF TAXES VERIFIED	
		2111 - PER DIEM	
		2112 - P.O.A.	
		2113 - COMM. AIR	
		2114 - RENTAL CAR	
		2115 - GPV EXPENSES	
		2116 - MISC.	
		TOTAL \$ FOR INSP.	
11. ATF OFFICER'S RECOMMENDATION			
Submitted by (b)(6) - Industry Operations Investigator			
Submitted on: 01/17/2017			
Violts WL ONLY and No Recall Inspection			
12. TIME ACCOUNTING DATA			
ATF OFFICER'S NAME (MONTH, YEAR, HOURS) (b)(6)			
NOV 2016		45.00	
DEC 2016		15.00	
JAN 2017		1.00	
ATF OFFICER'S SUBTOTAL		61.00	ATF OFFICER'S SIGNATURE
ATF OFFICER'S NAME (MONTH, YEAR, HOURS) (b)(6)			
NOV 2016		18.00	
ATF OFFICER'S SUBTOTAL		18.00	ATF OFFICER'S SIGNATURE
TOTAL HOURS		79.00	
13. REVIEW AND ROUTING			
REVIEW COMMENTS AND RECOMMENDATION			
Violts WL ONLY and No Recall Inspection			
<input checked="" type="checkbox"/> REVIEWED <input checked="" type="checkbox"/> CONCUR <input type="checkbox"/> SEE COMMENTS <input checked="" type="checkbox"/> FINAL DISPOSITION			
SIGNATURE AND TITLE		REVIEW DATE	
(b)(6) - Area Supervisor (b)(6)		01/17/2017	

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ROUTING SEQUENCE AND DATE

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

CONTROL FILE POSTED DATE _____

Report of Violations

Instructions

Please write firmly with a ball point pen when completing this form. ATF officers will prepare this form in triplicate. The original copy will be given to the proprietor or a responsible representative. The remaining copies will be submitted with the completed inspection report. Supervisors will detach one copy from the completed report for their files.

Name of Proprietor Hanover Jewelry & Pawn, Inc. Hanover Jewelry & Pawn	Street Address 5601-A Carolina Beach Rd.	City Wilmington	State NC	Zip Code 28412-	County NEW HANOVER	Page 1 of 4 Pages
License/Permit/Registry Number <i>(If any)</i> 156129029E40966		Expiration Date		Date(s) or Period of Inspection 11/14/2016 through 11/16/2016		

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 by the licensee, in ⁹ instances, to timely record the disposition of a firearm in the A&D Record or disposition not reconciled of a firearm.

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

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

The licensee was advised of the errors and was instructed to ensure future compliance. The licensee immediately updated the A&D Record according to 4473s located documenting the sale/transfer of the firearms. The licensee was instructed that the disposition of a firearm to a licensee or non-licensee must be documented in the Record of Acquisition and Disposition, not later than 7 days following the transaction, when the Form 4473 is retained separately from the licensee's Form 4473 file and readily available for inspection. IOI (b)(6) recommended best practice is to record the disposition immediately.

The licensee was advised of the missing firearms. The licensee attempted to locate the firearm or a completed ATF Form 4473 to no avail. Internal records were researched to include US Postal Service Statements of Shipper of Firearms Forms. Contact was made with an FFL that the Beretta was suspected to have been shipped to and further research is ongoing. A Theft/Loss Report regarding the firearms missing from inventory was completed and forwarded to ATF on 11/15/16. The licensee was instructed to conduct more frequent inventories in order to maintain accurate control of firearms inventory.

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License/Permit/Registry Number <i>(If any)</i> 156129029E40966		Expiration Date		Date(s) or Period of Inspection 11/14/2016 through 11/16/2016		

Inspection Results

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

Citation: 27 CFR 478.125(e)

Number: 2

Nature of Violation:

Failure by the licensee, on █ of 321 ATF Forms 4473 reviewed, to record the initial response to a NICs check prior to the transfer of a firearm to a non-licensee.

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

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 was advised of the errors and was instructed to ensure future compliance. The licensee will ensure that all required NICS information is documented completely and accurately prior to the transfer of a firearm to a non-licensee.

U.S. Department of Justice

Bureau of Alcohol, Tobacco, Firearms and Explosives

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Name of Proprietor Hanover Jewelry & Pawn, Inc. Hanover Jewelry & Pawn	Street Address 5601-A Carolina Beach Rd.	City Wilmington	State NC	Zip Code 28412-	County NEW HANOVER	Page 3 of 4 Pages
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License/Permit/Registry Number (If any) 156129029E40966	Expiration Date	Date(s) or Period of Inspection 11/14/2016 through 11/16/2016
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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: 3

Nature of Violation:
Failure by the licensee, on **(b)(7)** of 321 ATF Forms 4473 reviewed, to obtain complete and/or accurate information from the transferee in Section A of the Form 4473 prior to the transfer of a firearm to a non-licensee.
(b)(3) 112 Public Law 55 125 STAT 552 (b)(6)


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 was advised of the errors and instructed to ensure future compliance. IOI **(b)(6)** encouraged the licensee to review the ATF Form 4473 for accuracy and completeness prior to the transfer of a firearm to a non-licensee, and to conduct an additional review of the ATF Forms 4473 on a weekly basis.

May 9 2019 Document Production

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For Official Use Only

ATF E-Form 5030 5
Revised April 2005

Report of Violations

Instructions

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License/Permit/Registry Number <i>(If any)</i> 156129029E40966		Expiration Date		Date(s) or Period of Inspection 11/14/2016 through 11/16/2016		

Inspection Results

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

Number: 4

Nature of Violation:

Failure by the licensee on ^{DOY} of 321 ATF Forms 4473 reviewed, to record a valid form of Government issued photo ID, or a combination of Government issued ID documents supplemental to the photo ID, prior to the transfer of a firearm to a non-licensee. The licensee is required to record in Block 20a / Block 20b all Government issued ID which establishes the identity, place of residence and age of the purchaser.

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

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

Number: 5

Nature of Violation:

Failure by the licensee, on ^{DOY} of 321 ATF Forms 4473 reviewed, to record accurate information in Section D of the ATF Form 4473 prior to the transfer of a firearm to a non-licensee.

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

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 was advised of the errors and was instructed to ensure future compliance. The licensee was instructed to establish the identify, place of residence and date of birth and to record the type, ID number and any expiration of the ID on the ATF Form 4473. A combination of government issued documents may be used and documented on the form as supplemental to the photo Id when the ID does not show the current residence address as listed by the purchaser in Section A.

Date Corrections to be Made:

(If not corrected immediately)

Corrective Action to be Taken:

(If not corrected immediately)

The licensee was advised of the error and was instructed to ensure future compliance. IOI (b)(6) recommended a secondary review of the ATF Form 4473 for accuracy and completeness.

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

Date

Signature and Title of ATF Officer

Date



U.S. Department of Justice

Bureau of Alcohol, Tobacco,
Firearms and Explosives
1801 Stanley Road, Suite 300
Greensboro, NC 27407

January 18, 2016

www.atf.gov

763050 (b)(6)
5373

WARNING LETTER

CERTIFIED RETURN RECEIPT REQUESTED

Mr. Peter C. Babinski
Hanover Jewelry & Pawn, Inc.
5601-A Carolina Beach Rd.
Wilmington, NC 28412

RE: I-56-129-02-9E-40966

Dear Mr. Babinski:

During a recent inspection of your firearms business, covering the period November 14, 2015 through November 14, 2016, you were 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.

All violations were fully explained to you by Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) Industry Operations Investigators (b)(6). 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 is conditioned upon your compliance with Federal laws and regulations. Any future violations, either repeat or otherwise, could be viewed as willful and may result in the revocation of your license. Please ensure that future compliance is achieved.

Mr. Peter C. Babinski
Hanover Jewelry & Pawn, Inc.

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

Sincerely yours,

(b)(6)

Area Supervisor

Enclosure

c: Federal Firearms Licensing Center

FIREARMS INSPECTION REPORT

Name: Hanover Jewelry & Pawn, Inc.
Trade Name: Hanover Jewelry & Pawn

UI#: 763050-2017-0108-B1B
FFL#: 1-56-129-02-9E-40966

Address: 5601-A Carolina Beach Rd.
Wilmington, NC 28412 (New Hanover County)

Phone: (910) 793-1205

Email: hanover_pawn_trader@yahoo.com

Hours: 9:00 a.m. to 6:00 p.m. Monday through Friday, 10:00 a.m. to 4:00 p.m. Saturday and closed Sunday.

1 - Introduction

Inspection Profile:

On 11/14/16, 11/15/16 and 11/16/16, Industry Operations Investigators (IOI) (b)(6) conducted an unannounced onsite compliance inspection of Hanover Jewelry & Pawn, Inc., d/b/a Hanover Jewelry & Pawn, a Type 02 Pawnbroker of Firearms other than Destructive Devices, FFL# 1-56-129-02-9E-40966. Peter C. Babinski, aka "Pete" Babinski, President and responsible person, was positively identified by his North Carolina Driver's License, NCDL # (b)(6), expiration 8/8/2017. The inspection scope was 11/14/15 through 11/14/16.

Business Profile:

Hanover Jewelry & Pawn, Inc., d/b/a Hanover Jewelry & Pawn, operates as a mid-volume firearms dealer/pawnbroker, pawning, buying and selling new and used firearms and ammunition. The licensed premises are a commercial space located in a strip shopping center in an urban business district of Wilmington, NC. Retail firearms are displayed in locked glass gun cases and along racks on the wall behind the sales counter during business hours. Pawned firearms are located in the rear of the store on racks, shelves and within two commercial safes. Approximately (b)(4) firearms have been acquired and (b)(4) firearms disposed in the last 12 months. Handguns account for approximately (b)(4)% of the business and longguns account for approximately (b)(4)%, with (b)(4)% being used firearms and (b)(4)% being new firearms. The business is retail with primary suppliers (b)(4). Hanover Jewelry & Pawn does not participate in gun shows. The licensee rarely conducts internet sales on gunbroker.com but does advertise firearms on Armslist for in-store purchase. The business does not maintain a website, but has a Facebook presence. In addition to firearms, Hanover Jewelry & Pawn operates as a traditional pawn shop, dealing in bikes, tools, televisions, gaming equipment, jewelry and musical equipment on pawn and for sale. Additional services of bill pay and precious metal buying is offered to clients. Hanover Jewelry & Pawn is licensed with State of

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NC as a pawnbroker and has held a ATF Type 02 license since 4/7/1998. The premises are on a monitored alarm system which detects motion, vibration, door contacts and has a night vision camera system recording on a monthly basis. The glass store front is gated/barred. There is no off site storage. The licensee also operates a second licensed premises, Cape Fear Pawn, LLC, at 6001-6 Castle Hayne Road, Castle Hayne, NC, FFL # 1-56-129-02-9H-08839.

Ownership and Control:

Hanover Jewelry & Pawn, Inc., d/b/a Hanover Jewelry & Pawn is a corporation registered with the North Carolina Department of Secretary of State Corporations Division as current/active status with annual report filings as of 6/9/15. Peter C. Babinski is the President with Russell Ledbetter and (b)(6) listed as officers. Peter Babinski holds the majority of stock ownership. There have been no unreported changes in ownership. Hidden ownership is not suspected. Peter Babinski and Russell Ledbetter are listed as responsible persons on the license. RP Babinski and Ledbetter were run in NCIC with negative results. **NOTE: An update to the residential address for Peter Babinski is requested in the FLS database as follows: (b)(6)**
An update to the residential phone number for Peter Babinski is requested in the FLS database as follows: (b)(6)

Variance:

Hanover Jewelry & Pawn holds a recordkeeping variance, issued for the use electronic A&D records on 3/4/2004.

2 - Recommendation

Violations, Warning Letter only and No Recall.

3 - Inspection History

There have been no inspections within the last five years. The last two inspections are as follows:

Date of Inspection: 5/25/05, IOI (b)(6)
Type of Inspection: Compliance Inspection
UI#: 763050-2005-0094
Inspection Results: No Violations
Cited Violations: None

Date of Inspection: 3/12/07, IOI (b)(6)
Type of Inspection: Compliance Inspection

FIREARMS INSPECTION REPORT

Name: Hanover Jewelry & Pawn, Inc.
Trade Name: Hanover Jewelry & Pawn

UI#: 763050-2017-0108-B1B
FFL#: 1-56-129-02-9E-40966

UI#: 763050 2007-0139
Inspection Results: ROV only, no recall

Cited Violations: 27 CFR 478.125(e) – A&D missing/incorrect firearm description information on [REDACTED] occasions.

27 CFR 478.102(b), 27 CFR 478.124(c)(3)(iv) – ATF Form 4473 missing NICS information on [REDACTED] occasion.

27 CFR 478.124(c)(1), 27CFR 478.124(c)(3)(iv) – ATF Forms 4473 missing transferee certification date, NICS contact date, NICS response after delay for a total of [REDACTED] occasions.

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

The licensee maintains electronic A&D records through a contracted software program with CompuPawn. The A&D Record contained [REDACTED] open entries. There were 131 firearms found in inventory. A discrepancy list of [REDACTED] firearms were given to the licensee for reconciliation. On 11/15/16, the licensee located [REDACTED] ATF Forms 4473 resulting in [REDACTED] untimely dispositions documented as an A&D violation. Firearms were accounted for in the A&D record by physically comparing the serial number on the firearm to the entry in the A&D record. The record is in the proper format. **(Reference Attachment 2 ROV Violation 1; Attachment 1 Worksheet Inventory and A&D; Exhibit 1 A&D/ Inventory supporting documents)**

Ultimately [REDACTED] remaining firearm dispositions could not be reconciled and were reported as missing following inventory via Theft/Loss Report on 11/15/16, ATF Issued Incident Number [REDACTED], and resulted in [REDACTED] additional untimely dispositions documented as an A&D violation. **(Reference Attachment 2 ROV Violation 1; Attachment 1 Worksheet Inventory and A&D; Exhibit 2 - Theft Loss Report, Exhibit 1 A&D/Inventory supporting documents)** This is also a repeat violation from a compliance inspection in 2007, when [REDACTED] instances of violations of 27 CFR 478.125(e) were documented.

[REDACTED] new firearms were traced through the licensee's required records from acquisition through disposition with no reportable issues found. No trafficking issues were identified. No obliterated serial numbers or illegal firearms were located.

It is standard operating procedure for the licensee to conduct an annual firearms inventory. CompuPawn automatically issues an item/gun number upon the acquisition of a firearm, which is listed on the firearm tag and is referenced on the gun log. All 5 employees make entries in the A&D record. Acquisitions and dispositions are made

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immediately upon taking in a firearm or transferring a firearm. Sales receipts are generated from the point of sale system with customer and firearm description information. (b)(3) (b)(6) personal firearm was located on the premises, and was properly tagged "personal".

As a result of the initial inventory discrepancies and the resulting firearms determined to be missing, IOI (b)(6) recommended more frequent firearms inventories be conducted. Manager (b)(6) agreed and said she will conduct quarterly inventories similar to the method exhibited by the IOIs. RP Peter Babinski stated that as a result of the unrecorded 4473s discovered, a thorough review of all completed 4473s would be conducted by Manager (b)(6) to ensure timely recording of firearms dispositions in the A&D Record.

5 - ATF Forms 4473 – NICS & Other Dispositions

For the scope of the ATF F 4473 review, 11/14/15 through 11/14/16, there were (b)(3) (b)(6) forms on file. The ATF F 4473s were filed by the internal number issued at the time of acquisition of the firearm. A laborious 100% review of the (b)(3) (b)(6) forms was conducted due to searching through thousands of forms to locate those transferred during the scope of the inspection. There were (b)(3) (b)(6) forms with errors located during the review. There were (b)(3) (b)(6) violations cited that related to the ATF Forms 4473. **(Reference Attachment 2 ROV Violations 2, 3, 4, and 5; Attachment 1 Worksheet 2 ATF Forms 4473 (2012); Exhibit 3 ATF Forms 4473 supporting documents)** Violation 2 is a repeat violation from a compliance inspection in 2007, when (b)(3) (b)(6) instances of violations of 27 CFR 478.124(c)(3)(iv) were documented.

On 11/8/16, a FFL NICS Audit Log was conducted. There were 13 denied transactions, 25 proceed responses and no open transaction for the range of 11/8/13 – 11/8/16, which were verified. There were no reportable issues found during the NICS Audit log review.

An ATF F 4473 is executed in transfers to non-licensed purchasers. Pistol purchase permits are retained/documented and NC Concealed Carry Permits are documented on the ATF Form 4473. NICS checks are conducted telephonically. Section A is completed by the purchaser, with the clerk handling the transaction completing Section B and D of the form. IOI (b)(6) recommended that empty lines in Section D, Block 26 through 30 be stricken to avoid pilfering of firearms. RP Peter Babinski stated that clerks on duty double check 4473s for completeness and accuracy. IOI (b)(6) recommended the initialing of the form by those reviewing the 4473 and an additional weekly check by the manager to catch any errors in a timely manner. In order to maintain sequential internal acquisition numbers, all firearms transferred to other licensees are documented on a 4473 with the name of the FFL written across the front page, documenting the internal gun number and Section B enumerates each firearm

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transferred. The licensee maintains a file of certified FFL licenses and is aware of FFL EZ Check. No transfers to law enforcement officers were located. The licensee does not conduct pre-pawn NICS checks.

6 - Multiple Sales

There were (b)(6) multiple sales reported for the scope of the inspection on the VCAB Report. There were no unreported multiple sales found during the inspection. The point of sale system triggers a notification to the clerk regarding other recent firearms sales and the Multiple Handgun Sales Report is prepared and submitted by close of business day.

7 - Suspicious/Prohibited Purchasers

There were 2 suspicious purchasers identified during the inspection.

Suspicious Purchasers, NCIC Query:

(b)(3) Pub law 112-55 125 Stat. 552, (b)(6)



8 - Trace Activity

On 11/8/16, a Firearms Trace History report was performed by the Violent Crime Analysis Branch. The scope of the query was 11/8/13 – 11/8/16. According to the VCAB report, Hanover Jewelry & Pawn (FFL #1-56-129-02-9E-40966) was associated with (b)(6) firearm trace requests, both successfully traced. None of the traces occurred in the last year. There were (b)(6) reported multiple handgun sales, involving (b)(6) firearms.

During the inspection, the FFL was involved in a loss report for (b)(6) firearms determined to be missing following the compliance inspection inventory, ATF Form 3310.11, Incident Number (b)(3) Pub law 112-55 125 Stat. 552, involving (b)(6) firearms was submitted. Persistence and research on the part of the licensee resulted in obtaining confirmation of shipment and transfer of the (b)(3) Pub law 112-55 125 Stat. 552, listed as missing on the Loss Report. The FFL determined the firearm was shipped to Ike's Gun Shop on 7/29/13. IOI (b)(6) confirmed the transfer telephonically with Edward Turner of Ike's Gun Shop in Gibbstown, NJ. IOI (b)(6) contacted the ATF Stolen Firearms Branch to have the Beretta removed as missing due to inventory.

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On 11/15/16, IOI (b)(6) conducted a NCIC query for all 112 serialized secondary market firearms found in inventory with (b)(6) result: (b)(6), (b)(7)(C)

(b)(6) NHCSO did not take custody of the firearm at that time, and the firearm has remained in the safe in the back of the store. IOI (b)(6) contacted New Hanover County Sheriff's Office and requested an deputy retrieve the stolen property. On 11/15/16 Deputy (b)(6) took the firearm into custody and the A&D Record was updated with the disposition.

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

9 - NFA/Importer/Collector/Manufacturer

There were no NFA weapons found during the inspection. According to a NFA Records Search conducted on 11/8/16, the NFA branch does not have a record of any being registered. This licensee does not have an NFA tax stamp, nor are they an importer, a collector or a manufacturer.

10 - Referrals

There were no inspection-related referrals generated during the compliance inspection.

11 - Other

The licensee is in compliance with the Youth Handgun Safety Act and the Child Safety Act Law. The licensee is in compliance with NC GS 14-315 poster and distribution of notification.

12 - Closing Actions

On 11/16/16, IOI (b)(6) met with Mr. Babinski and store manager (b)(6) and executed the closing conference. Mr. Babinski was issued a Report of Violations on ATF F 5030.5. (Attachment 2) See item 13 below for a breakdown of the violations cited. Mr. Babinski acknowledged receipt of the Report of Violations and certified that he received a copy. A full review of ATF laws and regulations were discussed with Mr. Babinski and store manager (b)(6) per the Acknowledgement of Federal Firearms

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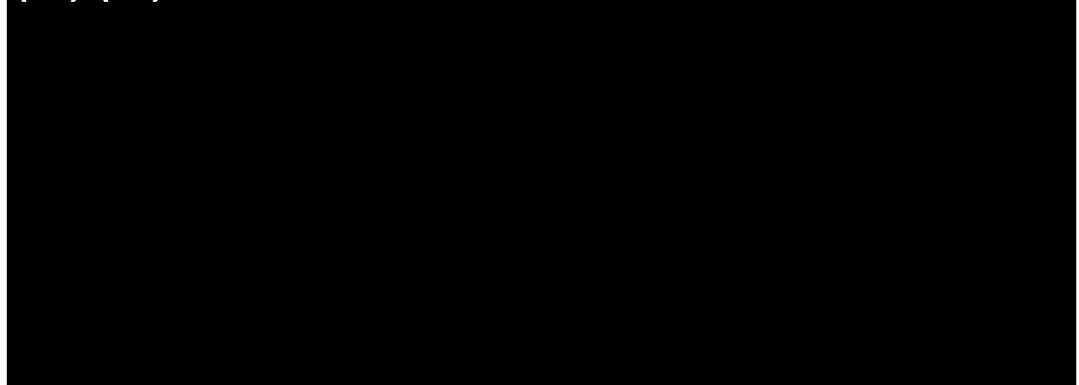
Regulations Form. Mr. Babinski certified receipt by signing the Acknowledgement of Federal Firearms Regulations Form. **(Exhibit 4 AFFR)** The licensee was provided with a link to the 2014 Federal Firearms Regulations as well as copies of additional firearms regulations documents.

13 - Violations

1. 27 CFR 478.125(e) REPEAT VIOLATION CITED ON 3/14/07

Nature of the violation: Failure by the licensee, in ^{DOI} instances, to timely record the disposition of a firearm in the A&D Record or disposition not reconciled of a firearm.

(b)(3) Pub law 112-55 125 Stat. 552



Licensee's Response: The licensee stated he was "disappointed with the results of the inventory". The licensee immediately instated new procedures of review of the A&D to avoid further untimely dispositions. The licensee conducted research resulting in confirmation of shipment and transfer of the Beretta, s/n PY61670 to FFL Ike's Guns on 7/29/13. IOI **(b)(6)** confirmed the transfer telephonically with Edward Turner of Ike's Gun Shop in Gibbstown, NJ.

Corrective Action: The licensee was advised of the errors and was instructed to ensure future compliance. The licensee immediately updated the A&D Record according to 4473s located documenting the sale/transfer of the firearms. The licensee was instructed that the disposition of a firearm to a licensee or non-licensee must be documented in the Record of Acquisition and Disposition, not later than 7 days following the transaction, when the Form 4473 is retained separately from the licensee's Form 4473 file and readily available for inspection. IOI **(b)(6)** recommended best practice is to record the disposition immediately.

The licensee was advised of the missing firearms. The licensee attempted to locate the firearm or a completed ATF Form 4473 to no avail. Internal records were researched to include US Postal Service Statements of Shipper of Firearms Forms. Contact was made

FIREARMS INSPECTION REPORT

Name: Hanover Jewelry & Pawn, Inc.
Trade Name: Hanover Jewelry & Pawn

UI#: 763050-2017-0108-B1B
FFL#: 1-56-129-02-9E-40966

with an FFL that the (b)(3) Pub law 112-55 was suspected to have been shipped to and further research is ongoing. A Theft/Loss Report regarding the firearms missing from inventory was completed and forwarded to ATF on 11/15/16. The licensee was instructed to conduct more frequent inventories in order to maintain accurate control of firearms inventory.

Reference: Attachment 1 Inventory/A&D Review Worksheet and Exhibit 1

2. **27 CFR 478.124(c)(3)(iv) REPEAT VIOALTION CITED ON 3/14/07**

Nature of Violation: Failure by the licensee, on (b)(3) of (b)(3) Pub ATF Forms 4473 reviewed, to record the initial response to a NICs check prior to the transfer of a firearm to a non-licensee.

(b)(3) Pub law 112-55 125 Stat. 552

Licensee's Response: The licensee stated this was an oversight and was surprised that the current second check of the ATF Form 4473 by a co-worker at the time of transfer did not catch the missing NICS information. The licensee stated he would instate a third check by himself or the manager to avoid this error in the future.

Corrective Action: The licensee was advised of the errors and was instructed to ensure future compliance. The licensee will ensure that all required NICS information is documented completely and accurately prior to the transfer of a firearm to a non-licensee.

Reference: Attachment 1 ATF F 4473 (2012) Review Worksheet and Exhibit 3

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

Nature of Violation: Failure by the licensee, on (b)(3) of (b)(3) Pub ATF Forms 4473 reviewed, to obtain complete and/or accurate information from the transferee in Section A of the Form 4473 prior to the transfer of a firearm to a non-licensee.

(b)(3) Pub law 112-55 125 Stat. 552, (b)(6)

FIREARMS INSPECTION REPORT

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FFL#: 1-56-129-02-9E-40966

Licensee's Response: The licensee stated these errors were an oversight. In addition to instating a third check of the ATF Forms 4473 by himself or the manager, he also ordered a 4473 template from the National Shooting Sports Foundation to overlay each completed 4473 at the time of transfer.

Corrective Action: The licensee was advised of the errors and instructed to ensure future compliance. IOI (b)(6) encouraged the licensee to review the ATF Form 4473 for accuracy and completeness prior to the transfer of a firearm to a non-licensee, and to conduct an additional review of the ATF Forms 4473 on a weekly basis.

Reference: Attachment 1 ATF Form 4473 Review Worksheet and Exhibit 3

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

Nature of Violation: Failure by the licensee on [redacted] of [redacted] ATF Forms 4473 reviewed, to record a valid form of Government issued photo ID, or a combination of Government issued ID documents supplemental to the photo ID, prior to the transfer of a firearm to a non-licensee. The licensee is required to record in Block 20a / Block 20b all Government issued ID which establishes the identity, place of residence and age of the purchaser.

(b)(3) Pub law 112-55 125 Stat. 552, (b)(6)

Licensee's Response: The licensee stated that he has met with all employees and reviewed the procedure to ensure Block 2 of the form is the same address on the Driver's License produced at the time of transfer. Additional instruction was given to the employees to document additional government issued ID in 20b to establish place of residence.

Corrective Action: The licensee was advised of the errors and was instructed to ensure future compliance. The licensee was instructed to establish the identity, place of residence and date of birth and to record the type, ID number and any expiration of the ID on the ATF Form 4473. A combination of government issued documents may be used and documented on the form as supplemental to the photo ID when the ID does not show the current residence address as listed by the purchaser in Section A.

Reference: Attachment 1 ATF Form 4473 Review Worksheet and Exhibit 3

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

FIREARMS INSPECTION REPORT

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Nature of Violation: Failure by the licensee, on [redacted] of [redacted] ATF Forms 4473 reviewed, to record accurate information in Section D of the ATF Form 4473 prior to the transfer of a firearm to a non-licensee.

(b)(3) Pub law 112-55 125 Stat. 552, (b)(6)

Licensee's Response: The licensee stated this was an oversight on the part of a former employee. The licensee stated he personally reviewed the ATF Forms 4473 which had errors with all of the current staff.

Corrective Action: The licensee was advised of the error and was instructed to ensure future compliance. IOI (b)(6) recommended a secondary review of the ATF Form 4473 for accuracy and completeness.

Reference: Attachment 1 ATF Form 4473 Review Worksheet and Exhibit 3

X

Industry Operations Investigator

Index of Worksheets and Exhibits

Attachment 1: Worksheet Inventory/A&D Review and ATF Form 4473 Review

Attachment 2: ROV

Exhibit 1: A&D/Inventory supporting documents

Exhibit 2: Theft/Loss Report

Exhibit 3: ATF Forms 4473 supporting documents

Exhibit 4: AFFR